



**Auditor of State  
Betty Montgomery**



**LAW LIBRARY ASSOCIATION  
WASHINGTON COUNTY**

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**Auditor of State  
Betty Montgomery**

Law Library Association  
Washington County  
205 Putnam Street  
Marietta, Ohio 45750

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.

A handwritten signature in black ink that reads "Betty Montgomery".

**Betty Montgomery**  
Auditor of State

February 22, 2006

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association  
Washington County  
205 Putnam Street  
Marietta, Ohio 45750

To the Board of Trustees:

We have audited the accompanying financial statement of the General Fund of the Law Library Association, Washington County, Ohio (the Association), as of and for the years ended December 31, 2005 and 2004. This financial statement is the responsibility of the Association's management. Our responsibility is to express an opinion on this financial statement 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.

The financial statement presents only the General Fund and does not intend to present fairly the financial position or results of operations of all Association funds.

As described more fully in Note 1, the Library has prepared this financial statement 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. While the Association 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 Association has elected not to reformat its statements. Since this Association 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 statement referred to above for the years ended December 31, 2005 and 2004 does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Association as of December 31, 2005 and 2004, or its changes in financial position for the years then ended.

Also in our opinion, the financial statement referred to above presents fairly, in all material respects, the fund cash balance and reserves for encumbrances of the Law Library Association, Washington County, Ohio, General Fund as of December 31, 2005 and 2004, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The aforementioned revision to generally accepted accounting principles also requires the Association to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Association 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 February 22, 2006, on our consideration of the Association'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

February 22, 2006



**LAW LIBRARY ASSOCIATION  
WASHINGTON COUNTY**

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

	<u>General Fund</u>	
	<u>2005</u>	<u>2004</u>
<b>Cash Receipts:</b>		
Fine and Forfeitures	\$ 96,994	\$ 104,215
Interest	55	40
Miscellaneous Receipts	233	
	<u>97,282</u>	<u>104,255</u>
Total Cash Receipts		
<b>Cash Disbursements:</b>		
Books and CD ROM	68,853	78,002
Online Service	23,747	14,626
Payroll and Taxes	1,025	967
Operation of Library	3,194	10,388
Miscellaneous, Professional and Travel Expenses	228	218
	<u>97,047</u>	<u>104,201</u>
Total Cash Disbursements		
Total Cash Receipts Over/(Under) Cash Disbursements	<u>235</u>	<u>54</u>
Public Fund Cash Balance, January 1	<u>54</u>	<u>0</u>
<b>Public Fund Cash Balance, December 31</b>	<b><u>\$ 289</u></b>	<b><u>\$ 54</u></b>
Reserves for Encumbrances, December 31	<u>\$ 705</u>	<u>\$ 3,547</u>

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

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**LAW LIBRARY ASSOCIATION  
WASHINGTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENT  
DECEMBER 31, 2005 AND 2004**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Law Library Association, Washington County (the Association), is governed by a board of three trustees. Members of the Washington County Bar Association appoint the board members for a three year term. The Association provides access to all county officers and the judges of the several courts within the county.

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

The Association's management believes this financial statement presents all public funds for which the Association is financially accountable.

The Association deems some funds it receives as private monies. Private monies include: membership dues, overdue book charges, and photocopying charges. Fees the Association collects for the use of books and copiers remain private even though the books and copiers may have been purchased with public funds. The Association need not comply with ORC §3375.54 when disbursing private money. The accompanying financial statement does not present private monies.

**B. Basis of Accounting**

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Association recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred. The reserve for encumbrances on the financial statement represents the Association's commitments for purchases. The Association recognizes encumbrances when it commits funds.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

**LAW LIBRARY ASSOCIATION  
WASHINGTON COUNTY**

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

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

**C. Cash and Investments**

The Law Librarian invests all available funds of the Association in an interest-bearing checking account.

**D. Fund Accounting**

The Association uses fund accounting to segregate cash and investments that are restricted as to use. The Association classifies its funds 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 Association to budget annually. However, under Ohio Revised Code §3375.56 the Association 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 Association records disbursements for equipment acquisitions when paid. The accompanying financial statements do not report these items as assets. The Association deems computers, copiers, and other items related toward facilitating the use of equipment as equipment.

**2. CASH AND INVESTMENTS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2005</u>	<u>2004</u>
Demand deposits	\$ 289	\$ 54

**Deposits:** Deposits are insured by the Federal Deposit Insurance Corporation.

**3. RISK MANAGEMENT**

**Commercial Insurance**

The Association has obtained commercial insurance for the following risks:

- Comprehensive personal property.



## **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***

Law Library Association  
Washington County  
205 Putnam Street  
Marietta, Ohio 45750

To the Board of Trustees:

We have audited the financial statement of the Law Library Association, Washington County, Ohio (the Association), as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated February 22, 2006, wherein we noted the Association 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 statement includes 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 Association's internal control over financial reporting to determine our auditing procedures in order to express our opinion on the financial statement 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 statement 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 Association's financial statement is 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*.

Law Library Association  
Washington 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 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

February 22, 2006



**Auditor of State  
Betty Montgomery**

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**LAW LIBRARY ASSOCIATION**

**WASHINGTON 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 23, 2006**