



**Auditor of State
Betty Montgomery**

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Portage County Law Library Association
Portage County
241 S. Chestnut St.
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund of the Portage County Law Library Association (the Library) as of and for the years ended December 31, 2001 and December 31, 2000. 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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 that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles. Also, the financial statements present only the general fund and are not intended to present fairly the financial position and results of operations of the Library in conformity with the basis of accounting as described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Library's general fund, as of December 31, 2001 and December 31, 2000, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 13, 2003 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

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

Betty D. Montgomery
Auditor of State

January 13, 2003

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN DEFICIT FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Fund
Cash Receipts:	
Fine and Forfeitures	\$541,408
Interest	318
Miscellaneous Receipts	435
	542,161
Cash Disbursements:	
Supplies and Materials	219,267
Refunds to Relative Income Sources - See Note 2	245,337
Payroll	53,105
	517,709
Total Cash Receipts Over/(Under) Cash Disbursements	24,452
Other Financing Receipts/(Disbursements):	
Remittance to Retained Funds	(27,260)
Refunds from Vendors	2,808
	(24,452)
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	
General Fund Deficit Balance, January 1	(29)
General Fund Deficit Balance, December 31	(\$29)

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 DEFICIT FUND BALANCE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2000**

	General Fund
Cash Receipts:	
Fine and Forfeitures	\$795,719
Interest	390
Miscellaneous Receipts	823
Total Cash Receipts	796,932
Cash Disbursements:	
Supplies and Materials	242,956
Refunds to Relative Income Sources - See Note 2	450,382
Payroll	55,764
Total Cash Disbursements	749,102
Total Cash Receipts Over/(Under) Cash Disbursements	47,830
Other Financing Receipts/(Disbursements):	
Remittance to Retained Funds	(50,042)
Refunds from Vendors	2,212
Total Other Financing Receipts/(Disbursements)	(47,830)
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	
General Fund Deficit Balance, January 1	(29)
General Fund Deficit Balance, December 31	(\$29)

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, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Portage County Law Library (the Library) is directed by a board of five trustees who are elected annually by members of the Portage County Bar Association. The Library provides free access for all county officers and the judges of the several courts within the county. In addition, the Library provides access to the general public.

The Library operates by receiving a portion of fine and forfeiture monies from the courts (and any associated interest) under Ohio Revised Code (ORC) Sections 3375.50 to .53, inclusive. The Library is permitted to expend funds under ORC Section 3375.54. The funds of the Library are expended on the purchase, lease or rental of lawbooks; computer communications consoles to access a system of computerized legal research; microfilm materials and equipment, videotape materials and equipment; audio or visual materials and equipment; and other services, materials, and equipment that provide legal information or facilitate legal research.

The Portage County Commissioners are required by ORC Section 3375.49 to provide adequate facilities for the Library. The Board of County Commissioners is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Portage County fix the compensation of the librarian and up to two assistant librarians pursuant to ORC Section 3375.48. If the Library provides free access to all county officers and the judges of the several courts, the salary of the law librarian and up to two assistants should be paid from the county treasury. If the conditions above are not met, then the salary of the librarian and any assistants should be paid by the Library.

The Library's management believes these financial statements present the general fund for which the Library is financially accountable. The Board of Trustees chose not to present the Retained Fund until they have an opportunity to gather information for the fair presentation of them.

Some funds received by the Library are considered private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Fees collected for the use of books and copiers remain private even though the books and copiers may have been purchased with public funds. Private monies can be disbursed at the discretion of the Library. The accompanying financial statements do not present private monies.

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.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)

C. Fund Accounting

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.

D. Property, Plant and Equipment

Acquisitions of equipment are recorded as equipment disbursements when paid. These items are not reflected as assets on the accompanying financial statements. Items purchased which are deemed to be equipment are computers, copiers, fax machines, and other items related toward facilitating the use of the equipment.

E. Refund to Relative Income Sources

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

F. Inter-Fund Cash Advances

During 2000, \$25,000 was advanced from the Retained Monies Fund to the General Fund and repaid during the same year. During 2001, \$5,000 was advanced from the Retained Monies Fund to the General Fund and repaid during the same year. These amounts are not reflected on the accompanying financial statements since only the general fund is presented.

2. CALCULATION OF REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED

In any year that revenues exceed disbursements, the Library refunds at least ninety percent of the *unencumbered* balance to the political subdivisions who provided the funds and retains the remaining amount. This refund process is referred to as the application of ORC 3375.56 or refund to relative income sources. The following charts present the refunded and retained amounts during 2001 and 2000.

<i>Unencumbered</i> Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001	
Unencumbered Balance at December 31, 2000	\$ 272,597
Refunded to Relative Sources during 2001	245,337
Retained Funds Amount during 2001	27,260

<i>Unencumbered</i> Balance at December 31, 1999 Refunded and Retained During Calendar Year 2000	
Unencumbered Balance at December 31, 1999	\$ 500,424
Refunded to Relative Sources during 2000	450,382
Retained Funds Amount during 2000	50,042

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

3. EQUITY IN POOLED CASH

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

	2001	2000
Demand deposits	<u>(\$29)</u>	<u>(\$29)</u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

4. RISK MANAGEMENT

Commercial Insurance

The Portage County Law Library Association has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Electronic Data Processing
- Valuable Papers

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Portage County Law Library Association
Portage County
241 S. Chestnut St.
Ravenna, Ohio 44266

To the Board of Trustees:

We have audited the accompanying financial statements of the Portage County Law Library Association (the Library) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated January 13, 2003, wherein we indicated the financial statements only include the general 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under Government Auditing Standards. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated January 13, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a 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 in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Portage County Law Library Association
Portage County
Report of Independent Accountants on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

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

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

Betty D. Montgomery
Auditor of State

January 13, 2003



**Auditor of State
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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
FEBRUARY 18, 2003**