



AKRON LAW LIBRARY ASSOCIATION

FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA

Auditor of State

Board of Trustees
Akron Law Library Association
209 South High Street
Akron, Ohio 44308

We have reviewed the *Independent Auditor's Report* of the Akron Law Library Association, Summit County, prepared by Apple Growth Partners, 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 Auditor's 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 Auditor's 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 Akron 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

November 25, 2008

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**Akron Law Library Association
Summit County**

**Financial Statements
December 31, 2007 and 2006**

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Independent Auditor's Report

Akron Law Library Association
Summit County
209 South High Street - 4th Floor
Summit County Courthouse
Akron, Ohio 44308-1675

To the Board of Trustees:

We have audited the accompanying statements of general fund of the Akron Law Library Association, Summit 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 audits.

We conducted our audits 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 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 audits provide a reasonable basis for our opinion.

The financial statements present only the general fund and do not intend to present fairly the financial position or results of operations of all Library funds.

As described more fully in Note A, 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, 2007 and 2006. Instead of the combined funds the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements for 2007 and 2006. 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.

Healthy Growth.

In our opinion, because of the effects of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Akron Law Library Association as of December 31, 2007 and 2006, 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 as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note A.

The aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the year 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 a report dated June 24, 2008, on our consideration of the Library's internal control over financial reporting and our test 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* and should be read in conjunction with this report in considering the results of our audit.

Apple Growth Partners

Certified Public Accountants
June 24, 2008

**The Akron Law Library Association
Summit County**

**Statements of Cash Receipts, Cash Disbursements,
and Changes in Fund Cash Balances
General Fund**

For the years ended December 31, 2007 and 2006

	General Fund	
	2007	2006
Cash receipts		
Traffic fines	\$ 523,311	\$ 599,593
Miscellaneous income	443	569
	523,754	600,162
Cash disbursements		
Salaries and benefits	107,179	90,285
Binding	1,202	1,250
Continuations	337,046	344,160
Books	2,848	16,390
Telephone	758	748
Computer services and supplies	600	3,368
Library and office supplies	11,099	22,142
Postage	1,419	1,977
Life and medical insurance expense	9,404	21,205
Conference expense	447	850
Liability insurance	3,901	4,214
Petty cash fund expense	13	38
Miscellaneous expense	46,669	55,426
	522,585	562,053
Total cash receipts over (under) cash disbursements	1,169	38,109
Public funds transfer (net)	-	(39,051)
Increase (decrease) in fund balance	1,169	(942)
General Fund Cash Balances, January 1	3,075	4,017
General Fund Cash Balances, December 31	\$ 4,244	\$ 3,075

Akron Law Library Association
Summit County
Notes to Financial Statements
December 31, 2007 and 2006

A. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Description of the Entity - The Akron Law Library Association, Summit County, (the Library) is directed by a board of eleven trustees who are elected annually by its membership. The Library provides reference material and other sources of multi-media to its members.

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 Summit County Council is required by ORC Section 3375.49 to provide adequate facilities for the Library. The County is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees may hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Summit 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 salaries 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 County pays the librarian and assistant salaries.

The Library's management believes these financial statements present all public funds for which the Library is financially accountable.

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 should remain private, even though the books and copiers may have been purchased with public funds. The Library's current policy is to record fees collected in connection with copier and computer usage consistent with State guidelines. Private monies can be disbursed at the discretion of the Library. With the exception of the user charges above, the accompanying financial statements do not present private monies.

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 receipt and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when incurred.

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

Cash - All Library cash is maintained in demand deposit accounts.

Fund Accounting - The Library uses fund accounting. The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

Akron Law Library Association
Summit County
Notes to Financial Statements
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Retained monies are monies retained by the Library under Ohio Revised Code Section 3375 56, which are to be maintained in a separate fund. At the end of each calendar year the Library is permitted under law to retain up to 10% of their unencumbered balance. At December 31, 2007 and 2006, the Library had no retained monies.

Property 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.

Unpaid vacation and sick leave - In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation and sick leave. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

B. CASH

The Library maintains general operating and payroll checking accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	2007	2006	
Total Deposits	\$ 4,244	\$ 3,075	

Deposits are insured by the Federal Depository Insurance Corporation.

C. RETIREMENT SYSTEM

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. PERS members contributed 9.5% and 9.0% of their gross salaries for the years ended December 31, 2007 and 2006, respectively. The Library contributed an amount equal to 13.77% and 13.54% of participants' gross salaries for the years ended December 31, 2007 and 2006, respectively. The Library has paid all contributions required through December 31, 2007 and 2006.

D. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- General liability
- Director and Officer's liability
- Crime coverage
- Employee benefits liability

SUPPLEMENTAL INFORMATION



**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Akron Law Library Association
Summit County
209 South High Street - 4th Floor
Summit County Courthouse
Akron, Ohio 44308-1675

To the Board of Trustees:

We have audited the financial statements of the Akron Law Library Association (the Library) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 24, 2008, 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 only 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 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 in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide an opinion on the 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.

Healthy Growth

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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.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be significant deficiencies or material weaknesses. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

Compliance and Other Matters

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 grant agreements, 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 or other matters that are required to be reported under *Government Auditing Standards*.

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

Apple Growth Partners

Certified Public Accountants
June 24, 2008



Mary Taylor, CPA
Auditor of State

**AKRON LAW LIBRARY ASSOCIATION
SUMMIT 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
DECEMBER 9, 2008**