



Mary Taylor, CPA
Auditor of State

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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Mary Taylor, CPA
Auditor of State

Law Library Association
Vinton County
114 W. Main Street
McArthur, Ohio 45651

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

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Auditor of State

June 2, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Vinton County
114 W. Main Street
McArthur, Ohio 45651

To the Board of Trustees:

We have audited the accompanying financial statements of the General Fund and the Retained Monies Fund of the Law Library Association, Vinton County, Ohio (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 statement. 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 the Retained Monies Fund and do not intend to present fairly the financial position or results of operations of all 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 of the Law Library Association, Vinton 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 described in Note 1, per HB 420 of the 127th General Assembly, the Library must transfer its public cash and property purchased with public funds to the County on or before January 1, 2010. Effective January 1, 2010, the County will report the Law Library operations in a Law Library Resources Special Revenue Fund (LLRF). These LLRF transactions will be included within the scope of the County audit for the year ending December 31, 2010 and subsequent years.

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 June 2, 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.



Mary Taylor, CPA
Auditor of State

June 2, 2010

**LAW LIBRARY ASSOCIATION
VINTON 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	\$24,273	\$0	\$24,273
Clerk of Courts	1,250		1,250
Interest		39	39
Miscellaneous Receipts	3,764		3,764
Total Cash Receipts	29,287	39	29,326
Cash Disbursements:			
Books and Periodicals	18,297		18,297
Refunds to Relative Income Sources - See Note 1	11,926		11,926
Equipment	129		129
Other	17		17
Total Cash Disbursements	30,369	0	30,369
Total Cash Receipts Over/(Under) Cash Disbursements	(1,082)	39	(1,043)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(1,325)	1,325	0
Total Other Financing Receipts/(Disbursements)	(1,325)	1,325	0
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(2,407)	1,364	(1,043)
Public Fund Cash Balances, January 1	13,251	5,875	19,126
Public Fund Cash Balances, December 31	\$10,844	\$7,239	\$18,083

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

**LAW LIBRARY ASSOCIATION
VINTON 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	\$44,522	\$0	\$44,522
Clerk of Courts	1,250		1,250
Interest		86	86
Miscellaneous Receipts	54		54
Total Cash Receipts	45,826	86	45,912
Cash Disbursements:			
Salaries			0
Employee Fringe Benefits	236		236
Books and Periodicals	17,005		17,005
Refunds to Relative Income Sources - See Note 1	17,440		17,440
Equipment	11,366		11,366
Other	3,871	49	3,920
Total Cash Disbursements	49,918	49	49,967
Total Cash Receipts Over/(Under) Cash Disbursements	(4,092)	37	(4,055)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(1,789)	1,789	0
Total Other Financing Receipts/(Disbursements)	(1,789)	1,789	0
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(5,881)	1,826	(4,055)
Public Fund Cash Balances, January 1	19,132	4,049	23,181
Public Fund Cash Balances, December 31	\$13,251	\$5,875	\$19,126

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

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Law Library Association, Vinton County (the Library), is governed by a board of three trustees. Members of the Vinton County Bar Association 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 Vinton 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 Vinton 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.

House Bill 66 amended Ohio Rev. Code Section 3375.48 effective September 29, 2005 to transfer the authority to fix the compensation of the law librarian and assistant law librarians from the judges of the common pleas court to the county law library association's board of trustees. During 2009, the county commissioners were responsible for compensating the librarian and up to two assistants and for the costs of the space and utilities. During 2008, the county commissioners were responsible for 60% of the librarian's and assistants' compensation and for 80% 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 § 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.

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

1. Summary of Significant Accounting Policies (Continued)

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. 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

The 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.

D. 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.

E. 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 Association. See Footnote 2 for additional information.

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

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 table presents the refunded and retained amounts during 2009.

Unencumbered Balance at December 31, 2008	
Refunded and Retained During Calendar Year 2009	
Unencumbered Balance at December 31, 2008	\$13,251
Refunded to Relative Sources during 2009	(11,926)
Retained Funds Amount during 2009	\$1,325

Unencumbered Balance at December 31, 2007	
Refunded and Retained During Calendar Year 2008	
Unencumbered Balance at December 31, 2007	\$19,132
Remaining Amount to Refund to Relative Income Sources from 2006	(\$1,331)
Balance to Calculate Refund and Retained Monies Amounts	\$17,801
Refunded to Relative Sources during 2008	(16,020)
Retained Funds Amount during 2008	\$1,781

3. Equity in Pooled Deposits

The Library maintains a deposit pool all funds use. The Ohio Revised Code prescribes allowable deposits. The carrying amount of deposits at December 31 was as follows:

	2009	2008
Demand deposits	\$18,083	\$19,126

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

4. Retirement System

The Library's employee 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 2009 and 2008, OPERS members contributed 10 percent of their gross salaries and the Library contributed an amount equaling 14 percent of participants' gross salaries. The Library has paid all contributions required through December 31, 2009.

