



**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWFORD COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006



Mary Taylor, CPA
Auditor of State

**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWFORD COUNTY**

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Mary Taylor, CPA
Auditor of State

Crawford Law Library Association
Crawford County
112 East Mansfield Street
Bucyrus, Ohio 44820

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.

Mary Taylor

Mary Taylor, CPA
Auditor of State

July 28, 2008

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Crawford Law Library Association
Crawford County
112 East Mansfield Street
Bucyrus, Ohio 44820

To the Board of Trustees:

We have audited the accompanying financial statements of the Crawford Law Library Association, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2007, and December 31, 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.

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 require 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 the Crawford Law Library Association, Crawford County, Ohio, 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, 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 July 28, 2008, 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 cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

July 28, 2008

**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWFORD COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$ 128,200	\$ -	\$ 128,200
Miscellaneous Receipts	265	-	265
Total Cash Receipts	<u>128,465</u>	<u>-</u>	<u>128,465</u>
Cash Disbursements:			
Dues	15	-	15
Books	109,651	-	109,651
Refunds to Relative Income Sources - See Note 2	8,462	-	8,462
Equipment Maintenance	663	-	663
Insurance	579	-	579
Postage	2	-	2
Professional Fees	1,677	-	1,677
Publications	1,919	-	1,919
Refunds & Reimbursements	6	-	6
Supplies	194	-	194
Legal Advertising	117	-	117
Online Research	15,813	-	15,813
Total Cash Disbursements	<u>139,098</u>	<u>-</u>	<u>139,098</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(10,633)</u>	<u>-</u>	<u>(10,633)</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(940)	940	-
Transfers-In	2,500	-	2,500
Transfers-Out	-	(2,500)	(2,500)
Total Other Financing Receipts/(Disbursements)	<u>1,560</u>	<u>(1,560)</u>	<u>-</u>
Deficiency of Cash Receipts and Other Financing Receipts Under Cash Disbursements and Other Financing Disbursements	<u>(9,073)</u>	<u>(1,560)</u>	<u>(10,633)</u>
Fund Cash Balances, January 1	<u>9,407</u>	<u>16,811</u>	<u>26,218</u>
Fund Cash Balances, December 31	<u><u>\$ 334</u></u>	<u><u>\$ 15,251</u></u>	<u><u>\$ 15,585</u></u>

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

**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWFORD COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$ 127,100	\$ -	\$ 127,100
Cash Disbursements:			
Dues	30	-	30
Computer Hardware	228	-	228
Books	73,175	-	73,175
Refunds to Relative Income Sources - See Note 2	13,621	-	13,621
Equipment Maintenance	888	-	888
Insurance	579	-	579
Postage	215	-	215
Professional Fees	3,955	-	3,955
Publications	1,963	-	1,963
Supplies	410	-	410
Legal Advertising	79	-	79
Online Research	36,176	-	36,176
Total Cash Disbursements	131,319	-	131,319
Total Cash Receipts Over Cash Disbursements	(4,219)	-	(4,219)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(60)	60	-
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(4,279)	60	(4,219)
Fund Cash Balances, January 1	13,686	16,751	30,437
Fund Cash Balances, December 31	\$ 9,407	\$ 16,811	\$ 26,218

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

**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWFORD COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Crawford Law Library Association, Crawford County, Ohio, (the Library) is governed by a board of seven trustees. Members of the Crawford County Bar Association bi-annually elect the board members. 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 Crawford 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 Crawford County fix these librarians' compensation pursuant to ORC § 3375.48. The Library provides free access to all county officers and the judges of the several courts; therefore, the County treasury pays the librarians' salary.

The Library's management believes these financial statements present all public funds for which the Library is financially accountable. The accompanying financial statements also include private monies, see note 1D.

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.

C. Cash

The Library maintains a non interest bearing checking account.

D. Fund Accounting

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

**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWFORD COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

D. Fund Accounting (Continued)

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.

3. Private Monies

Private monies include membership dues, overdue book charges, and photocopying charges. Fees collected for book and copier usage remain private even though the books and copiers may have been purchased with public funds. The Library can disburse private monies at its discretion. Private money are included in the Retained Monies Fund. The Library is not able to determine the amount of private monies included in the balance of the Retained Monies Fund; therefore, the Library will report private monies with the Retained Monies Fund until the Library can support the private portion of the 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.

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 balance to political subdivisions that provided revenues to the Library. See Footnote 2 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 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 2007 and 2006.

**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWFORD COUNTY**

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

2. Refund to Relative Income Sources and Amount Retained (Continued)

Unencumbered Balance at December 31, 2006	
<u>Refunded and Retained During Calendar Year 2007</u>	
Unencumbered Balance at December 31, 2006	\$9,402
Refunded to Relative Sources during 2007	<u>8,462</u>
Retained Funds Amount during 2007	<u><u>\$940</u></u>

Unencumbered Balance at December 31, 2005	
<u>Refunded and Retained During Calendar Year 2006</u>	
Unencumbered Balance at December 31, 2005	\$602
Refunded to Relative Sources during 2006	<u>542</u>
Retained Funds Amount during 2006	<u><u>\$60</u></u>

In addition to the \$542 refunded during 2006 related to 2005, an additional \$13,079 was refunded in 2006 related to 2004. A finding for recovery repaid under audit was issued in the prior audit related to the delay in the 2004 payment.

3. Equity in Pooled Cash

The Library maintains a cash pool all funds use. The Ohio Revised Code prescribes allowable deposits. The Library's deposits consisted of demand deposits with a carrying amount of \$15,585 and \$26,218 at December 31, 2007, and December 31, 2006, respectfully. Deposits are insured by the Federal Depository Insurance Corporation.

4. 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*

Crawford Law Library Association
Crawford County
112 East Mansfield Street
Bucyrus, Ohio 44820

To the Library Board of Trustees:

We have audited the financial statements of the Crawford Law Library Association, Crawford County, Ohio, (the Library) as of and for the years ended December 31, 2007, and December 31, 2006, and have issued our report thereon dated July 28, 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 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 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.

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

Mary Taylor, CPA
Auditor of State

July 28, 2008

**CRAWFORD LAW LIBRARY ASSOCIATION
CRAWORD COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2007 AND 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain</i>
2005-001	Finding Repaid Under Audit - Refund to Relative Income Sources. The Library did not remit the required refunds to Crawford County of ninety percent of the Library's unencumbered balances at year end for 2005 and 2004. On July 17, 2006 the Library remitted those funds.	Yes	



Mary Taylor, CPA
Auditor of State

CRAWFORD LAW LIBRARY ASSOCIATION

CRAWFORD 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**