



Mary Taylor, CPA
Auditor of State

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2004	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Fund - For the Year Ended December 31, 2004	6
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Governmental Fund Types - For the Year Ended December 31, 2003	7
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – Nonexpendable Trust Fund - For the Year Ended December 31, 2003	8
Notes to the Financial Statements	9
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	13

THIS PAGE INTENTIONALLY LEFT BLANK.



Mary Taylor, CPA
Auditor of State

Columbiana Public Library
Columbiana County
332 North Middle Street
Columbiana, OH 44408

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

Mary Taylor

Mary Taylor, CPA
Auditor of State

August 14, 2007

THIS PAGE INTENTIONALLY LEFT BLANK.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Columbiana Public Library
Columbiana County
332 North Middle Street
Columbiana, OH 44408

To the Board of Trustees:

We have audited the accompanying financial statements of Columbiana Public Library, Columbiana County, (the Library) as of and for the years ended December 31, 2004 and 2003. These financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. The Library processes its financial transactions with the Auditor of State's Uniform Accounting Network (UAN). *Government Auditing Standards* considers this service to impair the independence of the Auditor of State to audit the Library because the Auditor of State designed, developed, implemented, and as requested, operates UAN. However, *Government Auditing Standards* permits the Auditor of State to audit and opine on this entity, because Ohio Revised Code § 117.101 requires the Auditor of State to provide UAN services, and Ohio Revised Code §§ 117.11(B) and 115.56 mandate the Auditor of State to audit Ohio governments. We believe our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Library to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Library has elected not to reformat its statements. Since this Library does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293

Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949

www.auditor.state.oh.us

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserves for encumbrances of Columbiana Public Library, Columbiana County, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the year ended December 31, 2004. The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated August 14, 2007, 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. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Mary Taylor, CPA
Auditor of State

August 14, 2007

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2004**

	<u>All Government Fund Types</u>		<u>Totals (Memorandum Only)</u>
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Library and Local Government Support	\$613,856		613,856
Patron Fines and Fees	30,590		30,590
Contributions, Gifts and Donations	10,416		10,416
Earnings on Investments	7,158		7,158
Miscellaneous	11,246		11,246
	<hr/>		<hr/>
Total Cash Receipts	<u>673,266</u>	<u>0</u>	<u>673,266</u>
Cash Disbursements:			
Current:			
Salaries	269,290		269,290
Employee Fringe Benefits	53,529		53,529
Purchased and Contractual Services	86,455		86,455
Library Materials and Information	142,288		142,288
Supplies	18,596		18,596
Other	2,721		2,721
Capital Outlay	17,810	104,087	121,897
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	<u>590,689</u>	<u>104,087</u>	<u>694,776</u>
Total Receipts Over/(Under) Disbursements	<u>82,577</u>	<u>(104,087)</u>	<u>(21,510)</u>
Other Financing Receipts / (Disbursements):			
Transfers-In		200,000	200,000
Transfers-Out	(200,000)		(200,000)
Other Financing Sources	110		110
Other Financing Uses	(12)		(12)
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts / (Disbursements)	<u>(199,902)</u>	<u>200,000</u>	<u>98</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(117,325)	95,913	(21,412)
Fund Cash Balances, January 1	<u>518,853</u>	<u>171,730</u>	<u>690,583</u>
Fund Cash Balances, December 31	<u>\$401,528</u>	<u>\$267,643</u>	<u>\$669,171</u>
Reserve for Encumbrances, December 31	<u>\$1,726</u>	<u>\$0</u>	<u>\$1,726</u>

The notes to the financial statements are an integral part of this statement.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2004**

	Fiduciary Fund Types
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$934
Total Operating Cash Receipts	934
Operating Cash Disbursements:	
Library Materials and Information	1,569
Total Operating Cash Disbursements	1,569
Operating Income	(635)
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	(635)
Net Receipts Over/(Under) Disbursements	(635)
Fund Cash Balances, January 1	67,708
Fund Cash Balances, December 31	\$67,073
Reserve for Encumbrances, December 31	\$0

The notes to the financial statements are an integral part of this statement.

COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL GOVERNMENTAL FUND TYPES
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>Governmental Fund Types</u>		Totals (Memorandum Only)
	<u>General</u>	<u>Capital Projects</u>	
Cash Receipts:			
Library and Local Government Support	\$550,645		\$550,645
Patron Fines and Fees	25,075		25,075
Services Provided to Other Entities	5		5
Contributions, Gifts and Donations	4,001		4,001
Earnings on Investments	4,156	\$13,346	17,502
Miscellaneous	6,449		6,449
	<u>590,331</u>	<u>13,346</u>	<u>603,677</u>
Total Cash Receipts			
	<u>590,331</u>	<u>13,346</u>	<u>603,677</u>
Cash Disbursements:			
Current:			
Salaries	233,179		233,179
Employee Fringe Benefits	51,472		51,472
Purchased and Contractual Services	71,406		71,406
Library Materials and Information	129,297		129,297
Supplies	17,084		17,084
Other	4,545		4,545
Capital Outlay	8,744	1,152,255	1,160,999
	<u>515,727</u>	<u>1,152,255</u>	<u>1,667,982</u>
Total Cash Disbursements			
	<u>515,727</u>	<u>1,152,255</u>	<u>1,667,982</u>
Total Receipts Over/(Under) Disbursements	<u>74,604</u>	<u>(1,138,909)</u>	<u>(1,064,305)</u>
Other Financing Receipts and (Disbursements):			
Advances-In	13,938		13,938
Advances-Out		(13,938)	(13,938)
Other Financing Uses	(135)		(135)
	<u>13,803</u>	<u>(13,938)</u>	<u>(135)</u>
Total Other Financing Receipts/(Disbursements)			
	<u>13,803</u>	<u>(13,938)</u>	<u>(135)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	88,407	(1,152,847)	(1,064,440)
Fund Cash Balances, January 1, Restated (See Note 7)	<u>430,446</u>	<u>1,324,577</u>	<u>1,755,023</u>
Fund Cash Balances, December 31	<u>\$518,853</u>	<u>\$171,730</u>	<u>\$690,583</u>
Reserves for Encumbrances, December 31	<u>\$28,201</u>	<u>\$69,880</u>	<u>\$98,081</u>

The notes to the financial statements are an integral part of this statement.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - NONEXPENDABLE TRUST FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	Fiduciary Fund Types
	Nonexpendable Trust
Operating Cash Receipts:	
Earnings on Investments	\$0
Total Operating Cash Receipts	0
Operating Cash Disbursements:	
Library Materials and Information	
Total Operating Cash Disbursements	0
Operating Income	0
Excess of Receipts Over/(Under) Disbursements Before Interfund Transfers and Advances	0
Net Receipts Over/(Under) Disbursements	0
Fund Cash Balances, January 1	67,708
Fund Cash Balances, December 31	\$67,708
Reserve for Encumbrances, December 31	\$0

The notes to the financial statements are an integral part of this statement.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The constitution and laws of the State of Ohio establish the rights and privileges of the Columbiana Public Library, Columbiana County, (the Library) as a body corporate and politic. The Columbiana Exempted Village School District appoints a 7-member Board of Trustees to govern the Library. The Library provides the community with various educational and literary resources.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

B. Accounting Basis

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. Cash and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Library values certificates of deposit at cost. Money market mutual funds (including STAR Ohio) and sweep agreements are recorded at share values the mutual funds or bank report.

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 types:

1. General Fund

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

2. Capital Project Fund

This fund accounts for receipts restricted to acquiring or constructing major capital projects (except those financed through enterprise or trust funds). The Library had the following significant capital project fund:

Capital Project Fund: This fund receives earnings on investments and general fund transfers to fund major projects undertaken by the Library.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

3. Non-Expendable Trust Funds

These funds account for assets held under a trust agreement that are legally restricted to the extent that only earnings, not principal, are available to support the Library's programs. The Library had the following significant permanent funds:

Vogleson Trust Fund: This fund's earnings are used to purchase books of travel for the Library.

