



Mary Taylor, CPA  
Auditor of State



**LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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Mary Taylor, CPA  
Auditor of State

Law Library Association  
Monroe County  
P.O. Box 563  
Woodsfield, Ohio 43793

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*

**Mary Taylor, CPA**  
Auditor of State

July 19, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association  
Monroe County  
P.O. Box 563  
Woodsfield, Ohio 43793

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, Monroe 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 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 the retained monies fund and do not intend 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 of the Law Library Association, Monroe 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.

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 July 19, 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

July 19, 2010

**LAW LIBRARY ASSOCIATION  
MONROE 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<br/>Fund</u> | <u>Retained<br/>Monies<br/>Fund</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|-------------------------|-------------------------------------|---|
| <b>Cash Receipts:</b>                               |                         |                                     |   |
| Fine and Forfeitures                                | \$22,339                |                                     | \$22,339                                |
| Total Cash Receipts                                 | 22,339                  | \$0                                 | 22,339                                  |
| <b>Cash Disbursements:</b>                          |                         |                                     |   |
| Salaries  | 1,000                   |                                     | 1,000                                   |
| Supplies and Materials                              | 9,055                   | 24                                  | 9,079                                   |
| Computer Services                                   | 11,769                  |                                     | 11,769                                  |
| Insurance   | 515                     |                                     | 515                                     |
| Total Cash Disbursements                            | 22,339                  | 24                                  | 22,363                                  |
| Total Cash Receipts Over/(Under) Cash Disbursements | 0                       | (24)                                | (24)                                    |
| Public Fund Cash Balances, January 1                | 0                       | 24                                  | 24                                      |
| <b>Public Fund Cash Balances, December 31</b>       | <b><u>\$0</u></b>       | <b><u>\$0</u></b>                   | <b><u>\$0</u></b>                       |

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

**LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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

|   | <u>General<br/>Fund</u> | <u>Retained<br/>Monies<br/>Fund</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|---|-------------------------|-------------------------------------|---|
| <b>Cash Receipts:</b>                               |                         |                                     |   |
| Fine and Forfeitures                                | \$25,580                |                                     | \$25,580                                |
| Total Cash Receipts                                 | <u>25,580</u>           | <u>\$0</u>                          | <u>25,580</u>                           |
| <b>Cash Disbursements:</b>                          |                         |                                     |   |
| Salaries  | 1,000                   |                                     | 1,000                                   |
| Supplies and Materials                              | 9,793                   | 602                                 | 10,395                                  |
| Computer Services                                   | 11,537                  |                                     | 11,537                                  |
| Contract Services                                   | 2,746                   |                                     | 2,746                                   |
| Insurance   | 504                     |                                     | 504                                     |
| Total Cash Disbursements                            | <u>25,580</u>           | <u>602</u>                          | <u>26,182</u>                           |
| Total Cash Receipts Over/(Under) Cash Disbursements | <u>0</u>                | <u>(602)</u>                        | <u>(602)</u>                            |
| Public Fund Cash Balances, January 1                | <u>0</u>                | <u>626</u>                          | <u>626</u>                              |
| <b>Public Fund Cash Balances, December 31</b>       | <b><u>\$0</u></b>       | <b><u>\$24</u></b>                  | <b><u>\$24</u></b>                      |

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

**LAW LIBRARY ASSOCIATION  
MONROE 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, Monroe County (the Library), is governed by a board of eleven trustees. Members of the Monroe 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 Monroe County Commissioners to provide adequate facilities for the Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees appoints a librarian. The Judge of the Court of Common Pleas of Monroe County fixes the librarian's 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 librarian's salary. If the Library does not provide free access, the Library must pay the librarians' salary.

During 2009, ORC § 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 ORC § 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 ORC § 307.514. On or before January 1, 2010 the Library must transfer money and property purchased with fine and penalties monies to the LLRB. As of December 31, 2009, the Library had no cash subject to this transfer requirement. 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. 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.

**LAW LIBRARY ASSOCIATION  
MONROE 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 that is 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.

**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.

**2. 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 disbursed their entire public cash balance during 2009, thus no cash transfer to the Monroe County Auditor was recorded on the Library's financial statement.

**3. Equity in Pooled Deposits**

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

|                 |             |             |
|-----------------|-------------|-------------|
|                 | <u>2009</u> | <u>2008</u> |
| Demand deposits | <u>\$0</u>  | <u>\$24</u> |

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

**LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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

**4. Risk Management**

**Commercial Insurance**

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

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

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# 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  
Monroe County  
P.O. Box 563  
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited the financial statements of the Law Library Association, Monroe County, Ohio (the Library), as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated July 19, 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 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 intend this report solely for the information and use of management, the Board of Trustees, and others within the Library. 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

July 19, 2010

**LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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

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

**FINDING NUMBER 2009-001**

**Finding for Recovery**

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. For calendar year 2009, the county commissioners are responsible for paying the compensation of a librarian and up to two assistant librarians. Ohio Attorney General Opinion 2007-012 explains that mandatory employer contributions and payments to Ohio Public Employee Retirement System, the state unemployment compensation fund, and worker's compensation state insurance fund are not considered fringe benefits to employees. These contributions are the obligation of the county law library association and are not compensation subject to allocation between the law library association and county under Ohio Rev. Code Section 3375.49.

The Law Library Association paid all of the Law Librarian's compensation for both years. This resulted in the Law Library Association paying \$1,000 and \$600 in excess of their statutorily required share for 2009 and 2008, respectively.

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 Monroe County General Fund, in the amount of \$1,600 and in favor of the Monroe County Law Library Association General Fund.

As of January 1, 2010, House Bill 420 required the Law Library Association to transfer funds to the newly created Law Library Resources Fund. Due to the changes required by House Bill 420, monies should be repaid to the Monroe County Law Library Resources Fund.

**Officials' Response:** Officials did not respond to this finding.





**Mary Taylor, CPA**  
Auditor of State

**LAW LIBRARY ASSOCIATION**

**MONROE 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  
AUGUST 12, 2010**