



Mary Taylor, CPA  
Auditor of State



LAW LIBRARY ASSOCIATION  
LOGAN COUNTY

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**Mary Taylor, CPA**  
Auditor of State

Logan County Law Library Association  
Logan County  
101 S. Main St., Room 19  
Bellefontaine, Ohio 43311

To the Board:

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.

*Mary Taylor*

**Mary Taylor, CPA**  
Auditor of State

September 25, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Logan County Law Library Association  
Logan County  
101 S. Main St., Room 19  
Bellefontaine, Ohio 43311

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Logan County Law Library Association, Logan County, (the Library) as of and for the years ended December 31, 2006 and 2005. 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.

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.

Instead of the funds the accompanying financial statements present, 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, 2006 and 2005 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, 2006 and 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 and reserves for encumbrances of the Logan County Law Library Association, Logan County, general fund and the retained monies fund as of December 31, 2006 and 2005, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

As discussed in Note 2, 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 September 25, 2007, 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.

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

September 25, 2007

**LOGAN COUNTY LAW LIBRARY ASSOCIATION  
LOGAN COUNTY**

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

|  | <u>Total<br/>General<br/>Fund</u> | <u>Retained<br/>Monies<br/>Fund</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-----------------------------------|-------------------------------------|---|
| <b>Cash Receipts:</b>  |                                   |                                     |   |
| Logan County Auditor   | \$49,191                          |                                     | \$49,191                                |
| Probate Juvenile Court   | 887                               |                                     | 887                                     |
| Clerk, Common Please Court   | 1,251                             |                                     | 1,251                                   |
| City of Bellefontaine  | 29,759                            |                                     | 29,759                                  |
| Bellefontaine Municipal Court  | 4,000                             |                                     | 4,000                                   |
| Interest   |                                   | \$1,457                             | 1,457                                   |
| Miscellaneous Receipts   | 1,209                             |                                     | 1,209                                   |
| Total Cash Receipts  | <u>86,297</u>                     | <u>1,457</u>                        | <u>87,754</u>                           |
| <b>Cash Disbursements:</b>   |                                   |                                     |   |
| Supplies and Materials   | 49,595                            |                                     | 49,595                                  |
| Refunds to Relative Income Sources - See Note 2  | 27,609                            |                                     | 27,609                                  |
| Salaries   | 14,750                            |                                     | 14,750                                  |
| Equipment, Utilities, Office Supplies  | 2,359                             |                                     | 2,359                                   |
| Bank Charges   | 1,522                             |                                     | 1,522                                   |
| Miscellaneous Expense  | 90                                |                                     | 90                                      |
| Total Cash Disbursements   | <u>95,925</u>                     |                                     | <u>95,925</u>                           |
| Total Cash Receipts Over/(Under) Cash Disbursements  | <u>(9,628)</u>                    | <u>1,457</u>                        | <u>(8,171)</u>                          |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                   |                                     |   |
| Remittance to Retained Funds   | <u>(3,068)</u>                    | <u>3,068</u>                        |   |
| Cash Receipts and Other Financing<br>Receipts Over (Under) Cash Disbursements<br>and Other Financing Disbursements | (12,696)                          | 4,525                               | (8,171)                                 |
| Public Fund Cash Balances, January 1   | <u>36,318</u>                     | <u>55,348</u>                       | <u>91,666</u>                           |
| <b>Public Fund Cash Balances, December 31</b>  | <b><u>\$23,622</u></b>            | <b><u>\$59,873</u></b>              | <b><u>\$83,495</u></b>                  |
| Reserves for Encumbrances, December 31   | <u>\$2,503</u>                    |                                     | <u>\$2,503</u>                          |

