

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY
Regular Audit
December 31, 2007 and 2006**

Perry & Associates
Certified Public Accountants, A.C.



Mary Taylor, CPA

Auditor of State

Board of Trustees
Portage County Law Library Association
241 South Chestnut St.
Ravenna, Ohio 44266

We have reviewed the *Independent Accountants' Report* of the Portage County Law Library Association, prepared by Perry & Associates, Certified Public Accountants, A.C., for the audit period January 1, 2006 through December 31, 2007. 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.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

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 Portage County Law Library Association is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

March 12, 2009

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**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

January 31, 2009

Portage County Law Library Association
Portage County
241 South Chestnut Street
Ravenna, OH 44266

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the **Portage County Law Library Association, Portage County, Ohio**, (the Library) as of and for the years ended December 31, 2007 and 2006. 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. 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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. 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 GAAP presentation. The Auditor of State permits, but does not require Libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. 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.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the years ended December 31, 2007 and 2006 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, 2007 and 2006 or their 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 fund cash balances of Portage County Law Library Association' general fund and retained monies fund as of December 31, 2007 and 2006, 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 years ended December 31, 2007 and 2006. 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 January 31, 2009, 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.

Respectfully Submitted,

A handwritten signature in black ink that reads "Perry & Associates CPAs A.C." in a cursive script.

Perry and Associates
Certified Public Accountants, A.C.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$ 490,590	\$ -	\$ 490,590
Interest	239	10,905	11,144
Miscellaneous Receipts	2,640	1,631	4,271
Total Cash Receipts	<u>493,469</u>	<u>12,536</u>	<u>506,005</u>
Cash Disbursements:			
Supplies and Materials	325,308	30	325,338
Refunds to Relative Income Sources - See Note 1	140,505	-	140,505
Payroll	14,119	-	14,119
Total Cash Disbursements	<u>479,932</u>	<u>30</u>	<u>479,962</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>13,537</u>	<u>12,506</u>	<u>26,043</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(15,612)	15,612	-
Refunds from Vendors	2,075	-	2,075
Total Other Financing Receipts/(Disbursements)	<u>(13,537)</u>	<u>15,612</u>	<u>2,075</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	-	28,118	28,118
Public Fund Cash Balances, January 1	<u>-</u>	<u>234,217</u>	<u>234,217</u>
Public Fund Cash Balances, December 31	<u><u>\$ -</u></u>	<u><u>\$ 262,335</u></u>	<u><u>\$ 262,335</u></u>

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

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$ 485,327	\$ -	\$ 485,327
Interest	224	6,556	6,780
Miscellaneous Receipts	2,739	609	3,348
Total Cash Receipts	<u>488,290</u>	<u>7,165</u>	<u>495,455</u>
Cash Disbursements:			
Supplies and Materials	337,320	-	337,320
Refunds to Relative Income Sources - See Note 1	123,443	-	123,443
Payroll	14,475	-	14,475
Total Cash Disbursements	<u>475,238</u>	<u>-</u>	<u>475,238</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>13,052</u>	<u>7,165</u>	<u>20,217</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(13,716)	13,716	-
Refunds from Vendors	664	-	664
Total Other Financing Receipts/(Disbursements)	<u>(13,052)</u>	<u>13,716</u>	<u>664</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	-	20,881	20,881
Public Fund Cash Balances, January 1	<u>-</u>	<u>213,336</u>	<u>213,336</u>
Public Fund Cash Balances, December 31	<u><u>\$ -</u></u>	<u><u>\$ 234,217</u></u>	<u><u>\$ 234,217</u></u>

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

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Portage County Law Library Association (the Library) is governed by a board of five trustees. Members of the Portage Bar Association elect annually the board members. The Library provides access to all county officers and the judges of the several courts within the county.

The Library operates by receiving a portion of fine and forfeiture monies from the courts (and any associated interest) under Ohio Revised Code (ORC) 3375.50 to .53, inclusive. ORC 3375.54 authorizes the Library to disburse funds to purchase, lease or rent law books; computer communications consoles to access a system of computerized legal research; microfilm materials and equipment, videotape materials and equipment; audio visual materials and equipment; and other services, materials, and equipment that provide legal information or facilitate legal research.

