



**LAW LIBRARY ASSOCIATION PUBLIC FUND
GREENE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1998-1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

GREENE COUNTY LAW LIBRARY ASSOCIATION PUBLIC FUND

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REPORT OF INDEPENDENT ACCOUNTANTS

Greene County Law Library Association Public Fund
Greene County
45 N. Detroit Street
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the Greene County Law Library Association Public Fund, Greene County, Ohio, (the Law Library) as of and for the years ended December 31, 1999 and 1998. 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 generally accepted auditing standards 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 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 discussed in Note 1, the Law Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting other than generally accepted accounting principles.

For the years ended December 31, 1999 and 1998 the Law Library expended funds out of the public monies account to pay the Treasurer and Assistant Treasurer, contrary to statute. This amounted to \$6,520 as of December 31, 1998, and \$6,900 in December 31, 1999. 1995 Op. Atty. Gen. No. 95-029 states that "the library treasurer does not hold a public position and there is not a revised code section that allows for the treasurer to be paid from the library's public funds". This opinion would also apply to the assistant treasurer of a library. Had this amount been properly expended from their private fund, the effect would have been to decrease disbursements and increase the cash balance in the public fund by \$6,520 as of and for the year ended December 31, 1998, and by an additional \$6,900 as of and for the year ended December 31, 1999.

In our opinion, except for the matter referred to in the preceding paragraph, the financial statements referred to above present fairly, in all material respects, the fund cash balance of the Law Library as of December 31, 1999 and 1998, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 9, 2000 on our consideration of the Law Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants.

This report is intended solely for the information and use of the audit committee, management, Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 9, 2000

GREENE COUNTY LAW LIBRARY ASSOCIATION PUBLIC FUND

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>
Cash Receipts:	
Fines and Penalties	\$351,963
Miscellaneous Receipts	<u>4,280</u>
Total Cash Receipts	<u>356,243</u>
Cash Disbursements:	
Current:	
Salaries and Benefits	6,900
Books and Periodicals	154,009
Postage Stationary and Supplies	853
Equipment Rental	1,651
Insurance	1,267
Telephone	510
Miscellaneous	18,557
Refunds to Subdivisions	<u>155,247</u>
Total Cash Disbursements	<u>338,994</u>
Total Cash Receipts Over/(Under) Cash Disbursements	17,249
Fund Cash Balance, January 1	<u>110,025</u>
Fund Cash Balance, December 31	<u><u>\$127,274</u></u>

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

GREENE COUNTY LAW LIBRARY ASSOCIATION PUBLIC FUND

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General</u>
Cash Receipts:	
Fines and Penalties	\$284,498
Miscellaneous Receipts	<u>3,182</u>
Total Cash Receipts	<u>287,680</u>
Cash Disbursements:	
Current:	
Salaries and Benefits	6,520
Books and Periodicals	166,418
Postage Stationary and Supplies	925
Equipment Rental	2,973
Insurance	2,294
Telephone	402
Miscellaneous	20,618
Refunds to Subdivisions	<u>78,777</u>
Total Cash Disbursements	<u>278,927</u>
Total Cash Receipts Over/(Under) Cash Disbursements	8,753
Fund Cash Balance, January 1	<u>101,272</u>
Fund Cash Balance, December 31	<u><u>\$110,025</u></u>

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

GREENE COUNTY LAW LIBRARY ASSOCIATION PUBLIC FUND

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Greene County Law Library Association Public Fund, Greene County, (the Law Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library Law is directed by a seven-member Board of Trustees elected by Board. The Law Library provides the community with various educational and literary resources.

The Law Library's management believes these financial statements present all activities of the public fund for which the Law Library is financially accountable. The Law Library also maintains a private fund which is not part of these financial statements.

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

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively of private monies.

U.S. Government securities are carried at cost.

D. Fund Accounting

The Law Library only uses one fund classification for its Public Fund:

1. General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>1998</u>	<u>1999</u>
Demand deposits	\$8,223	\$30,952
U.S. Government Securities	<u>101,802</u>	<u>\$96,322</u>
Total deposits and investments	<u>\$110,025</u>	<u>\$127,274</u>

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

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Greene County Law Library Association Public Fund
Greene County
133 E. Market Street
Xenia, Ohio 45385

To the Board of Trustees:

We have audited the accompanying financial statements of the Greene County Law Library Association Public Fund, Greene County, Ohio (the Law Library), as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated June 9, 2000, which was qualified as a result of improper payments for compensation from the Public Fund. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the Law Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed an instance of noncompliance, that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings as item 1999-60329-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Law Library in a separate letter dated June 9, 2000.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered Law Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Law Library's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying schedule of findings as item 1999-60329-001.

A material weakness is a condition in which the design or operation one or more of the of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned duties. We do not consider the reportable condition above to be a material weakness. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Law Library in a separate letter dated June 9, 2000.

Greene County Law Library Association Public Fund
Greene County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended for the information and use of the audit committee, management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

June 9, 2000

GREENE COUNTY LAW LIBRARY ASSOCIATION PUBLIC FUND

**SCHEDULE OF FINDINGS
DECEMBER 31, 1998 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 1999-60329-001

Finding For Adjustment

1995 Op. Atty. Gen. No. 95-029 states that "the library treasurer does not hold a public position and there is not a revised code section that allows for the treasurer to be paid from the library's public funds". This opinion would also apply to the assistant treasurer of a library.

The Law Library paid compensation out of public funds to individuals employed as a treasurer and assistant treasurer who were neither a law librarian nor an assistant law librarian. Total public funds paid to the treasurer and assistant treasurer in for the years ended December 31, 1998 and 1999 amounted to \$6,520 and \$6,900, respectively.

Accordingly, to ensure compliance with the above referenced Attorney General Opinion, the Law Library should reimburse the public fund for expenditures made for compensation of the Treasurer and Assistant Treasurer, totaling \$13,420, from the private funds account. This adjustment is not reflected in the accompanying financial statements. Further, the Law Library should discontinue paying the Treasurer and Assistant Treasurer from public funds.

GREENE COUNTY LAW LIBRARY ASSOCIATION PUBLIC FUND

DECEMBER 31, 1998 AND 1999

SCHEDULE OF PRIOR AUDIT FINDINGS AND QUESTIONED COSTS
OMB CIRCULAR A -133 § .315 (b)

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1997-60329-001	Paying Treasurer & Assistant Treasurer out of public funds.	No	Not corrected. Finding for adjustment reissued in FY 1999.



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LAW LIBRARY ASSOCIATION PUBLIC FUNDS

GREENE 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
JULY 13, 2000**