

**COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2009 - 2008**





# Mary Taylor, CPA

Auditor of State

Board of Trustees  
Coshocton County Law Library Association  
305 Main Street, 4th Floor  
Coshocton, Ohio 43812

We have reviewed the *Independent Accountants' Report* of the Coshocton County Law Library Association, Coshocton County, prepared by Knox & Knox, 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 Coshocton County Law Library Association is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

September 29, 2010

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COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY

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# KNOX & KNOX

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Accountants and Consultants

## Independent Accountants' Report

Coshocton County Law Library Association  
Coshocton County  
305 Main Street, 4<sup>th</sup> Floor  
Coshocton , Ohio 43812

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund of Coshocton County Law Library Association, Coshocton County, Ohio, (the Law Library) as of and for the years ended December 31, 2009 and 2008. These financial statements are the responsibility of the Law 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Law Library has prepared its 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 accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Law Library to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2009 and 2008. In addition to the accompanying financial statements present for 2009 and 2008, the revisions require presenting entity wide statements. While the Law Library does not follow GAAP, generally accepted auditing standards require us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Law Library has elected not to reformat its statements. 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 Law 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 of Coshocton County Law Library Association, Coshocton County, as of December 31, 2009 and 2008, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

House Bill 420 of the 127<sup>th</sup> 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 Law 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 August 31, 2010, on our consideration of the Law Library's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should be read it in conjunction with this report in considering the results of our audit.

***Knox & Knox***

Orrville, Ohio  
August 31, 2010

COSHOCOTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCOTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PUBLIC FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2009 AND 2008

	2009	2008
	General Fund	General Fund
<b>CASH RECEIPTS:</b>		
Fines and Forfeitures	\$65,629	\$77,519
Total Cash Receipts	65,629	77,519
<b>CASH DISBURSEMENTS:</b>		
Supplies and Materials	60,143	73,907
Refunds to County/City	352	
Miscellaneous	1	88
Transfer	11,451	
Total Cash Disbursements	71,947	73,995
Excess (Deficiency) of Cash Receipts Over/(Under) Cash Disbursements	(6,318)	3,524
Public Fund Cash Balances, January 1	6,318	2,794
<b>PUBLIC FUND CASH BALANCES, DECEMBER 31</b>	<b>6,318</b>	<b>\$6,318</b>

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

COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **DESCRIPTION OF THE ENTITY**

Coshocton County Law Library Association, Coshocton County, (the Law Library) is directed by a three-member Board of Trustees who are appointed by members of the Coshocton County Law Library Association. The Library provides free access for all county officers and the judges 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) Sections 3375.50 to .53, inclusive. The Law Library is permitted to expend funds under ORC Section 3375.54. The funds of the Law Library are expended on the purchase, lease or rental of law books; computer communication 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.

The Coshocton County Commissioners are required by ORC Section 3375.49 to provide adequate facilities for the Law Library. The Board of County Commissioners is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires a librarian. The Judges of the Court of Common Pleas of Coshocton County fix the compensation of the librarian pursuant to ORC Section 3375.48. If the Law Library provides free access to all county officers and the judges, the salary of the law librarian should be paid from the county treasury. If the conditions above are not met, then the salary of the librarian should be paid by the Library.

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

B. **BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. **CASH AND INVESTMENTS**

All cash is in demand deposits. The Law Library has no investments.

COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008

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

D. **FUND ACCOUNTING**

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

1. **General 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.

E. **PROPERTY, PLANT AND EQUIPMENT**

Acquisitions of equipment are recorded as equipment disbursements when paid. These items are not reflected as assets on the accompanying financial statements. Items purchased which are deemed to be equipment are computers, copiers, fax machines, and other items related to facilitating the use of the equipment.

F. **REFUND TO RELATIVE INCOME SOURCES**

If certain conditions are met, the Law Library is required to refund at least 90 percent of any balance to political subdivisions that provided revenues to the Law Library. See footnote 2 for additional information.

2. **CALCULATION OF REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED**

In any year that revenues exceed disbursements, the Law Library refunds at least 90 percent of the balance to the political subdivisions who provided the funds and retains the remaining amount. This refund process is referred to as the application of ORC 3375.56 or "refunds to relative income sources."

In 2009, refunds of \$352 were made.

3. **EQUITY IN POOLED CASH AND INVESTMENTS**

The Law Library maintains cash in segregated accounts for each fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2009</u>	<u>2008</u>
Demand deposits	<u>\$0.00</u>	<u>\$6, 318</u>

Deposits are insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

4. **RISK MANAGEMENT**

The Law Library has obtained commercial insurance for the following risks:

- Commercial property and general liability; and
- Public officials' liability; and
- Vehicle

COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
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NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2009 and 2008

5. **CLOSEOUT TRANSFER TO COUNTY**

House Bill 420 of the 127<sup>th</sup> 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 2009 financial statements displays this transaction as a transfer.

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Accountants and Consultants

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

Coshocton County Law Library Association  
Coshocton County  
305 Main Street, 4<sup>th</sup> Floor  
Coshocton , Ohio 43812

To the Board of Trustees:

We have audited the financial statements of the Coshocton County Law Library Association, Coshocton County, (the Law Library) as of and for the year ended December 31, 2009 and 2008, and have issued our report thereon dated August 31, 2010, wherein we noted that the Law 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 Law 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 Law 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 Law 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 would not necessarily identify all deficiencies in internal control 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. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

## COMPLIANCE AND OTHER MATTERS

As part of reasonably assuring whether the Law 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* .

Coshocton County Law Library Association  
Coshocton County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
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We did note certain matters not requiring inclusion in this report that we reported to the Law Library's management in a separate letter dated August 31, 2010.

We intend this report solely for the information and use of management, the audit committee, the Board of Trustees, and others within the Law Library. We intend it for no one other than these specified parties.

*KNOX & KNOX*

Orrville, Ohio  
August 31, 2010

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**Mary Taylor, CPA**  
Auditor of State

**COSHOCTON COUNTY LAW LIBRARY ASSOCIATION**

**COSHOCTON 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 12, 2010**