



Mary Taylor, CPA
Auditor of State

**LORAIN COUNTY LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances - All Public Funds - For the years ended December 31, 2005 and December 31, 2004	5
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>	11
Schedule of Findings.....	13
Schedule of Prior Audit Findings.....	14

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Mary Taylor, CPA

Auditor of State

Board of Trustees
Lorain County Law Library Association
226 Middle Avenue
Elyria, Ohio 44035

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.

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 14, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Lorain County Law Library Association
Lorain County
226 Middle Avenue
Elyria, Ohio 44035

To the Board of Trustees:

We have audited the accompanying financial statements of the General Fund of the Lorain County Law Library Association, Lorain County, Ohio, (the Law Library) as of and for the years ended December 31, 2005 and December 31, 2004. These financial statements are the responsibility of the Law 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 that 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 the all Law Library's funds.

As described more fully in Note 1, the Law 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.

While the Law 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 law libraries to reformat their statements. The Law 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, 2005 and December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Law Library as of December 31, 2005 and December 31, 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 balance of the Law Library's general fund as of December 31, 2005 and December 31, 2004, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Law 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 August 14, 2008, on our consideration of the Law 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

August 14, 2008

**LORAIN COUNTY LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2005 AND DECEMBER 31, 2004**

	General Fund	
	2005	2004
Cash Receipts:		
Fine and Forfeitures	\$644,268	\$593,161
Interest	22,796	3,334
Miscellaneous Receipts	13,626	2,603
	680,690	599,098
Cash Disbursements:		
Current:		
Books, Tapes and CD-Rom	471,061	400,614
Salaries and Benefits	17,712	46,752
Supplies and Equipment	3,934	8,758
Insurance	3,835	3,796
Purchase and Contract Services	3,741	4,105
Computer Network Expense	86,306	53,609
Utilities	4,261	5,457
Westlaw	81,933	65,552
Travel, Dues and Meetings	2,722	2,851
Miscellaneous	1,264	8,922
	676,769	600,416
Total Cash Receipts Over/(Under) Cash Disbursements	3,921	(1,318)
Public Fund Cash Balances, January 1	556,433	557,751
Public Fund Cash Balances, December 31	\$560,354	\$556,433

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

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LORAIN COUNTY LAW LIBRARY ASSOCIATION]
LORAIN COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Lorain County Law Library Association (the Law Library) is governed by a board of five trustees. Members of the Lorain County Bar Association appoint the board members. The Law Library provides access to all county officers and the judges of the several courts within the county.

The Law 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 Law 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 Lorain County Commissioners to provide adequate facilities for the Law 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 Lorain County fix these librarians' compensation pursuant to ORC § 3375.48. If the Law Library provides free access to all county officers and the judges of the several courts, the County treasury pays the librarians' salary. If the Law Library does not provide free access, the Law Library must pay the librarians' salary.

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

The Law Library deems some funds it receives as private monies. Private monies include: membership dues, overdue book charges, and photocopying charges. Fees the Law 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 Law 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 Law 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 Law 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.

**LORAIN COUNTY LAW LIBRARY ASSOCIATION]
LORAIN COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

C. Cash and Investments (Continued)

The Law Library values certificates of deposit at cost. Money market mutual funds are recorded at share values the mutual funds report.

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 reports all financial resources except those required to be accounted for in another fund.

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.

2. 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:

	2005	2004
Demand deposits	\$53,072	\$51,775
Certificates of deposit	446,996	446,983
Total deposits	500,068	498,758
Repurchase agreement	60,286	57,675
Total deposits and investments	\$560,354	\$556,433

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

Investments: The Library's financial institution transfers securities to the Library's agent to collateralize repurchase agreements. The securities are not in the Library's name.

3. Retirement Systems

The Law Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

**LORAIN COUNTY LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

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

3. Retirement Systems (Continued)

The Ohio Revised Code also prescribes contribution rates. For 2005 and 2004, OPERS members contributed 8.5% of their gross salaries and the Law Library contributed an amount equaling 13.55% of participants' gross salaries. The Law Library has paid all contributions required through December 31, 2005.

4. Risk Management

The Law Library has obtained commercial insurance for the following risks:

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

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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*

Lorain County Law Library Association
Lorain County
226 Middle Avenue
Elyria, Ohio 44035

To the Board of Trustees:

We have audited the financial statements of the Lorain County Law Library Association, Lorain 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 August 14, 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 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 matters 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 August 14, 2008, we reported another matter related to noncompliance we deemed immaterial.

Lorain County Law Library Association
Lorain 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 the Board of Trustees. It is not intended for anyone 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

August 14, 2008

**LORAIN COUNTY LAW LIBRARY ASSOCIATION
LORAIN 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

Monies Due but Not Collected

Ohio Rev. Code Section 3375.53 states that in each county, fifty per cent of all fines and penalties collected by, and of moneys arising from forfeited bail in, any court in that county for offenses brought for prosecution under Chapters 4301 and 4303 of the Revised Code and the state traffic laws shall be paid monthly by the treasurer of the county or municipal corporation to the board of trustees of the law library association in such county.

The City of Avon Lake has not paid the Lorain County Law Library Association fifty percent of the state traffic fines submitted to the City by their municipal court during the audit period. Based on information obtained from the Avon Lake Municipal Court, the amount of state traffic fines collected by the Court and remitted to the City of Avon Lake for the years ending December 31, 2005 and 2004 were \$6,145.20 and \$2,738.80, respectively. Consequently, fifty percent of these fines, or \$3,072.60 for 2005 and \$1,369.40 for 2004, are due the Lorain County Law Library Association.

In accordance with the foregoing facts, a Finding for Recovery for public monies due but not collected is hereby issued against the City of Avon Lake in favor of the Lorain County Law Library Association and in the amount of \$4,442.00. The fund was repaid August 14, 2008.

The City of Vermilion has not paid the Lorain County Law Library Association fifty percent of the state traffic fines submitted to the City by their municipal court during the audit period. Based on information obtained from the Vermilion Municipal Court, the amount of state traffic fines collected by the Court and remitted to the City of Vermilion for the years ending December 31, 2005 and 2004 were \$13,467.30 and \$14,484.30, respectively. Consequently, fifty percent of these fines, or \$6,733.65 for 2005 and \$7,242.15 for 2004, are due the Lorain County Law Library Association.

In accordance with the foregoing facts, a Finding for Recovery for public monies due but not collected is hereby issued against the City of Vermilion in favor of the Lorain County Law Library Association and in the amount of \$13,975.80. This finding was repaid in October 2006.

**LORAIN COUNTY LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2003-01	Investment Policy	Yes	Finding no longer valid, issue has been corrected. Investment policy on file with Auditor of State. Investors have signed the investment policy.



Mary Taylor, CPA
Auditor of State

LORAIN COUNTY LAW LIBRARY ASSOCIATION

LORAIN 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
SEPTEMBER 11, 2008**