



Mary Taylor, CPA
Auditor of State

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Cover Letter	1
Independent Accountants' Report.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Public Funds - For the Year Ended December 31, 2009.....	5
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Public Funds - For the Year Ended December 31, 2008.....	6
Notes to the Financial Statements	7
Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i>	11
Schedule of Findings.....	13

This page intentionally left blank.



Mary Taylor, CPA
Auditor of State

Clark County Law Library Association
Clark County
101 North Limestone Street
Springfield, Ohio 45502

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 library 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.

A handwritten signature in black ink that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

August 5, 2010

This page intentionally left blank.



Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Clark County Law Library Association
Clark County
101 North Limestone Street
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund, and the retained monies fund of the Clark County Law Library Association, Clark 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, the retained monies fund and do not intend to present fairly the financial position or results of operations of the 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 Clark County Law Library Association, Clark County, General fund and the 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. Effective January 1, 2010, the County will report the Law Library operations in a Law Library Resources Special Revenue Fund (LLRF). The LLRF transactions will be included within the scope of the County audit for fiscal 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 August 5, 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

August 5, 2010

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$227,132		\$227,132
Interest		\$21,591	21,591
Total Cash Receipts	<u>227,132</u>	<u>21,591</u>	<u>248,723</u>
Cash Disbursements:			
Books and Periodicals	144,003		144,003
Salaries & Benefits	10,442		10,442
Refunds to Relative Income Sources - See Note 1	65,010		65,010
Transfer to Clark County - See Note 3	79,210	525,900	605,110
Equipment	119		119
Bank Fees	695	2,338	3,033
Other	20,713		20,713
Total Cash Disbursements	<u>320,192</u>	<u>528,238</u>	<u>848,430</u>
Total Cash Receipts Under Cash Disbursements	<u>(93,060)</u>	<u>(506,647)</u>	<u>(599,707)</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	<u>(7,223)</u>	7,223	
Total Other Financing Receipts/(Disbursements)	<u>(7,223)</u>	<u>7,223</u>	
Deficiency of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	(100,283)	(499,424)	(599,707)
Public Fund Cash Balances, January 1	<u>103,213</u>	<u>499,450</u>	<u>602,663</u>
Public Fund Cash Balances, December 31	<u><u>\$2,930</u></u>	<u><u>\$26</u></u>	<u><u>\$2,956</u></u>

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

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK 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	\$243,096		\$243,096
Interest		\$23,198	23,198
Total Cash Receipts	<u>243,096</u>	<u>23,198</u>	<u>266,294</u>
Cash Disbursements:			
Books and Periodicals	110,982		110,982
Salaries & Benefits	17,563		17,563
Website	600		600
Equipment	22,593		22,593
Bank Fees	742	2,311	3,053
Other	19,188		19,188
Total Cash Disbursements	<u>171,668</u>	<u>2,311</u>	<u>173,979</u>
Total Cash Receipts Over Cash Disbursements	<u>71,428</u>	<u>20,887</u>	<u>92,315</u>
Other Financing Receipts:			
Refunds from Vendors	950		950
Total Other Financing Receipts	<u>950</u>		<u>950</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	72,378	20,887	93,265
Public Fund Cash Balances, January 1	<u>30,835</u>	<u>478,563</u>	<u>509,398</u>
Public Fund Cash Balances, December 31	<u>\$103,213</u>	<u>\$499,450</u>	<u>\$602,663</u>

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

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Clark County Law Library Association (the Library) is governed by a board of 12 - 15 trustees. The President of the Clark County Bar Association annually appoints 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 Clark County Commissioners to provide adequate facilities for the Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Clark 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 Rev. Code Section 3375.48 made the county commissioners 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 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 deems some funds it receives as private monies. Private monies include: 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.

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

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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 Library values U.S. treasury notes at cost. Money market mutual funds are recorded at share values the mutual funds report.

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:

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.

