



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

January 19, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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**Auditor of State
Betty Montgomery**

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

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.

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Betty Montgomery
Auditor of State

October 6, 2006

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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 general fund and the retained monies fund of the Portage County Law Library Association, Portage County, (the Library) as of and for the years ended December 31, 2005 and 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 years ended December 31, 2005 and 2004. Instead of the combined 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, 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.

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's general fund and the retained monies fund as of December 31, 2005 and 2004, 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.

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, 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 October 6, 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

October 6, 2006

**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, 2005**

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$493,949	\$0	\$493,949
Interest	175	5,033	5,208
Miscellaneous Receipts	9,071	904	9,975
Total Cash Receipts	503,195	5,937	509,132
Cash Disbursements:			
Supplies and Materials	317,454	545	317,999
Refunds to Relative Income Sources - See Note 1	149,375		149,375
Travel Reimbursements	0		0
Payroll	20,559		20,559
Total Cash Disbursements	487,388	545	487,933
Total Cash Receipts Over/(Under) Cash Disbursements	15,807	5,392	21,199
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(16,597)	16,597	0
Refunds from Vendors	790	19	809
Total Other Financing Receipts/(Disbursements)	(15,807)	16,616	809
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	0	22,008	22,008
Public Fund Cash Balances, January 1	0	191,328	191,328
Public Fund Cash Balances, December 31	\$0	\$213,336	\$213,336

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, 2004**

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$439,910	\$0	\$439,910
Interest	122	3,616	3,738
Miscellaneous Receipts	6,713	711	7,424
Total Cash Receipts	446,745	4,327	451,072
Cash Disbursements:			
Supplies and Materials	262,242	2,901	265,143
Refunds to Relative Income Sources - See Note 3	114,524	0	114,524
Equipment		3,496	3,496
Travel Reimbursements		2,209	2,209
Payroll	57,962		57,962
Total Cash Disbursements	434,728	8,606	443,334
Total Cash Receipts Over/(Under) Cash Disbursements	12,017	(4,279)	7,738
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(12,725)	12,725	0
Refunds from Vendors	708	0	708
Total Other Financing Receipts/(Disbursements)	(12,017)	12,725	708
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	0	8,446	8,446
Public Fund Cash Balances, January 1	0	182,882	182,882
Public Fund Cash Balances, December 31	\$0	\$191,328	\$191,328

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, 2005 AND 2004**

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 County 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 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 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 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 and Investments

The Library's accounting basis includes Investments as assets. Accordingly, this basis does not record disbursements for investment purchases or receipts for investment sales. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The Library values certificates of deposit at cost.

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:

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

1. General Fund

The General Fund accounts 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 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. 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 book and copier usage remain private even though the books and copiers may have been purchased with public funds. Private monies are included in Retained Monies Fund, as the Library does not segregate private monies from the monies in their Retained Monies 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 *unencumbered* 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 tables present the refunded and retained amounts during 2005 and 2004.

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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

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

Refunded and Retained During Calendar Year 2005	
Balance at December 31, 2005	\$165,972
Refunded to Relative Sources for 2005	(149,375)
Retained Funds Amount during 2005	\$16,597

Balance at December 31, 2004 Refunded and Retained During Calendar Year 2004	
Balance at December 31, 2004	\$127,249
Refunded to Relative Sources for 2004	114,524
Retained Funds Amount during 2004	\$12,725

3. EQUITY IN POOLED CASH AND INVESTMENTS

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

	2005	2004
Demand deposits	\$21,144	\$27,376
Savings Accounts	86,976	61,396
Certificates of deposit	105,216	102,556
Total deposits	\$213,336	\$191,328

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

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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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*

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 the Portage County Law Library Association, Portage County, (the Library) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated October 6, 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 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 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.

Portage County Law Library Association
Portage County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of the audit committee, management, and 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

October 6, 2006

**PORTAGE COUNTY LAW LIBRARY ASSOCIATION
PORTAGE COUNTY**

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

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2005-001

Finding for Recovery

The Portage County Law Library Trustees allow for trustees and employees of the Law Library to be reimbursed for travel expenses related to official business. The Trustees approved in their June 15, 2005 meeting minutes for Dennis Zavinski, the Law Library Chairperson, to attend the American Association of Law Libraries annual conference to be held in July in San Antonio, Texas, at a total cost not to exceed \$2,400. The Law Librarian, Mary Alice Cowan, issued check #14084 on July 29, 2005, in the amount of \$2,160.17 to Mr. Zavinski for the reimbursement of travel expenses he incurred for attending the conference. Upon our review of the supporting documentation for the reimbursement of travel expenses, we determined that Mr. Zavinski was overpaid by \$200.

In accordance with the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public monies illegally expended may be hereby issued against Mary Alice Cowan, the Law Librarian, and Dennis Zavinski, the Law Library Chairperson, in favor of the Portage County Law Library General Fund in the amount of two hundred dollars.

This Finding for Recovery was repaid under audit by Dennis Zavinski. Mr. Zavinski repaid this amount to the Law Library on the same day the error was discovered, September 29, 2006.

Officials' Response:

Ms. Cowan calculated the travel reimbursement amount based on the invoices turned in by Mr. Zavinski. However, while doing so, Ms. Cowan made a mathematical error when determining the hotel charge. Ms. Cowan deducted two charges from the hotel invoice submitted by Mr. Zavinski to remove unallowable charges, but when she calculated and then wrote down the new balance, she wrote down the wrong amount. The adjusted amount should have been \$200 less than what she listed.



Mary Taylor, CPA
Auditor of State

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 6, 2007**