



**Mary Taylor, CPA**  
Auditor of State



**CLEVELAND LAW LIBRARY ASSOCIATION  
CUYAHOGA COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Cover Letter .....	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – The General Fund – For the Year Ended December 31, 2007 .....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – The General Fund – For the Year Ended December 31, 2006 .....	6
Notes to the Financial Statements .....	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> .....	9

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# Mary Taylor, CPA

Auditor of State

Cleveland Law Library Association  
Cuyahoga County  
1 W. Lakeside Avenue, Floor 4  
Cleveland, Ohio 44113

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 an 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 adverse 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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**Mary Taylor, CPA**  
Auditor of State

May 9, 2008

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Cleveland Law Library Association  
Cuyahoga County  
1 W. Lakeside Avenue, Floor 4  
Cleveland, Ohio 44113

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund of the Cleveland Law Library, Cuyahoga County, Ohio, (the Library) as of and for the years ended December 31, 2007 and December 31, 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 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 the Comptroller General of the United States' *Government Auditing Standards*. 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 our audit provides 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 the Library funds.

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.

GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. 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 GAAP presentation requirements. The Auditor of State permits, but does not require libraries to reformat their statements. The Library has elected not to follow GAAP statement formatting requirements. 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, 2007 and December 31, 2006 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, 2007 and December 31, 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 and reserves for encumbrances of the Cleveland Law Library Association, Cuyahoga County, general fund as of December 31, 2007 and December 31, 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 May 9, 2008, 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.



**Mary Taylor, CPA**  
Auditor of State

May 9, 2008



**CLEVELAND LAW LIBRARY ASSOCIATION  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
THE GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2007**

	<b>General Fund</b>
<b>Cash Receipts:</b>	
Fines and Forfeitures	\$520,287
Total Cash Receipts	520,287
<b>Cash Disbursements:</b>	
Current:	
Books, Tapes and CD-Rom	427,228
Salaries/Benefits	63,625
Clevnet	22,451
Westlaw	5,048
Periodicals	1,561
Miscellaneous - Binding	554
Total Cash Disbursements	520,467
Total Cash Receipts Over/(Under) Cash Disbursements	(180)
Public Fund Cash Balance, January 1, 2007	277
Public Fund Cash Balance, December 31, 2007	\$97
Reserves for Encumbrances, December 31, 2007	\$97

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

**CLEVELAND LAW LIBRARY ASSOCIATION  
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
THE GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<u><b>General Fund</b></u>
<b>Cash Receipts:</b>	
Fines and Forfeitures	<u>\$555,576</u>
Total Cash Receipts	<u>555,576</u>
<b>Cash Disbursements:</b>	
Current:	
Books, Tapes and CD-Rom	521,427
Clevnet	24,563
Westlaw	5,983
Periodicals	2,265
Miscellaneous - Binding	<u>1,188</u>
Total Cash Disbursements	<u>555,426</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>150</u>
Public Fund Cash Balance, January 1, 2006	<u>127</u>
Public Fund Cash Balance, December 31, 2006	<u><u>\$277</u></u>
Reserves for Encumbrances, December 31, 2006	<u><u>\$277</u></u>

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

**CLEVELAND LAW LIBRARY ASSOCIATION  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND 2006**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Cleveland Law Library Association, Cuyahoga County, Ohio, (the Library) is governed by a board of thirteen trustees who are elected annually by the Library's membership. 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 Cuyahoga County Commissioners to provide adequate facilities for the Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Cuyahoga County fix these librarians compensation pursuant to ORC § 3375.48. Pursuant to ORC § 3375.49, the board of county commissioners are responsible for paying the compensation of the librarian and up to two assistant librarians. Beginning in 2007, the board of county commissioners and the board of trustees are responsible for paying their compensation with the commissioners paying eighty percent and the trustees twenty percent. 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 Library deems some funds it receives as private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Fees the Library collects for the use of books and copiers remain private even though the books and copiers may have been purchased with public funds. The Library need not comply with ORC § 3375.54 when disbursing private money. The accompanying financial statements do not present private monies.

**B. Accounting Basis**

These financial statements follow the accounting basis 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e. when an encumbrance is approved).

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

**CLEVELAND LAW LIBRARY ASSOCIATION  
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2007 AND 2006  
(Continued)**

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

**C. Cash**

The Library utilizes a checking account for all public funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	<u>2007</u>	<u>2006</u>
Demand Deposits	<u>\$97</u>	<u>\$277</u>

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

**D. Fund Accounting**

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its fund into the following type:

**General Fund**

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

**E. Budgetary Process**

The Ohio Revised Code does not require the Library to budget annually. However, under Ohio Revised Code Section § 3375.56 the Library may encumber funds equal to their commitments outstanding at year end. Encumbrances outstanding at year end are carried over to the subsequent year.

**F. 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 the equipment as equipment.

**2. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

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



# Mary Taylor, CPA

## Auditor of State

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

Cleveland Law Library Association  
Cuyahoga County  
1 W. Lakeside Avenue, Floor 4  
Cleveland, Ohio 44113

To the Board of Trustees:

We have audited the financial statements of the Cleveland Law Library, Cuyahoga County, Ohio, (the Library) as of and for the years ended December 31, 2007 and December 31, 2006, and have issued our report thereon dated May 9, 2008, wherein we noted that the Library prepared its financial statements using accounting practices the Auditor of State established 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 as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Library's 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.

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 did not identify any deficiencies in internal control over financial reporting that we consider material weaknesses, as defined above.

### **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 no instances of noncompliance or other matters that we must report under *Government Auditing Standards*.

We intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

May 9, 2008



**Mary Taylor, CPA**  
Auditor of State

**CLEVELAND LAW LIBRARY ASSOCIATION**

**CUYAHOGA 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  
MAY 27, 2008**