



**ASHTABULA COUNTY LAW LIBRARY
ASSOCIATION
ASHTABULA COUNTY**

**REGULAR AUDIT
FOR THE YEARS ENDED
DECEMBER 31, 2007 & 2006**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Ashtabula County Law Library Association
25 West Jefferson Street
Jefferson, Ohio 44047

We have reviewed the *Independent Accountants' Report* of the Ashtabula County Law Library Association, Ashtabula County, prepared by Canter and Company, 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 Accountants' 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 Accountants' 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 Ashtabula County 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

February 26, 2009

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**ASHTABULA COUNTY LAW LIBRARY ASSOCIATION
ASHTABULA COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All <u>Public</u> Funds - For the Year Ended December 31, 2007.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All <u>Public</u> Funds - For the Year Ended December 31, 2006.....	4
Notes to the Financial Statements.....	5
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	9

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INDEPENDENT ACCOUNTANTS' REPORT

Ashtabula County Law Library Association
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and retained monies fund of the Ashtabula County Law Library Association, Ashtabula County, (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 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 retained monies fund and are not intended 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 requires 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 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 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 Ashtabula County Law Library Association, Ashtabula County, general fund and retained monies fund as of December 31, 2007 and 2006, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As discussed in Note 2 to the financial statements, the Library has included activity associated with the retained monies fund.

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 January 6, 2009, 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.



Canter & Company

January 6, 2009

**ASHTABULA COUNTY LAW LIBRARY ASSOCIATION
ASHTABULA COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$257,845	\$0	\$257,845
Interest	1,777		1,777
Miscellaneous Receipts	4,579		4,579
Total Cash Receipts	264,201	0	264,201
Cash Disbursements:			
Salaries	20,566		20,566
Employee Fringe Benefits	1,296		1,296
Supplies and Materials	469		469
Law Books & On-line Services	202,957		202,957
Professional Services	10,238		10,238
Capital Expenditures	42,886		42,886
Other	4,422		4,422
Total Cash Disbursements	282,834	0	282,834
Total Cash Receipts Over/(Under) Cash Disbursements	(18,633)	0	(18,633)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(2,223)	2,223	0
Total Other Financing Receipts/(Disbursements)	(2,223)	2,223	0
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(20,856)	2,223	(18,633)
Public Fund Cash Balances, January 1	22,230	276	22,506
Public Fund Cash Balances, December 31	\$1,374	\$2,499	\$3,873

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

**ASHTABULA COUNTY LAW LIBRARY ASSOCIATION
ASHTABULA COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$281,959	\$0	\$281,959
Interest	164		164
Miscellaneous Receipts	173		173
	<hr/>		<hr/>
Total Cash Receipts	282,296	0	282,296
	<hr/>		<hr/>
Cash Disbursements:			
Salaries	9,360		9,360
Employee Fringe Benefits	1,144		1,144
Supplies and Materials	2,337		2,337
Law Books & On-line Services	225,911		225,911
Professional Services	11,240		11,240
Other	12,143		12,143
	<hr/>		<hr/>
Total Cash Disbursements	262,135	0	262,135
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	20,161	0	20,161
	<hr/>		<hr/>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(230)	230	0
	<hr/>		<hr/>
Total Other Financing Receipts/(Disbursements)	(230)	230	0
	<hr/>		<hr/>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	19,931	230	20,161
	<hr/>		<hr/>
<u>Public</u> Fund Cash Balances, January 1 as restated (note 2)	2,299	46	2,345
	<hr/>		<hr/>
<u>Public Fund Cash Balances, December 31</u>	<u>\$22,230</u>	<u>\$276</u>	<u>\$22,506</u>

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

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ashtabula County Law Library Association (the Library) is governed by a board of three trustees. Members of the Ashtabula County Bar Association elect the trustees on an annual basis to staggered terms. 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 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.

ORC §3375.49 requires the Ashtabula County Commissioners to provide adequate facilities for the Library, including 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 Ashtabula 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 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.

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

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2007 AND 2006

C. Cash and Investments

The Library's accounting basis includes investments as assets. This basis does not record disbursements for investment purchases or receipts for investment sales. This basis records gains or losses at the time of sale as receipts or disbursements, respectively.

The Ashtabula County Law Librarian is the Secretary/Treasurer for the Ashtabula County Law Library Association. The investment procedures are restricted by the provisions of the Ohio Revised Code. The Library's deposits are held in a NOW Account.

D. Fund Accounting

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

1 General Fund

Law Library Association 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 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 3 for additional information.

E. Property, Plant, and Equipment

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

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 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 Library's accounting basis. Neither is such data comparable to a consolidation. The Library does not eliminate interfund transactions when aggregating this data.

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

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

2. ACCOUNTING CHANGE

Prior to January 1, 2006, the Library did not report its retained monies funds in its audited statements. Effective January 1, 2006, the Library determined the amounts relating to their Retained Monies Fund by providing a compilation report which provides a disclosure and the calculation of the monies being retained and refunded to the municipalities to support the balance. The effect of the restatement is as follows:

	General Fund	Retained Fund
January 1, 2006 fund balance	\$2,345	\$0
Restatement	(46)	46
Restated January 1, 2006 fund balance	<u>\$2,299</u>	<u>\$46</u>

3. REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED

In any year that receipts exceed disbursements, the Library refunds at least ninety percent of the unencumbered 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 2006 and 2007.

Unencumbered Balance at December 31, 2005	
<u>Refunded and Retained During Calendar Year 2008</u>	
Unencumbered Balance at December 31, 2005	\$2,299
Refunded to Relative Sources during 2008	2,069
Retained Funds Amount during 2008	<u>\$230</u>

Unencumbered Balance at December 31, 2006	
<u>Refunded and Retained During Calendar Year 2008</u>	
Unencumbered Balance at December 31, 2006	\$22,230
Refunded to Relative Sources during 2008	20,007
Retained Funds Amount during 2008	<u>\$2,223</u>

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

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

4. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>2006</u>	<u>2007</u>
Demand deposits	\$22,506	\$3,873

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

5. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

6. LAW CHANGE AND LIABILITY

Pursuant to Section 3375.49 of the Ohio Revised Code, as of January 1, 2007, the Board of Trustees may now elect to assume responsibility for 100 percent of the compensation of the Law Librarian and Assistant Law Librarians salaries which was previously the responsibility of the County. If the Trustees chose not to pay 100 percent of the Librarians salaries in 2007, a phase-in period was allowed between 2007 and 2011 where the responsibility for compensating the Law Librarian and Assistant Law Librarians transfers from the County to the Board of Trustees of the Law Library Association at 20 percent each year. The Trustees have chosen the phase in process and reimbursed the County for 20 percent of the total salaries for 2007. The 20 percent of salaries amounted to \$11,205.80 and was paid during the year.



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**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**

Ashtabula County Law Library Association
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Library Board of Trustees:

We have audited the financial statements of the Ashtabula County Law Library Association, Ashtabula County, (the Library) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated January 6, 2009 wherein we noted 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 and retained monies fund. 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 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 we must report under *Government Auditing Standards*.

We did note one noncompliance or other matter that we reported to the Library's management in a separate letter dated January 6, 2009.

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



Canter & Company
January 6, 2009



Mary Taylor, CPA
Auditor of State

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA 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
MARCH 10, 2009