ORC 3375.49 requires the Portage County Commissioners to provide adequate facilities for the library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hired a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Portage County fix these librarians' compensation pursuant to ORC 3375.48. If the library provides free access to all county officers and the judges of the several courts, the County treasury pays the librarians' salary. If the library does not provide free access, the Library must pay the Librarians' salary.

The Library's management believes these financial statements present all public funds for which the Library is financially accountable. The accompanying financial statements also include private monies, see note 1D.

B. Basis of Accounting

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Cash and Investments

Investments are included in the fund cash balance. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively. The Library values certificates of deposits at cost.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

2. Retained Monies Fund

Retained Monies Fund reports funds the Library retains under ORC 3375.56. At the end of each calendar year the Library may retain up to ten percent of the unencumbered balance. See footnote 2 for additional information. Retained Monies Fund also includes private monies received by the Library. The Library does not segregate private monies from the monies in their Retained Monies Fund.

3. Private Monies

Private monies include membership dues, overdue book charges, and photocopying charges. Fees collected for books and copier usage remain private even though the books and copiers may have been purchased with public funds. Private monies are included in the Retained Monies Fund, as the Library does not segregate private monies from the monies in their Retained Fund.

E. Budgetary Process

The Law Library is not subject to Ohio budgetary law and is not a taxing subdivision.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements. The Library deems computers, copiers, fax machines, and other items related toward facilitating the use of equipment as an expense.

G. Refund to Relative Income Source

If certain conditions are met, ORC 3375.56 requires the Library to refund at least ninety percent of any unencumbered balance to political subdivisions that provided the revenues to the Library. See Footnote 2 for additional information.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2007 AND 2006
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

H. Total Columns on Financial Statements

Total columns on the financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these two columns do not present financial position, or results of operations in conformity with the Library's accounting basis. Neither is such data comparable to a consolidation. The Library does not eliminate Interfund transactions when aggregating this data.

2. REFUNDS TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED

In any year that receipts exceed disbursements, the Library refunds at least ninety percent of the balance to the political subdivision that provided the funds and retains the remainder. ORC 3375.56 requires this "refund to relative income sources." The following tables present the refunded and retained amounts during 2007 and 2006.

	2007	2006
Balance at Year End	\$ 156,117	\$ 137,159
Refunded to Relative Sources	140,505	123,443
Retained Funds Amount for Year	\$ 15,612	\$ 13,716

3. EQUITY IN POOLED CASH

The Library maintains separate bank accounts for its funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	2007	2006
Demand deposits	\$ 19,907	\$ 17,825
Savings Account	114,739	109,161
Certificate of Deposit	127,689	107,231
Total deposits and investments	\$ 262,335	\$ 234,217

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

Investments: The Library invests in Certificates of Deposit. These are valued at cost.

4. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Electronic data processing
- Valuable papers

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

January 31, 2009

Portage County Law Library Association
Portage County
241 South Chestnut Street
Ravenna, OH 44266

To the Board of Trustees:

We have audited the financial statements of **Portage County Law Library Association, Portage County, Ohio**, (the Library) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated January 31, 2009, 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 disclosed the financial statements include the general fund and the retained monies fund. 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 as a basis for designing our audit procedures for expressing our opinions on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Internal Control Over Financial Reporting (Continued)

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

In a separate letter to the Library's management dated January 31, 2009 we noted one matter related to internal control.

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 that we must report under *Government Auditing Standards*.

This report is intended solely for the information and use of Library management and Board of Trustees and is not intended to be, and should not be used by anyone other than these specified parties.

Respectfully Submitted,



Perry and Associates
Certified Public Accountants, A.C.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected, Significantly Different Corrective Action Taken, or Finding No longer Valid, <i>Explain</i>
2005-001	Finding for Recovery - reimbursed expense	Yes	Finding no longer valid



Mary Taylor, CPA
Auditor of State

PORTAGE COUNTY LAW LIBRARY ASSOCIATION

PORTAGE 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
MARCH 24, 2009**