



**ASHTABULA COUNTY LAW LIBRARY
ASSOCIATION
ASHTABULA COUNTY, OHIO**

**REGULAR AUDIT
FOR THE YEARS ENDED
DECEMBER 31, 2009 & 2008**



Mary Taylor, CPA

Auditor of State

Board of Trustees
Ashtabula County Law Library Association
25 West Jefferson Street
Jefferson, Ohio 44047

We have reviewed the *Independent Accountants' Report* of the Ashtabula County Law Library Association, Ashtabula County, prepared by Canter & Associates, for the audit period January 1, 2008 through December 31, 2009. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Independent Accountants' Report* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Independent Accountants' Report* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Ashtabula County Law Library Association is responsible for compliance with these laws and regulations.

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

Mary Taylor, CPA
Auditor of State

August 16, 2010

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**ASHTABULA COUNTY LAW LIBRARY ASSOCIATION
ASHTABULA COUNTY**

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INDEPENDENT ACCOUNTANTS' REPORT

Ashtabula County Law Library Association
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and retained monies fund of the Ashtabula County Law Library Association, Ashtabula County, (the Library) as of and for the years ended December 31, 2009 and 2008. 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.

The financial statements present only the general fund and retained monies fund and are not intended to present fairly the financial position or results of operations of all the Library funds.

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.

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, 2009 and 2008 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, 2009 and 2008, 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 Ashtabula County Law Library Association, Ashtabula County, general fund and retained monies fund as of December 31, 2009 and 2008, 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.

House Bill 420 of the 127th General Assembly required the Library to transfer its public cash and property purchased with public funds to the County on or before January 1, 2010. The County will assume accounting responsibilities for these funds commencing in 2010, and the County will present these funds in its financial statements.

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 May 15, 2010, 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.



Canter & Associates

May 15, 2010

**ASHTABULA COUNTY LAW LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$228,167	\$0	\$228,167
Interest	114	0	114
Miscellaneous Receipts	9,313	0	9,313
Total Cash Receipts	237,594	0	237,594
Cash Disbursements:			
Salaries	9,360	0	9,360
Employee Fringe Benefits	1,981	0	1,981
Supplies and Materials	1,222	0	1,222
Law Books & On-line Services	172,047	0	172,047
Professional Services	5,957	0	5,957
Capital Expenditures	3,708	0	3,708
Statutory Reimbursements	2,524	0	2,524
Other	4,559	0	4,559
Total Cash Disbursements	201,358	0	201,358
Total Cash Receipts Over/(Under) Cash Disbursements	36,236	0	36,236
Other Financing Receipts/(Disbursements):			
Refunds from Vendors	8,916	0	8,916
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	45,152	0	45,152
<u>Public Fund Cash Balances, January 1</u>	<u>0</u>	<u>50</u>	<u>50</u>
<u>Public Fund Cash Balances, December 31</u>	<u>\$45,152</u>	<u>\$50</u>	<u>\$45,202</u>

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

**ASHTABULA COUNTY LAW LIBRARY ASSOCIATION
ASHTABULA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2008**

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$238,147	\$0	\$238,147
Interest	770	0	770
Miscellaneous Receipts	780	0	780
Total Cash Receipts	239,697	0	239,697
Cash Disbursements:			
Salaries	9,180	0	9,180
Employee Fringe Benefits	1,922	0	1,922
Supplies and Materials	1,272	0	1,272
Law Books & On-line Services	147,312	0	147,312
Professional Services	12,828	0	12,828
Capital Expenditures	30,249	0	30,249
Reimbursement to County Commissioners	27,787	0	27,787
Other Reimbursements	11,820	0	11,820
Refunds to Relative Resources - See Note 2	22,213	0	22,213
Other	3,578	0	3,578
Total Cash Disbursements	268,161	0	268,161
Total Cash Receipts Over/(Under) Cash Disbursements	(28,464)	0	(28,464)
Other Financing Receipts/(Disbursements):			
Money Received from Private Fund	24,641	0	24,641
Transfers-In	2,449	0	2,449
Transfers-Out	0	(2,449)	(2,449)
Total Other Financing Receipts/(Disbursements)	27,090	(2,449)	24,641
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(1,374)	(2,449)	(3,823)
Public Fund Cash Balances, January 1	1,374	2,499	3,873
Public Fund Cash Balances, December 31	\$0	\$50	\$50
Reserves for Encumbrances, December 31	\$1,245	\$0	\$1,245

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

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Ashtabula County Law Library Association (the Library) is governed by a board of three trustees. Members of the Ashtabula County Bar Association elect the trustees on an annual basis to staggered terms. 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 Ashtabula 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 Ashtabula 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.

