



**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2005 AND 2004**



**Auditor of State  
Betty Montgomery**



**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

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**Auditor of State  
Betty Montgomery**

Crawford Law Library Association  
Crawford County  
112 East Mansfield Street  
Bucyrus, Ohio 44820

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.

A handwritten signature in cursive script that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

July 19, 2006

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Crawford Law Library Association  
Crawford County  
112 East Mansfield Street  
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of the Crawford Law Library Association, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2005, and December 31, 2004. 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 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 that 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 funds the accompanying financial statements present for 2005 and 2004, the revisions require presenting entity wide statements for 2005 and 2004. While the Library does not follow GAAP, auditing standards generally accepted in the United States of America require 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.

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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, 2005 and 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, 2005 and 2004, or its changes in financial position for the years then ended.

Also 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, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to accounting principles generally accepted in the United States of America also requires the Library to include Management's Discussion and Analysis for the years ended December 31, 2005 and 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 July 19, 2006, 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.



**Betty Montgomery**  
Auditor of State

July 19, 2006



**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$142,940	\$0	\$142,940
Miscellaneous Receipts	0	3	3
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	142,940	3	142,943
<b>Cash Disbursements:</b>			
Dues	15	0	15
Computer Hardware	949	0	949
Books	103,729	0	103,729
Equipment Maintenance	888	0	888
Equipment Purchase	2,322	0	2,322
Insurance	100	0	100
Postage	1,424	0	1,424
Professional Fees	2,242	0	2,242
Publications	665	0	665
Supplies	2,207	0	2,207
Legal Advertising	117	0	117
Online Research	27,679	0	27,679
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	142,337	0	142,337
Total Cash Receipts Over Cash Disbursements	<hr/>	<hr/>	<hr/>
	603	3	606
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(1,454)	1,454	0
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(851)	1,457	606
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>
	14,537	15,294	29,831
<b>Fund Cash Balances, December 31</b>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	<b>\$13,686</b>	<b>\$16,751</b>	<b>\$30,437</b>

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

**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$146,540	\$0	\$146,540
Miscellaneous Receipts	0	5	5
Total Cash Receipts	<u>146,540</u>	<u>5</u>	<u>146,545</u>
<b>Cash Disbursements:</b>			
Dues	30	0	30
Books	89,831	0	89,831
Equipment Maintenance	884	0	884
Equipment Purchase	596	0	596
Insurance	550	0	550
Postage	74	0	74
Professional Fees	4,391	0	4,391
Publications	2,116	0	2,116
Supplies	353	90	443
Telephone	19	0	19
Legal Advertising	310	0	310
Online Research	32,849	0	32,849
Total Cash Disbursements	<u>132,003</u>	<u>90</u>	<u>132,093</u>
Total Cash Receipts Over/(Under) Cash Disbursements	14,537	(85)	14,452
Fund Cash Balances, January 1	<u>0</u>	<u>15,379</u>	<u>15,379</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$14,537</u></b>	<b><u>\$15,294</u></b>	<b><u>\$29,831</u></b>

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

**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Crawford Law Library Association, Crawford County, Ohio, (the Library) is governed by a board of seven trustees. Members of the Crawford County Bar Association bi-annually elect the board members. The Library provides free 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 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.

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

The Board of Trustees hires a law librarian and an assistant law librarian. The Judges of the Court of Common Pleas of Crawford County fix these librarians' compensation pursuant to ORC § 3375.48. The Library provides free access to all county officers and the judges of the several courts; therefore, the County treasury pays the law librarians' salaries.

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 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.

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

**C. Cash**

The Library maintains a non-interest bearing checking account.

**D. Fund Accounting**

The Library uses fund accounting to segregate cash that is restricted as to use. The Library classifies its funds into the following types:

**1. General Fund**

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

**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting (Continued)**

**2. Retained Monies Fund**

The Retained Monies Fund reports funds the Library retains under Ohio Revised Code § 3375.56. At the end of each calendar year the Library may 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 book and copier usage remain private even though the books and copiers may have been purchased with public funds. The Library can disburse private monies at its discretion. Private monies are included in the Retained Monies Fund. The Library is not able to determine the amount of private monies included in the balance of the Retained Monies Fund; therefore, the Library will report private monies with the Retained Monies Fund until the Library can support the private portion of the fund.