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

5. Risk Management

Commercial Insurance

The Library has been insured by the Vinton County Commissioners for the following risks:

- Comprehensive property and general liability; and
- Errors and omissions.

6. Subsequent Events

In accordance with House Bill 420, the Law Library Association must transfer their public cash and property to their county which will deposit this money into a Law Library Resources Fund. The transfer was to take place on or before January 1, 2010; however, the Vinton County Law Library transferred \$7,200 on January 18, 2010 and transferred their remaining public cash balance to the Vinton County Auditor on April 6, 2010.

Below is the activity that took place within the Law Library Association's bank accounts in 2010 through the date of the final transfer.

Bank Balance at December 31, 2009	\$18,083
Less Check #102 dated 1-18-10, issued to Vinton County Auditor	(7,200)
Less Check #1550 dated 1-18-10, issued to M. Bender	(57)
Less Check #1551 dated 1-12-10, issued to M.Bender	(57)
Less Check #1552 dated 1-18-10, issued to West Group	(20)
Less Check #1553 dated 1-18-10, issued to West Group	(456)
Less Check #1553 dated 1-18-10, issued to West Group	(618)
Interest	5
Remaining Balance Transferred to Vinton County on April 6, 2010:	<u>\$9,680</u>



Mary Taylor, CPA

Auditor of State

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

Law Library Association
Vinton County
114 West Main Street
McArthur, Ohio 45641

To the Board of Trustees:

We have audited the financial statements of the Law Library Association, Vinton County, Ohio (the Library), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated June 2, 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 and that Vinton County will assume accounting responsibilities for the Library as of January 1, 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 statement is 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2009-001.

We also noted certain matters not requiring inclusion in the report that we reported to the Library's management in a separate letter dated June 2, 2010.

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

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

June 2, 2010

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2009 AND 2008**

FINDING NUMBER 2009-001

Finding for Recovery Repaid Under Audit

Ohio Rev. Code Section 3375.49 provides that the board of trustees of a law library association is responsible for paying forty percent of the compensation of a librarian and up to two assistant librarians for calendar year 2008.

The Law Library did not pay the required percentages for compensation for calendar 2008 from Law Library funds. Further, the Law Library did not pay employer related expenses for Medicare and Public Employees Retirement System "OPERS." Ohio Attorney General Opinion 2007-012 explains that mandatory employer contributions and payments to OPERS, Medicare, and the state unemployment compensation fund are the obligation of the county law library association alone, and are not compensation subject to allocation between the Law Library Association and county under amended Ohio Rev. Code Section 3375.49. Therefore, these employer contributions should have been paid entirely from Law Library funds. The following table illustrates the payment required by the Law Library:

2008	Total	County Share 60% (Salary only)	Law Library Share 40% (Salary only)
Salary	\$ 3,000	\$ 1,800	\$ 1,200
Medicare	43		43
PERS	420		420
		\$ 1,800	\$ 1,663
Amount Due to the Vinton County General Fund			\$ 1,663

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code § 117.28, a Finding for Recovery for public money that is due but not collected is hereby issued against the Vinton County Law Library Association General Fund, in the amount of \$1,663 and in favor of the Vinton County General Fund.

This Finding for Recovery was repaid to the Vinton County Auditor when the Library transferred the account balances to the Vinton County Auditor on January 18 and April 6, 2010. The Vinton County Auditor recorded \$1,663 in the Vinton County General Fund and recorded the remaining balance in the Law Library Resources Fund.

Officials' Response: We did not receive a response from Officials to this finding.

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2007-001	Noncompliance Citation of Ohio Admin. Code Section 117-2-02(D)(4)-Payroll Records Maintenance	No	Finding No Longer Valid – beginning in 2009 County was responsible for all Payroll activity of the Law Library
2007-002	Finding for Recovery Repaid Under Audit/Noncompliance Citation/Significant Deficiency of Ohio Rev. Code Section 3375.56 – Detailed statement to County Auditor incorrectly calculated	Yes	
2007-003	Ohio Rev. Code Section 149.351(A) – Destruction of records	Yes	
2007-004	Bank reconciliations not performed	No	Repeated in a separate letter to management of the Library
2007-005	Financial Statements inaccurate	Yes	
2007-006	Insufficient meetings of the Board	Yes	



Mary Taylor, CPA
Auditor of State

LAW LIBRARY ASSOCIATION

VINTON COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
JUNE 24, 2010**