

***NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO***

AUDIT REPORT

FOR THE YEARS ENDED DECEMBER 31, 2013 & 2012





Dave Yost • Auditor of State

Board of Trustees
New Straitsville Public Library
P.O. Box 8
New Straitsville, Ohio 43766

We have reviewed the *Independent Auditor's Report* of the New Straitsville Public Library, Perry County, prepared by Charles E. Harris & Associates, Inc., for the audit period January 1, 2012 through December 31, 2013. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The New Straitsville Public Library is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Dave Yost".

Dave Yost
Auditor of State

June 25, 2014

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NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
Audit Report
For the Years Ended December 31, 2013 and 2012

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT

New Straitsville Public Library
Perry County
P.O. Box 8
New Straitsville, Ohio 43766

To the Board of Trustees:

Report on the Financial Statements

We have audited the accompanying financial statements and related notes of the New Straitsville Public Library, Perry County, (the Library) as of and for the years ended December 31, 2013 and 2012.

Management's Responsibility for the Financial Statements

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Library's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Library's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinions.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1 of the financial statements, the Library prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03, which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2013 and 2012, or changes in financial position for the years then ended.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined cash balances of the New Straitsville Public Library, Perry County, as of December 31, 2013 and 2012, and its combined cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit, described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 13, 2014, on our consideration of the Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Library's internal control over financial reporting and compliance.



Charles E. Harris & Associates, Inc.

June 13, 2014

**NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
For the Year Ended December 31, 2013**

	2013
Receipts:	
Library and Local Government	\$ 94,605
Patron Fines and Fees	784
Contributions, Gifts and Donations	431
Miscellaneous	168
Total Receipts	95,988
Disbursements:	
Library Services	92,454
Total Disbursements	92,454
Total Receipts Over/(Under) Disbursements	3,534
Other Financing Sources/(Uses):	
Sale of Capital Assets	195
Total Other Financing Sources/(Uses)	195
Excess of Receipts and Other Sources Over/(Under) Disbursements and Other Uses	3,729
Fund Cash Balance, January 1, 2013	29,873
Fund Balance: Unassigned	33,602
Fund Cash Balance, December 31, 2013	\$ 33,602

See Accompanying Notes to the Financial Statements.

**NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
For the Year Ended December 31, 2012**

	2012
Receipts:	
Library and Local Government	\$ 92,407
Patron Fines and Fees	1,122
Contributions, Gifts and Donations	252
Miscellaneous	1,242
Total Receipts	95,023
Disbursements:	
Library Services	108,499
Total Disbursements	108,499
Total Receipts Over/(Under) Disbursements	(13,476)
Other Financing Sources/(Uses):	
Sale of Capital Assets	396
Total Other Financing Sources/(Uses)	396
Excess of Receipts and Other Sources Over/(Under) Disbursements and Other Uses	(13,080)
Fund Cash Balance, January 1, 2012	42,953
Fund Balance: Unassigned	29,873
Fund Cash Balance, December 31, 2012	\$ 29,873

See Accompanying Notes to the Financial Statements.

**NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. DESCRIPTION OF THE ENTITY

The New Straitsville Public Library, Perry County (the Library), is a school district free public library established by resolution adopted by the Board of Education of the Southern Local School District, Perry County, to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio and by Ohio Rev. Code Sections 3375.33 through 3375.41. The Library is directed by an appointed seven-member board of Trustees. The Library provides the community with various educational and literary resources.

The Library's management believes this financial statement presents all activities for which the Library is financially accountable.

B. BASIS OF ACCOUNTING

These financial statements follow the accounting basis the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Library recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved.)

These statements include adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. DEPOSITS AND INVESTMENTS

The Fiscal Officer deposits all available funds of the Library in a checking account. The Library has no investments.

D. FUND ACCOUNTING

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its funds into the following type.

**NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

D. FUND ACCOUNTING - (Continued)

General Fund: The general fund reports all financial resources except those required to be accounted for in another fund.

E. BUDGETARY PROCESS

The Ohio Revised Code requires that each fund be budgeted annually.

