



**Auditor of State
Betty Montgomery**

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS REPORT

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 Portage County Law Library Association (the Library) as of and for the years ended December 31, 2003 and December 31, 2002. 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Library as of December 31, 2003 and December 31, 2002, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As discussed in Note 2, the Library has included activity associated with the Retained Monies Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 27, 2005 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.

Portage County Law Library Association
Portage County
Independent Accountants Report
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We intend this report 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. No one else should use it.

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

Betty Montgomery
Auditor of State

January 27, 2005

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$518,464		\$518,464
Interest	118	3,422	3,540
Miscellaneous Receipts	7,029	574	7,603
Total Cash Receipts	525,611	3,996	529,607
Cash Disbursements:			
Supplies and Materials	283,199	3,373	286,572
Refunds to Relative Income Sources - See Note 3	167,860		167,860
Travel Reimbursements		2,418	2,418
Payroll	59,187		59,187
Total Cash Disbursements	510,246	5,791	516,037
Total Cash Receipts Over/(Under) Cash Disbursements	15,365	(1,795)	13,570
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(18,651)	18,651	
Refunds from Vendors	3,287		3,287
Advances-In	23,500	23,500	47,000
Advances-Out	(23,500)	(23,500)	(47,000)
Total Other Financing Receipts/(Disbursements)	(15,364)	18,651	3,287
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements		16,856	16,856
Public Fund Cash Balances, January 1		166,026	166,026
Public Fund Cash Balances, December 31	\$0	\$182,882	\$182,882

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 FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$524,151		\$524,151
Interest	145	4,273	4,418
Miscellaneous Receipts	225	534	759
Total Cash Receipts	<u>524,521</u>	<u>4,807</u>	<u>529,328</u>
Cash Disbursements:			
Supplies and Materials	268,130	4,256	272,386
Refunds to Relative Income Sources - See Note 3	183,309		183,309
Equipment		1,343	1,343
Travel Reimbursements		1,258	1,258
Payroll	53,500		53,500
Total Cash Disbursements	<u>504,939</u>	<u>6,857</u>	<u>511,796</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>19,582</u>	<u>(2,050)</u>	<u>17,532</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(20,368)	20,368	(0)
Refunds from Vendors	815		815
Advances-In	5,000	5,000	10,000
Advances-Out	(5,000)	(5,000)	(10,000)
Total Other Financing Receipts/(Disbursements)	<u>(19,553)</u>	<u>20,368</u>	<u>815</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	29	18,318	18,347
Public Fund Cash Balances, January 1 - See Note 2	<u>(29)</u>	<u>147,708</u>	<u>147,679</u>
Public Fund Cash Balances, December 31	<u>\$0</u>	<u>\$166,026</u>	<u>\$166,026</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, 2003 AND 2002**

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.

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 law books; 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 all funds for which the Library is financially accountable. The accompanying financial statements also included 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 Fund Cash Balances. 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.

Certificates of deposit are valued at cost.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(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 consists of monies retained by the Library under Ohio Revised Code § 3375.56. At the end of each calendar year the Library is permitted under law to retain up to ten percent of their unencumbered balance. See footnote 2 for additional information.

3. Private Monies

Some Funds the Library receives 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 through the books and copiers were purchased with public funds. The Library can disburse private monies at its discursions. Private monies are included in the Retained monies Fund.

E. 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.

F. Refund to Relative Income Sources

If certain conditions are met, the Library is required to refund at least ninety percent of any unspent balance to political subdivisions that provided revenues to the Library. See Footnote 3 for additional information.

G. 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 columns do not present financial position, or results of operations in conformity with the basis of accounting described above. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

2. ACCOUNTING CHANGE

Prior to January 1, 2002, the Retained Monies Fund was not disclosed by the Library. Effective January 1, 2002, the Library determined the amounts relating to their Retained Monies Fund by providing bank confirmations and statements of retained accounts to support the balances.

3. 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 remaining fund 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 2003 and 2002.

Unspent Balance at December 31, 2003 Refunded and Retained During Calendar Year 2003	
Unspent Balance at December 31, 2003	\$ 186,511.13
Refunded to Relative Sources during 2003	167,860.02
Retained Funds Amount during 2003	18,651.11

Unspent Balance at December 31, 2002 Refunded and Retained During Calendar Year 2002	
Unspent Balance at December 31, 2003	\$ 203,676.11
Refunded to Relative Sources during 2003	183,308.50
Retained Funds Amount during 2003	20,367.61

4. 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 follows:

	2003	2002
Demand deposits	\$22,503	\$47,255
Savings Accounts	60,648	
Certificates of deposit	99,732	118,771
Total deposits	\$182,883	\$166,026

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool. During 2002 and 2003 the Library maintained deposits in five financial institutions. The deposits fell into the following categories:

- Deposits insured by the Federal Depository Insurance Corporation equaled \$116,312 and \$116,189 for 2003 and 2002, respectively.
- Deposits collateralized by the financial institution's public entity deposit pool equaled \$66,571 and \$49,837 for 2003 and 2002, respectively.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

5. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

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



Auditor of State Betty Montgomery

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

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 Portage County Law Library Association (the Library) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated January 27, 2005. We also noted the Library has included the retained monies fund for the first time. 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*.

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*
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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 Montgomery
Auditor of State

January 27, 2005



**Auditor of State
Betty Montgomery**

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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
APRIL 7, 2005**