Burt Trust Fund: This fund's earnings are used to purchase books for the Library.

E. Budgetary Process

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

A summary of 2004 and 2003 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. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. The financial statements do not include a liability for unpaid leave.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	2004	2003
Cash On Hand		\$40
Demand deposits	(\$5,970)	(\$41,031)
Certificates of deposit	62,249	62,000
Total deposits	56,279	20,969
Money Market		544,155
STAR Ohio	131,616	129,841
Sweep Account	548,348	63,286
Total investments	679,964	737,282
Total deposits and investments	\$736,243	\$758,291

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

2. EQUITY IN POOLED CASH AND INVESTMENTS – (Continued)

Deposits: Deposits are insured by the Federal Depository Insurance Corporation; or collateralized by the financial institution's public entity deposit pool.

Investments: Investments in STAR Ohio and sweep agreements are not evidenced by securities that exist in physical or book-entry form.

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2004 and 2003 follows:

2004 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$545,267	\$673,376	\$128,109
Capital Projects	20,000	200,000	180,000
Total	\$565,267	\$873,376	\$308,109

2004 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$627,441	\$792,427	(\$164,986)
Capital Projects	102,380	104,087	(1,707)
Total	\$729,821	\$896,514	(\$166,693)

2003 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$563,359	\$590,331	\$26,972
Capital Projects	36,000	13,346	(22,654)
Total	\$599,359	\$603,677	\$4,318

2003 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$608,537	\$544,063	\$64,474
Capital Projects	2,151,679	122,135	2,029,544
Total	\$2,760,216	\$666,198	\$2,094,018

4. GRANTS-IN-AID AND TAX RECEIPTS

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.

**COLUMBIANA PUBLIC LIBRARY
COLUMBIANA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

5. RETIREMENT SYSTEMS

The Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2004 and 2003, OPERS members contributed 8.5 percent of their gross salaries. The Library contributed an amount equaling 13.55 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2004.

6. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability and
- Errors and omissions.

The Library also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

7. RESTATEMENT OF PRIOR YEAR'S FUND BALANCE

At December 31, 2002, The Library had adjustments made to the General and Capital Projects Fund Balances. Interest posted to the General Fund in 2002 should have been posted to the Capital Projects Fund. The effect on the General and Capital Projects Fund Balances at 12/31/02 is as follows:

	<u>General Fund</u>	<u>Capital Projects Fund</u>
Balance 12/31/02	\$432,144	\$1,322,879
Adjustment	(1,698)	1,698
Balance 1/1/03	\$430,446	\$1,324,577



Mary Taylor, CPA

Auditor of State

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

Columbiana Public Library
Columbiana County
332 North Middle Street
Columbiana, OH 44408

To the Board of Trustees:

We have audited the financial statements of Columbiana Public Library, Columbiana County (the Library) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated August 14, 2007, wherein we noted the Library followed accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. We also noted that the Library uses the Auditor of State's Uniform Accounting Network (UAN) to process its financial transactions. *Government Auditing Standards* considers this service to impair the Auditor of State's independence to audit the Library because the Auditor of State designed, developed, implemented, and, as requested, operates UAN. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Library's management dated August 14, 2007, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

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, providing an opinion 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*.

Voinovich Government Center / 242 Federal Plaza W. / Suite 302 / Youngstown, OH 44503-1293

Telephone: (330) 797-9900 (800) 443-9271 Fax: (330) 797-9949

www.auditor.state.oh.us

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Mary Taylor". The signature is written in a cursive, flowing style.

Mary Taylor, CPA
Auditor of State

August 14, 2007



Mary Taylor, CPA
Auditor of State

COLUMBIANA PUBLIC LIBRARY

COLUMBIANA 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
FEBRUARY 15, 2008**