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 *unencumbered* 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

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	
Refunded and Retained During Calendar Year 2009	
Unencumbered Balance at December 31, 2008	\$72,233
Refunded to Relative Sources during 2009	<u>65,010</u>
Retained Funds Amount during 2009	<u><u>\$7,223</u></u>

The Library did not refund 2007 receipts in excess of disbursements to relative income sources.

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

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

3. 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. In addition, The Library transferred \$2,956 to the County on February 1, 2010. All remaining library assets were transferred to the County as of this date.

4. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

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

	2009	2008
Demand deposits	\$2,956	\$ 1,191
Total deposits	2,956	1,191
Sweep Account		156,789
Trust Account		444,683
Total investments		601,472
Total deposits and investments	\$2,956	\$602,663

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

Investments: The Library has established a custodial account with their financial institution's trust department. Its investments consist primarily of bonds and mutual funds of government agencies, as permitted by statute.

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
- Employee dishonesty.

This page intentionally left blank.



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*

Clark County Law Library Association
Clark County
101 North Limestone Street
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the financial statements of the Clark County Law Library Association, Clark County, (the Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated August 5, 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 to 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 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 Finding 2009-001.

The Library's response to the finding identified in our audit is described in the accompanying schedule of findings. We did not audit the Library's response and, accordingly, we express no opinion on it.

We intend this report solely for the information and use of the audit committee, management, and the Library's 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

August 5, 2010

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

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

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

FINDING NUMBER 2009-01

Material Noncompliance/Finding for Recovery – Repaid Under Audit

Ohio Rev. Code Section 3375.56 required a Law Library Association (LLA) on the first Monday of each year, to proportionately refund the contributing political subdivisions (e.g., municipal court) not less than 90 percent of any unencumbered balance in its General Fund.

The unencumbered balance included monies received during the preceding calendar year that exceeded the sum of cash disbursements plus any year-end outstanding encumbrances, during that same period. Contributing political subdivisions included those courts that provided the LLA monies through court fines, penalties, and forfeited bail during the previous calendar year. The remainder of the balance (up to 10 percent) could be kept for future expenses should an LLA's income not meet its revenue for a particular year.

2008 House Bill 420 repealed Ohio Rev. Code 3375.56 and reformed the County Law Library structure effective January 1, 2010. The last calendar year to which the above mentioned refund requirement applied was for the year ended December 31, 2008.

During calendar year 2007, the Clark County Law Library Association receipted the following amounts from various subdivisions:

<u>Subdivision</u>	<u>Amount</u>	<u>Contribution %</u>
Clark County Municipal Court	\$ 15,000	5.77%
Clark County Court of Common Pleas	1,250	0.48%
Clark County	148,364	57.07%
City of Springfield	95,361	36.68%
Total Revenue	<u>\$259,975</u>	<u>100.00%</u>

Total receipts exceeded disbursements by \$11,261 during this time period and the LLA was required to refund 90 percent or \$10,135 of this amount proportionately to the contributing political subdivisions. There was no indication the LLA refunded the said amount to the above mentioned subdivisions.

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 has not been collected is hereby issued against the Clark County Law Library Resource Board in the amount of \$10,133 and in favor of the Clark County Court of Common Pleas in the amount of \$48; Clark County Municipal Court in the amount of \$584; Clark County, Ohio in the amount of \$5,784; and the City of Springfield in the amount of \$3,717. The Law Library Resource Board repaid the finding amounts on July 14, 2010 as evidenced by check numbers 041072 through 041075.

Official's Response:

The Clark County Law Library Association acknowledges and has addressed the Auditor's Findings for Recovery. The policy and practice of the Law Library has been to comply with applicable State Law and to remit excess funds to the appropriate governmental authority in a timely basis. With respect to the fiscal year in question, the amount of excess funds was determined but inadvertently not remitted. The error was corrected with the appropriate transfer of the requisite funds.



Mary Taylor, CPA
Auditor of State

CLARK COUNTY LAW LIBRARY ASSOCIATION

CLARK 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 2, 2010**