



**Auditor of State
Betty Montgomery**



Mary Taylor, CPA
Auditor of State

February 7, 2007

The attached audit report was completed and prepared for release prior to the commencement of my term of office on January 8, 2007. Thus, I am certifying this audit report for release under the signature of my predecessor.

Mary Taylor

MARY TAYLOR, CPA
Auditor of State

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CLARK COUNTY MUNICIPAL COURT
CLARK COUNTY

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**Auditor of State
Betty Montgomery**

Guy A. Ferguson, Clerk
Clark County Municipal Court
50 East Columbia Street
Springfield, Ohio 45502

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 a February 2, 2005 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 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 cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

November 3, 2006

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Guy A. Ferguson, Clerk
Clark County Municipal Court
50 East Columbia Street
Springfield, Ohio 45502

We have audited the accompanying financial statements of the Clark County Municipal Court (the Court) as of and for the years ended December 31, 2005 and 2004. These financial statements are the responsibility of the Court'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.

As described more fully in Note 1, the Court 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.

Revisions to GAAP would require the Court to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2005 and 2004. Instead of the accompanying financial statements presented for 2005 and 2004, the revisions require presenting entity wide statements. While the Court does not follow GAAP, generally accepted auditing standards requires 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 Courts to reformat their statements. The Court has elected not to reformat its statements. Since this Court does not use GAAP to measure financial statement amounts, 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, 2005 and 2004, do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Court as of December 31, 2005 and 2004, 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 combined fund cash balances of the Court, as of December 31, 2005 and 2004, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Court to include Management's Discussion and Analysis for the years ended December 31, 2005 and 2004. The Court 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 November 3, 2006, on our consideration of the Court's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, 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.



Betty Montgomery
Auditor of State

November 3, 2006

**CLARK COUNTY MUNICIPAL COURT
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS
AND CHANGES IN CASH BALANCES**

**ALL DIVISIONS
FOR YEARS ENDED DECEMBER 31, 2005 AND 2004**

	<u>2005</u>	<u>2004</u>
Receipts:		
Fines, Costs and Forfeitures	\$3,277,210	\$3,164,289
Garnishment Fees	1,705,039	1,560,040
Capital Improvement Costs	223,902	217,576
Additional Fees Collected	80,160	72,616
Judgments	16,915	28,968
Trusteeships	12,335	13,751
Interest	3,925	3,201
Rents Deposited with the Court	118,328	80,024
Other Receipts	112,079	151,439
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Total Receipts	5,549,893	5,291,904
Disbursements:		
City of Springfield	1,307,011	1,248,108
Clark County Treasurer	704,142	647,970
Treasurer of State of Ohio	509,760	501,478
Bonds Forfeited	249,996	295,744
Bonds Returned	153,886	104,049
Court Costs and Unpaid Garnishee Fees	561,890	573,270
Garnishee Fees	1,680,185	1,576,313
Judgments	16,815	28,968
Additional Fees	77,429	70,442
Rents Disbursed	155,749	9,697
Creditors	11,510	13,207
Clerk's Poundage Distributed	340	409
All Other Entities	141,280	193,229
	<hr/>	<hr/>
Total Disbursements	5,569,993	5,262,884
Receipts Over/(Under) Disbursements	(20,100)	29,020
Beginning Balance - January 1	<hr/> 624,268	<hr/> 595,248
Ending Balance - December 31	<hr/> <u>\$604,168</u>	<hr/> <u>\$624,268</u>

The accompanying Notes are an integral part of this statement.

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**CLARK COUNTY MUNICIPAL COURT
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2005 AND 2004**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Clark County Municipal Court was established per Section 1901.01, Revised Code, for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio, and has jurisdiction within all of Clark County.

The Court has three full-time judges and an elected Clerk of Courts to oversee the daily operations and the financial transactions. The City of Springfield is a separate governmental entity and its financial statements are not included in those presented in this report.

Management believes the financial statements included in this report represent all of the financial transactions of the Court over which the Court Officials have the ability to exercise direct operating control. The Court's five divisions include Criminal/Traffic, Bail Bond, Civil, Trusteeship, and Rent Escrow.

B. Basis of Accounting

Financial accountability for the Clark County Municipal Court is that of an agent, acting in a fiduciary capacity for others. The Court has no equity or ownership over the money it controls. These financial statements follow the basis of accounting the Auditor of State prescribes or permits. This accounting basis is similar to the cash receipts and disbursements basis. The Court 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. Budgetary Process

By virtue of Ohio Law, all expenditures of the Clark county Municipal Court are budgeted and paid by the City of Springfield and are reflected in the financial statements of the City of Springfield.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Municipal Court maintains a cash pool used by all divisions.

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

	<u>2005</u>	<u>2004</u>
Demand deposits	<u>\$604,168</u>	<u>\$624,268</u>

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

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Auditor of State Betty Montgomery

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

Guy A. Ferguson, Clerk
Clark County Municipal Court
50 East Columbia Street
Springfield, Ohio 45502

We have audited the financial statements of the Clark County Municipal Court (the Court) as of and for the years ended December 31, 2005 and 2004, and have issued our report thereon dated November 3, 2006, wherein we noted the Court follows the 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 Court's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Court's management dated November 3, 2006, we reported a matter involving internal control over financial reporting we did not deem a reportable condition.

Compliance and Other Matters

As part of reasonably assuring whether the Court'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*. In a separate letter to the Court's management dated November 3, 2006, we reported a matter related to noncompliance we deemed immaterial.

Clark County Municipal Court
Clark 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 intend this report solely for the information and use of the management. It is not intended for anyone other than these specified parties.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

November 3, 2006



Mary Taylor, CPA
Auditor of State

CLARK COUNTY MUNICIPAL COURT

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
FEBRUARY 13, 2007**