During 2009, Ohio Revised Code Section 3375.48 made the county commissioners responsible for compensating the librarian and up to two assistants and also for the costs of space and utilities. During 2008, the county commissioners were responsible for 60 percent of the librarian's and assistants' compensation and for 80 percent of the costs of the space and utilities for the law library as required by Ohio Revised Code Section 3375.49.

As of January 1, 2010, a Law Library Resources Board (LLRB) will govern county law libraries. Each county will establish a county law library resources fund (LLRF) as required by Ohio Revised Code Section 307.514. On or before January 1, 2010 the Library must transfer money and property purchased with fine and penalties monies to the LLRB. Expenditures from the LLRF fund shall be made pursuant to the annual appropriation measure adopted by the commissioners.

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

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2009 AND 2008

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. The Reserve for Encumbrances on the financial statements represents the Library's commitments for purchases. The Library recognizes encumbrances when it commits funds.

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

C. Deposits and Investments

The 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.

The Ashtabula County Law Librarian is the Secretary/Treasurer for the Ashtabula County Law Library Association. The investment procedures are restricted by the provisions of the Ohio Revised Code. The Library's deposits are held in a NOW Account.

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:

General Fund - Law Library Association Fund

The General Fund is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

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.

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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 2 for additional information.

H. 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 Library's accounting basis. Neither is such data comparable to a consolidation. The Library does not eliminate inter-fund transactions when aggregating this data.

2. REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED

Through 2008, if receipts exceed disbursements, the Library must refund 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 2008.

Unencumbered Balance at December 31, 2008	
<u>Refunded and Retained During Calendar Year 2008</u>	
Unencumbered Balance at December 31, 2007	\$1,374
Refunded to Relative Sources during 2008	<u>22,213</u>
Retained Funds Amount during 2008	<u><u>\$0</u></u>

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

ASHTABULA COUNTY

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2009 AND 2008**

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:

	<u>2008</u>	<u>2009</u>
Demand deposits	\$50	\$45,202

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

4. CLOSEOUT TRANSFER TO COUNTY

HB 420 of the 127th General Assembly required the Library to transfer its public cash and property purchased with public funds to the county on or before January 1, 2010. The County will assume accounting responsibilities for these funds commencing in 2010. The Library transferred \$44,202 to the County on 2/11/2010 and \$1,449 on 4/13/2010. The total transfer was \$449 more than the 12/31/2009 audited cash balance of \$45,202 due to a stale check from 2008 in the amount of \$437 still outstanding at the time of final transfer plus four months of interest earned in 2010 for \$12.

5. RETIREMENT SYSTEMS

The 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.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10 percent of their gross salaries and their employer (i.e. the Library or County) contributed an amount equaling 14 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2009.

6. 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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**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
REQUIRED BY *GOVERNMENT AUDITING STANDARDS***

Ashtabula County Law Library Association
Ashtabula County
25 West Jefferson Street
Jefferson, Ohio 44047

To the Library Board of Trustees:

We have audited the financial statements of the Ashtabula County Law Library Association, Ashtabula County, (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated May 15, 2010 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 also disclosed that State Statute requires the Library to transfer its public funds to the County. The County will assume accounting responsibilities for the Library in 2010. 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 the purpose of expressing our opinion on the financial statements, but not for the purpose of opining 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 *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A *material weakness* is a deficiency, or combination of internal control deficiencies resulting in more than a reasonable possibility that a material misstatement of the Library's financial statements will not be prevented, or detected and timely corrected.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, 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 management and the Board of Trustees. We intend it for no one other than these specified parties.



Canter & Associates

May 15, 2010



Mary Taylor, CPA
Auditor of State

ASHTABULA COUNTY LAW LIBRARY ASSOCIATION

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
AUGUST 26, 2010**