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

**LOGAN COUNTY LAW LIBRARY ASSOCIATION  
LOGAN COUNTY**

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

|  | <b>Total<br/>General<br/>Fund</b> | <b>Retained<br/>Monies<br/>Fund</b> | <b>Totals<br/>(Memorandum<br/>Only)</b> |
|--|-----------------------------------|-------------------------------------|---|
| <b>Cash Receipts:</b>  |                                   |                                     |   |
| Logan County Auditor   | \$65,167                          |                                     | \$65,167                                |
| Probate Juvenile Court   | 555                               |                                     | 555                                     |
| Clerk, Common Please Court   | 1,251                             |                                     | 1,251                                   |
| City of Bellefontaine  | 26,480                            |                                     | 26,480                                  |
| Bellefontaine Municipal Court  | 4,000                             |                                     | 4,000                                   |
| Interest   |                                   | \$1,035                             | 1,035                                   |
| Miscellaneous Receipts   | 788                               |                                     | 788                                     |
| <b>Total Cash Receipts</b>   | <b>98,241</b>                     | <b>1,035</b>                        | <b>99,276</b>                           |
| <b>Cash Disbursements:</b>   |                                   |                                     |   |
| Supplies and Materials   | 46,937                            |                                     | 46,937                                  |
| Refunds to Relative Income Sources - See Note 2  | 18,900                            |                                     | 18,900                                  |
| Salaries   | 14,264                            |                                     | 14,264                                  |
| Equipment, Utilities, Office Supplies  | 2,895                             |                                     | 2,895                                   |
| Bank Charges   | 59                                |                                     | 59                                      |
| Miscellaneous Expense  | 2,882                             |                                     | 2,882                                   |
| <b>Total Cash Disbursements</b>  | <b>85,937</b>                     |                                     | <b>85,937</b>                           |
| <b>Total Cash Receipts Over/(Under) Cash Disbursements</b>   | <b>12,304</b>                     | <b>1,035</b>                        | <b>13,339</b>                           |
| <b>Other Financing Receipts/(Disbursements):</b>   |                                   |                                     |   |
| Remittance to Retained Funds   | (2,169)                           | 2,169                               |   |
| Cash Receipts and Other Financing<br>Receipts Over (Under) Cash Disbursements<br>and Other Financing Disbursements | 10,135                            | 3,204                               | 13,339                                  |
| Public Fund Cash Balances, January 1   | 26,183                            | 52,144                              | 78,327                                  |
| <b>Public Fund Cash Balances, December 31</b>  | <b>\$36,318</b>                   | <b>\$55,348</b>                     | <b>\$91,666</b>                         |
| Reserves for Encumbrances, December 31   | \$3,197                           | \$0                                 | \$3,197                                 |

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

**LAW LIBRARY ASSOCIATION  
LOGAN COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Logan County Law Library Association (the Library) is governed by a board of seven trustees. Members of the Logan County Bar Association elected six of the board members. The judge of the Logan County Common Pleas Court, General Division is an ex officio member of the board. 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 Logan County Commissioners to provide adequate facilities for the Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees may hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Logan 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. 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.

**C. Cash and Investments**

The Library's deposits are valued at cost.

**LAW LIBRARY ASSOCIATION  
LOGAN COUNTY**

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

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

**D. Fund Accounting**

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

**1. General Fund**

The General Fund reports 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 2 for additional information.

**E. Budgetary Process**

The Ohio Revised Code does not require the Library to budget annually. However, under Ohio Revised Code § 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 acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**G. 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.

**2. 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 2005 and 2006.

| <b>Unencumbered Balance at December 31, 2004<br/>Refunded and Retained During Calendar Year 2005</b> |                 |
|--|-----------------|
| Unencumbered Balance at December 31, 2004  | \$21,069        |
| Refunded to Relative Sources during 2005   | 18,900          |
| Retained Funds Amount during 2005  | <u>\$ 2,169</u> |

**LAW LIBRARY ASSOCIATION  
LOGAN COUNTY**

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

**2. REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED (Continued)**

| <b>Unencumbered Balance at December 31, 2005</b>       |          |
|--|----------|
| <b>Refunded and Retained During Calendar Year 2006</b> |          |
| Unencumbered Balance at December 31, 2005              | \$33,121 |
| Refunded to Relative Sources during 2006               | 27,609   |
| Retained Funds Amount during 2006                      | \$ 5,512 |

Contrary to Ohio Revised Code Section 3375.56, the Library did not refund 90% of unencumbered balances to relative income sources.

**3. 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:

|                      | <b>2006</b> | <b>2005</b> |
|----------------------|-------------|-------------|
| Demand deposits      | \$23,622    | \$36,318    |
| Money Market Account | 59,873      | 55,348      |
| Total deposits       | 83,495      | 91,666      |

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

**4. RETIREMENT SYSTEMS**

One of the Library's employees belongs 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.

The Ohio Revised Code also prescribes contribution rates. For 2006 and 2005, OPERS members contributed 9 percent and 8.5 percent, respectively, of their gross salaries and the Library contributed an amount equaling 13.7 percent and 13.55 percent, respectively, of participants' gross salaries. The Library has paid all contributions required through December 31, 2006.

**5. RISK MANAGEMENT**

**Commercial Insurance**

The 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*

Logan County Law Library Association  
Logan County  
101 S. Main St., Room 19  
Bellefontaine, Ohio 43311

To the Library Board of Trustees:

We have audited the financial statements of the Logan County Law Library Association, Logan County, (the Library) as of and for the years ended December 31, 2006 and 2005, and have issued our report thereon dated September 25, 2007, 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 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 Library's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinions 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.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

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.

We consider the following deficiencies described in the accompanying schedule of findings to be significant deficiencies in internal control over financial reporting: 2006-001 through 2006-004.

**Internal Control Over Financial Reporting  
(Continued)**

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 the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might be significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings numbers 2006-003 and 2006-004 are also 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 instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2006-001 through 2006-003.

The Library's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Library's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of management and Board of Trustees. It is not intended for anyone other than these specified parties.



