



**LAW LIBRARY ASSOCIATION
MARION COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2006 AND 2005



Mary Taylor, CPA
Auditor of State

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Public Funds - For the Year Ended December 31, 2006.....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Public Funds - For the Year Ended December 31, 2005.....	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>	11
Schedule of Prior Audit Findings.....	13

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Mary Taylor, CPA

Auditor of State

Law Library Association
Marion County
258 West Center Street
Marion, Ohio 43302

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 Association 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

April 16, 2007

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Marion County
258 West Center Street
Marion, Ohio 43302

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and retained monies fund of the Law Library Association, Marion County, Ohio, (the Association) as of and for the years ended December 31, 2006, and December 31, 2005. These financial statements are the responsibility of the Association'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 the retained monies fund and do not intend to present fairly the financial position or results of operations of all Association funds.

As described more fully in Note 1, the Association 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 Association to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2006, and December 31, 2005. 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 GAAP presentation requirements. The Auditor of State permits, but does not require Associations to reformat their statements. The Association 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.

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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, 2006, and December 31, 2005, do 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, 2006, and December 31, 2005, 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 Association's general fund and retained monies fund as of December 31, 2006, and December 31, 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

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 April 16, 2007, 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.



Mary Taylor, CPA
Auditor of State

April 16, 2007

**LAW LIBRARY ASSOCIATION
MARION 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	\$152,341	\$0	\$152,341
Intergovernmental	16,903	0	16,903
Interest	164	0	164
Miscellaneous Receipts	295	0	295
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	169,703	0	169,703
Cash Disbursements:			
Salary and Wages	32,958	0	32,958
Books and Subscriptions	96,566	0	96,566
Supplies, Services, and Equipment	23,353	0	23,353
Employer Taxes	379	0	379
Employer PERS	4,515	0	4,515
Insurance	11,911	0	11,911
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	169,682	0	169,682
Total Cash Receipts Over Cash Disbursements	21	0	21
Public Fund Cash Balances, January 1, 2006	(4)	241	237
	<hr/>	<hr/>	<hr/>
Public Fund Cash Balances, December 31, 2006	\$17	\$241	\$258

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

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$104,709	\$0	\$104,709
Intergovernmental	16,881	0	16,881
Interest	68	0	68
Miscellaneous Receipts	165	0	165
Total Cash Receipts	121,823	0	121,823
Cash Disbursements:			
Salary and Wages	32,958	0	32,958
Books and Subscriptions	78,053	0	78,053
Supplies, Services, and Equipment	11,958	466	12,424
Employer Taxes	478	0	478
Employer PERS	4,466	0	4,466
Insurance	12,353	0	12,353
Total Cash Disbursements	140,266	466	140,732
Total Cash Receipts Under Cash Disbursements	(18,443)	(466)	(18,909)
Other Financing Receipts:			
Remittance from Private Funds	18,452	0	18,452
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements	9	(466)	(457)
Public Fund Cash Balances, January 1, 2005	(13)	707	694
Public Fund Cash Balances, December 31, 2005	(\$4)	\$241	\$237

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

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Marion County Law Library Association (the Association) is governed by a board of five trustees who are elected to three-year terms by members of the Marion County Law Library Association. 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 Association 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 Marion County Commissioners to provide adequate facilities for the Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires an Assistant Law Librarian. The Judges of the Court of Common Pleas of Marion County fix the Assistant Law Librarian's 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 Assistant Law Librarian's salary. If the Association does not provide free access, the Association must pay the Assistant Law Librarian's salary. For fiscal years 2006 and 2005, Marion County paid the salary of the Assistant Law Librarian, pursuant to Ohio Revised Code § 3375.48.

The Association's management believes these financial statements present all public funds for which the Association is financially accountable. The Association deems some funds it receives as private monies, comprised of 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 statements do not present private monies.

B. Basis of Accounting

These financial statements follow 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.

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

C. Cash and Investments

The Association maintains one interest bearing and one non-interest bearing checking account.

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Association uses fund accounting to segregate cash that is restricted as to use. The Association classifies its funds into the following types:

1. General Fund

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

2. Retained Monies Fund

Retained Monies Fund reports funds the Association retains under Ohio Revised Code § 3375.56. At the end of each calendar year the Association may retain up to ten percent of their unexpended balance.

E. 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, fax machines, and other items related toward facilitating the use of equipment as equipment.

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

2. REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED

In any year that receipts exceed disbursements, the Association refunds at least ninety percent of the unexpended 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." In 2006 and 2005, no refund was required.

3. EQUITY IN POOLED CASH

The Associations maintains an interest bearing checking account for the General Fund and a non-interest bearing account for the Retained Monies Fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash and investments at December 31 follows:

	<u>2006</u>	<u>2005</u>
Demand deposits	\$258	\$237

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

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2006 AND 2005
(Continued)**

4. RISK MANAGEMENT

Commercial Insurance

The Association has obtained commercial insurance for the following risks:

- Comprehensive property and commercial general liability;
- Non-Owned Vehicles.

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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

Law Library Association
Marion County
258 West Center Street
Marion, Ohio 43302

To the Board of Trustees:

We have audited the financial statements of the Law Library Association, Marion County, Ohio, (the Association) as of and for the years ended December 31, 2006, and December 31, 2005, and have issued our report thereon dated April 16, 2007, wherein we noted the Association followed accounting practices the Auditor of State permits rather than accounting principles generally accepted in the United States of America. We also disclosed the financial statements include only the general fund and the retained monies 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 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 Association's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Association'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 Association'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 Association'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 Association'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.

We noted a certain matter that we reported to the Association's management in a separate letter dated April 16, 2007.

Compliance and Other Matters

As part of reasonably assuring whether the Association'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 intend this report solely for the information and use of management and the Board of Trustees. We intend it for no one other than these specified parties.



Mary Taylor, CPA
Auditor of State

April 16, 2007

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2006 AND 2005**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2004-001	ORC § 3375.48 – Compensation and Fringe Benefits of Assistant Law Librarian	Yes	Fully Corrected



Mary Taylor, CPA
Auditor of State

LAW LIBRARY ASSOCIATION

MARION 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
JUNE 14, 2007**