Appropriations

The Board must annually approve appropriation measures and subsequent amendments. Appropriations lapse at year end. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the object level of control.

A summary of 2013 and 2012 budgetary activity appears in Note 3.

F. PROPERTY, PLANT, AND EQUIPMENT

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

G. FUND BALANCES

Fund balance is divided into five classifications based primarily on the extent to which the Library is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

Nonspendable

The nonspendable fund balance category includes amounts that cannot be spent because they are not in spendable form, or legally or contractually required to be maintained intact.

**NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

G. FUND BALANCES – (Continued)

Restricted

Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

Committed

The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Board. Those committed amounts cannot be used for any other purpose unless the Board removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

Assigned

Amounts in the assigned fund balance classification are intended to be used by the Library for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by the Board, which includes giving the Fiscal Officer the authority to constrain monies for intended purposes.

Unassigned

Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - (Continued)

H. FUND BALANCES – (Continued)

The Library applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

2. EQUITY IN POOLED CASH AND CASH EQUIVALENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2013	2012
Demand Deposits	\$33,602	\$29,873
Total Deposits	\$33,602	\$29,873

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2013 and 2012 follows:

<u>2013 Budgeted vs Actual Receipts</u>			
	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$ 95,050	\$ 96,183	\$ 1,133

<u>2013 Budgeted vs Actual Budgetary Basis Disbursements</u>			
	Appropriation Authority	Budgetary Disbursements	Variance
General Fund	\$ 124,801	\$ 92,454	\$ 32,347

<u>2012 Budgeted vs Actual Receipts</u>			
	Budgeted Receipts	Actual Receipts	Variance
General Fund	\$ 100,419	\$ 95,419	\$ (5,000)

<u>2012 Budgeted vs Actual Budgetary Basis Disbursements</u>			
	Appropriation Authority	Budgetary Disbursements	Variance
General Fund	\$ 141,946	\$ 108,499	\$ 33,447

NEW STRAITSVILLE PUBLIC LIBRARY
PERRY COUNTY, OHIO
Notes to the Financial Statements
For the Years Ended December 31, 2013 and 2012

4. GRANTS-IN-AID

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The State allocates LLGSF to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on of any additional revenues the Library receives.

5. RETIREMENT SYSTEM

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a state operated, cost sharing, multiple employer plan. These plans provide retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are prescribed by the Ohio Revised Code. For 2013 and 2012 OPERS, members contributed 10.00% of their gross pay while the Library contributed an amount equal to 14.00% of covered payroll. The Library has paid all required contributions through 2013.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Directors and Officers Liability
- Employee Dishonesty

There have been no significant reductions in insurance coverage from the prior fiscal years and settled claims have not exceeded this commercial coverage in any of the last three years.

The Library pays the State Worker's Compensation System a premium based on a rate per \$100 of salaries. The rate is calculated based on accident history and administrative costs.

7. CONTINGENT LIABILITIES/SUBSEQUENT EVENTS

Management believes there are no pending claims or lawsuits.

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Charles E. Harris & Associates, Inc.
Certified Public Accountants

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY
GOVERNMENT AUDITING STANDARDS

New Straitsville Public Library
Perry County
P.O. Box 8
New Straitsville, Ohio 43766

To the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the New Straitsville Public Library, Perry County, (the Library) as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements and have issued our report thereon dated June 13, 2014, wherein we noted the Library followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03 permit.

Internal Control Over Financial Reporting

As part of our financial statement audit, we considered the Library's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinions on the financial statements, but not to the extent necessary to opine on the effectiveness of the Library's internal control. Accordingly, we have not opined on it.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Library's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

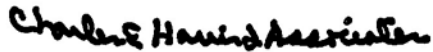
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, opining on compliance with those provisions was not an objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

Purpose of this Report

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Library's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Library's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Charles E. Harris & Associates, Inc.

June 13, 2014

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Dave Yost • Auditor of State

NEW STRAITSVILLE PUBLIC LIBRARY

PERRY COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JULY 8, 2014**