**Mary Taylor, CPA**  
Auditor of State

September 25, 2007

**LAW LIBRARY ASSOCIATION  
LOGAN COUNTY**

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

|  |
|--|
| <b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS<br/>REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b> |
|--|

**FINDING NUMBER 2006-001**

**Material Noncompliance and Significant Deficiency**

**Ohio Rev. Code Section 121.22(C)** provides that the minutes of a regular or special meeting of any public body shall be promptly recorded and open to public inspection. The minutes must state sufficient facts and information to permit the public to understand and appreciate the rationale behind the public body's decisions. The minutes need only reflect the general subject matter of discussions in executive sessions. In addition to promptly preparing the minutes, the public body must file and maintain them.

Only minutes from two meetings in 2005 were maintained by the Library. Since the Library Board meets on a monthly basis, it appears that the minutes were not properly maintained for every meeting as required by the Ohio Revised Code. In addition to documenting who attended and who was absent from the meeting, the minutes should be read, approved and signed at the following Board meeting. Whenever the Board decides to vote, a roll call should be taken and recorded as part of the minutes. It is the Board's responsibility to provide an accurate record of their proceedings. Failure to record meetings violates this Code Section and weakens the Library's ability to support actions taken by the Board.

**Client Response:**

The Association has kept minutes of Board meetings since 2005 and has continued to do so through its most recent meeting in September 2007. Appropriate Board minutes will be taken for all future Board Meetings.

**FINDING NUMBER 2006-002**

**Material Non Compliance and Significant Deficiency**

**26 CFR 1.6041-1** provides that independent contractors are to be issued 1099s and **26 CFR 1.6041-2** states that employees are to receive W-2's for earned wages. Since individuals receiving 1099's are not considered employees, they are not subject to withholdings and related employer contributions. Individuals having deductions withheld should be considered employees and be issued a W-2.

The Library had employment contracts with individuals during 2006 and 2005, one for the general maintenance of the Library and one for bookkeeping services. The employees hired for both positions were issued 1099's, which would indicate they were considered independent contractors by the Library. However, the employee hired for the maintenance position had OPERS in the amount of \$544 withheld from her wages during 2006 and 2005. In addition, the Library contributed the employer share of \$829 in both 2006 and 2005. This situation resulted in the inconsistent treatment between the two employees and could result in the Library being liable for additional employee and employer deductions.

The Library should review its employment needs and consult with the IRS and/or OPERS to determine if these individuals should be considered independent contractors or employees. If they are to be independent contractors, then they should be issued 1099's and not have any deductions withheld. If they are considered employees, then W-2's should be issued, employee deductions should be withheld, and the Library should pay related employer contributions. In the event that deductions were made in error, OPERS should be contacted regarding refunding the contributions.

**Client Response:**

Effective as of July 1, 2007, the Association opened appropriate employee withholding accounts for its Law Librarian and for the Secretary/Treasurer of the Association. Appropriate employee deductions have been made since said effective date, and will continue to be made, and W-2s will be issued to these employees.

### **FINDING NUMBER 2006-003**

#### **Material Non Compliance and Significant Deficiency/Material Weakness**

**Ohio Rev. Code Section 3375.56** requires Law Library Associations to proportionally refund at least 90 percent of relative income sources from contributing political subdivisions.

The Library failed to accurately calculate the refund based on relative income sources which resulted in underpayments in 2006 to Logan County and the City of Bellefontaine in the amounts of \$1,319 and \$880 respectively. In addition to not using the required calculation per Ohio Rev. Code Section 3375.56, the Library materially overstated the reserve for encumbrances which was an integral part of the calculation. The Library should review the requirements of the code and adopt procedures for accurately calculating the yearly refunds due to contributing political subdivisions and the corresponding remittance to the Retained Monies fund.

#### **Client Response:**

Following review and approval of the Board at its regular October 2007 meeting, payments will be made by the Association to Logan County and the City of Bellefontaine in the amounts necessary to correct the underpayments detailed in this Finding.

### **FINDING NUMBER 2006-004**

#### **Significant Deficiency/Material Weakness**

The Library did not post the Retained Monies Fund, and associated activity, to its financial statements for years ending December 31, 2006 and 2005. The Retained Monies fund was 72% and 60% of the total fund balance for the Law Library for 2006 and 2005 respectively. In order for the Library's financial activity to be correctly reflected, the Library should post the Retained Monies fund to their annual financial reports.

#### **Client Response:**

The Association's Retained Monies Fund will be posted with its year end financial statements beginning with the financial statements for the year ended December 31, 2007.

**LAW LIBRARY ASSOCIATION  
LOGAN 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; <b><i>Explain</i></b> |
|----------------|--|------------------|--|
| 2004-001       | Ohio Rev. Code Section 121.22 – The Library should implement controls to assure that all Board Meetings are properly recorded. | No               | Repeated as Finding – 2006-001   |
| 2004-002       | 26 CFR 1.6041-1 – The Library should determine status of employee versus independent contractor.                               | No               | Repeated as Finding – 2006-002   |





**Mary Taylor, CPA**  
Auditor of State

**LAW LIBRARY ASSOCIATION**

**LOGAN 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  
OCTOBER 16, 2007**