**E. Property, Plant, and Equipment**

The Library records disbursements for equipment acquisitions when paid. The accompanying financial statements do not report these items as assets. The Library deems computers, copiers, fax machines, and other items related toward facilitating the use of equipment as equipment.

**F. Refund to Relative Income Sources**

If certain conditions are met, Ohio Revised Code § 3375.56 requires the Library to refund at least ninety percent of any cash balance to political subdivisions that provided revenues to the Library. See Footnote 2 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 Library's accounting basis. Neither is such data comparable to a consolidation. The Library does not eliminate interfund transactions when aggregating this data.

**2. REFUND 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 subdivisions who provided the funds and retains the remainder. Ohio Revised Code § 3375.56 requires this "refund to relative income sources." The following table presents the required refunded and retained amounts for 2005.

**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2005 AND 2004  
(Continued)**

**2. REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED (Continued)**

Unencumbered Balance at December 31, 2004	
Refunded and Retained During Calendar Year 2005	
Unencumbered Balance at December 31, 2004	\$14,537
Refunded to Relative Sources during 2005	<u>13,083</u>
Retained Funds Amount during 2005	<u><u>\$1,454</u></u>

The Library did not refund the required amount to relative sources pursuant to Ohio Revised Code § 3375.56 until July 17, 2006.

In 2003 expenditures exceeded revenue; therefore, no refunds were required during 2004.

**3. EQUITY IN POOLED CASH**

The Library maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits. The Library's deposits consisted of demand deposits with a carrying amount of \$30,437 and \$29,831 at December 31, 2005, and December 31, 2004, respectfully. Deposits are insured by the Federal Depository Insurance Corporation.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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

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**Auditor of State  
Betty Montgomery**

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

Crawford Law Library Association  
Crawford County  
112 East Mansfield Street  
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the financial statements of the Crawford Law Library Association, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2005, and December 31, 2004, and have issued our report thereon dated July 19, 2006, 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 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.

**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 an instance of noncompliance or other matter that we must report under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2005-001. In a separate letter to the Library's management dated July 19, 2006, we reported an other matter related to noncompliance we deemed immaterial.

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We intend this report solely for the information and use of the audit committee, 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 "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 19, 2006



**CRAWFORD LAW LIBRARY ASSOCIATION  
CRAWFORD COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2005 AND 2004**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2005-001**

**Finding Repaid Under Audit  
Refund to Relative Income Sources**

Ohio Revised Code § 3375.56 states that on the first Monday of each year, the board of trustees of the law library association shall make a detailed statement to the county auditor, verified by the oath of the treasurer of the association, of the amount of the fines and penalties received under sections 3375.50 to 3375.53, inclusive of the Revised Code, and of the money expended by the association.

If the total amount received under such sections during the preceding calendar year covered by such report exceeds the expenditure during the same period, the auditor shall certify such fact to the board which shall thereupon direct the treasurer of the association to refund proportionately to the treasurers of the political subdivisions from which such balance was received, not less than ninety percent of any unencumbered balance on hand from the preceding year.

The required refund to Crawford County of ninety percent of the Library's unencumbered balance on hand equaled \$13,083 at December 31, 2004, and \$542 at December 31, 2005. The Library did not remit this money accordingly.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money due but not collected is hereby issued against the Crawford Law Library Association in the amount of \$13,625 in favor of the Crawford County General Fund.

On July 17, 2006, the Library refunded \$13,625 to the County General Fund.

**Officials Response:** We did not receive a response from Officials to this finding.





**Auditor of State  
Betty Montgomery**

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**LAW LIBRARY ASSOCIATION**

**CRAWFORD 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  
AUGUST 22, 2006**