



Mary Taylor, CPA  
Auditor of State



**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

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# Mary Taylor, CPA

Auditor of State

Clinton County Law Library Association  
Clinton County  
46 S. South Street  
Wilmington, Ohio 45177

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 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 "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 17, 2007

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Clinton County Law Library Association  
Clinton County  
46 S. South Street  
Wilmington, Ohio 45177

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund, retained monies fund and the private monies fund of the Clinton County Law Library Association, Clinton County, Ohio (the Library), as of and for the years ended December 31, 2006 and 2005. 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.

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.

Instead of the combined funds the accompanying financial statements present, GAAP require presenting entity wide statements and also presenting the Library's larger (i.e. major) funds separately. 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 law 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 paragraph, the financial statements referred to above for the years ended December 31, 2006 and 2005 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, 2006 and 2005, 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 Library as of December 31, 2006 and 2005, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As discussed in Note 2, the Library has included activity associated with the Retained Monies Fund.

The aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the years ended December 31, 2006 and 2005. 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 17, 2007, 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.

A handwritten signature in cursive script that reads "Mary Taylor".

**Mary Taylor, CPA**  
Auditor of State

July 17, 2007



**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	<b>General Fund</b>	<b>Private Monies Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Fine and Forfeitures	\$103,631	\$0	\$0	\$103,631
Interest	0	0	1,454	1,454
Miscellaneous Receipts	524	51	1	576
	<u>104,155</u>	<u>51</u>	<u>1,455</u>	<u>105,661</u>
<b>Cash Disbursements:</b>				
Supplies and Materials	99,092	30	11,150	110,272
Refunds to Relative Income Sources - See Note 3	6	0	0	6
Insurance	1,312	0	0	1,312
Phone	2,207	0	0	2,207
Equipment	1,251	0	0	1,251
Miscellaneous	287	0	0	287
	<u>104,155</u>	<u>30</u>	<u>11,150</u>	<u>115,335</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>0</u>	<u>21</u>	<u>(9,695)</u>	<u>(9,674)</u>
Fund Cash Balances, January 1	<u>0</u>	<u>51</u>	<u>36,933</u>	<u>36,984</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$0</u></b>	<b><u>\$72</u></b>	<b><u>\$27,238</u></b>	<b><u>\$27,310</u></b>

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

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	<b>General Fund</b>	<b>Private Monies Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Fine and Forfeitures	\$121,340	\$0	\$0	\$121,340
Interest	0	0	773	773
Miscellaneous Receipts	982	96	76	1,154
<b>Total Cash Receipts</b>	<b>122,322</b>	<b>96</b>	<b>849</b>	<b>123,267</b>
<b>Cash Disbursements:</b>				
Supplies and Materials	109,494	45	31	109,570
Refunds to Relative Income Sources - See Note 3	32	0	0	32
Insurance	1,362	0	0	1,362
Phone	2,273	0	0	2,273
Equipment	5,954	0	0	5,954
Miscellaneous	3,264	0	0	3,264
<b>Total Cash Disbursements</b>	<b>122,379</b>	<b>45</b>	<b>31</b>	<b>122,455</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(57)	51	818	812
<b>Other Financing Receipts/(Disbursements):</b>				
Remittance to Retained Funds	(6)	0	6	0
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(6)</b>	<b>0</b>	<b>6</b>	<b>0</b>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(63)	51	824	812
Fund Cash Balances, January 1	63	0	36,109	36,172
<b>Fund Cash Balances, December 31</b>	<b>\$0</b>	<b>\$51</b>	<b>\$36,933</b>	<b>\$36,984</b>

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

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Clinton County Law Library Association, Clinton County, Ohio (the Library), is governed by a board of trustees. Members of the Clinton County Bar Association elected 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 lawbooks; 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 Clinton County Commissioners to provide adequate facilities for the Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees elects a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Clinton 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.

The Library's management believes these financial statements present all public funds for which the Library is financially accountable. The accompanying financial statements also include private monies, see note 1D.

**B. Basis of Accounting**

These financial statements follow the basis of accounting 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. Cash and Deposits**

The Library maintains a non-interest bearing checking account, an interest bearing savings account and two certificates of deposit.

The Library values certificates of deposit at cost.

**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:

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**1. General Fund**

The General Fund accounts for 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.

**3. Private Monies**

Private monies include photocopying charges. Fees collected for copier usage remain private even though the copiers may have been purchased with public funds. The Library can disburse private monies at its discretion.

**E. Property, Plant, and Equipment**

The Library records disbursements for equipment acquisitions when paid. The accompanying financial statements do not report these items as assets. The Library deems computers, copiers, fax machines, and other items related toward facilitating the use of equipment as equipment.

**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.

**G. Total Columns on Financial Statements**

Total columns on the financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, or results of operations in conformity with the Library's accounting basis. Neither is such data comparable to a consolidation. The Library does not eliminate interfund transactions when aggregating this data.

**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 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 Library did not properly calculate the amount of the refund. During 2005 and 2006, the money retained from the prior year was included as revenue in the calculation. As a result, refunds were not necessary. In 2005 the Law Library refunded \$32 and in 2006 the Law Library refunded \$6.

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2006 AND 2005  
(Continued)**

**3. EQUITY IN POOLED CASH AND DEPOSITS**

The Library maintains a cash pool for all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash deposits at December 31 follows:

	<u>2006</u>	<u>2005</u>
Demand deposits	(\$10,998)	\$131
Savings Accounts	\$2,034	\$2,027
Certificates of deposit	36,274	34,826
Total deposits and investments	<u>\$27,310</u>	<u>\$36,984</u>

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

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Clinton County Law Library Association has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- 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*

Clinton County Law Library Association  
Clinton County  
46 S. South Street  
Wilmington, Ohio 45177

To the Board of Trustees:

We have audited the financial statements of the Clinton County Law Library, Clinton County, Ohio (the Library), as of and for the year ended December 31, 2006 and 2005, and have issued our report thereon dated July 17, 2007, 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 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 expressing our opinion on the financial statements, but not to opine 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 control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Library's ability to initiate, authorize, record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Library's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Library's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all internal control deficiencies that might be 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.

We noted certain matters that we reported to the Library's management in a separate letter dated July 17, 2007.

### **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 no instances of noncompliance or other matters we must report under *Government Auditing Standards*.

We did note certain noncompliance or other matters that we reported to the Library's management in a separate letter dated July 17, 2007.

We intend this report solely for the information and use of the management and the Library 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

July 17, 2007





**Mary Taylor, CPA**  
Auditor of State

**LAW LIBRARY ASSOCIATION**

**CLINTON 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 31, 2007**