



**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2005-2006**



**Mary Taylor, CPA**  
Auditor of State



**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

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# Mary Taylor, CPA

## Auditor of State

### INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association  
Fairfield County  
Hall of Justice  
224 East Main Street  
Lancaster, Ohio 43130

To the Board of Trustees:

We have audited the accompanying financial statements of the governmental activities and the major fund of the Law Library Association, Fairfield County, Ohio (the Library) as of and for the years ended December 31, 2006 and December 31, 2005, which collectively comprise the Library's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Library's management. Our responsibility is to express opinions 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 opinions.

As discussed in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities and the major fund of the Law Library Association, Fairfield County, Ohio, as of December 31, 2006 and December 31, 2005, and the respective changes in cash financial position thereof for the years then ended in conformity with the basis of accounting Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 20, 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.

Management's discussion and analysis is not a required part of the basic financial statements but is supplementary information accounting principles generally accepted in the United States of America requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

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

**Mary Taylor, CPA**  
Auditor of State

July 20, 2007

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005  
UNAUDITED**

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This discussion and analysis of the Law Library Association's financial performance provides an overall review of the Library's financial activities for the years ended December 31, 2006 and December 31, 2005, within the limitations of the Library's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Library's financial performance.

**Financial Highlights**

Key highlights for 2006 are as follows:

Net assets increased by \$714, as compared to 2005.

The Library's primary funding source was fines and forfeiture receipts. These receipts represent over 99 percent of the total cash received for governmental activities during the year. Fines and forfeiture receipts decreased \$16,986 as compared to 2005 as fines collected by the various courts within Fairfield County were significantly less due to the decrease in the number of tickets being issued.

Key highlights for 2005 are as follows:

Net assets decreased by 98 percent, or \$1,204, a significant change from the prior year. During 2005, fines and forfeiture receipts increased, yet the costs for many publications also increased.

The Library's primary funding source was fines and forfeiture receipts. These receipts represent over 99 percent of the total cash received for governmental activities during the year. Fines and forfeiture receipts increased \$12,271 as compared to 2004.

**Using the Basic Financial Statements**

This annual report is presented in a format consistent with the presentation requirements of Governmental Accounting Standards Board Statement No. 34, as applicable to the Library's cash basis of accounting.

**Report Components**

The statement of net assets and the statement of activities provide information about the cash activities of the Library as a whole.

Fund financial statements provide information about the General Fund.

The notes to the basic financial statements are an integral part of the government-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

**Basis of Accounting**

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Library has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Library's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005  
UNAUDITED  
(Continued)**

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

**Reporting the Library as a Whole**

The statement of net assets and the statement of activities reflect how the Library did financially during 2006 and 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental activities of the Library at December 31, 2006 and December 31, 2005. The statement of activities compares cash disbursements with program receipts. Program receipts include charges paid by the recipient of the program's goods or services. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function draws from the Library's general receipts.

These statements report the Library's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Library's financial health. Over time, increases or decreases in the Library's cash position is one indicator of whether the Library's financial health is improving or deteriorating.

The statement of net assets and the statement of activities present governmental activities, which includes all the Library's services. Fines and forfeiture receipts finance most of these activities. The Library has no business-type activities.

**Reporting the Library's Funds**

Fund financial statements provide detailed information about the Library's General Fund, a governmental fund.

Governmental Fund - The Library's activities are reported as a governmental fund. The governmental fund financial statement provides a detailed view of the Library's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Library's programs. Because the Library reports on a cash basis, the General Fund matches governmental activities and no reconciliation is required.

**The Library as a Whole**

Table 1 provides a summary of the Library's net assets for 2006, 2005, and 2004 on the cash basis:

**(Table 1)  
Net Assets**

	Governmental Activities		
	2006	2005	2004
<b>Assets</b>			
Cash	\$744	\$30	\$1,234
Total Assets	\$744	\$30	\$1,234
<b>Net Assets</b>			
Unrestricted	744	30	1,234
Total Net Assets	\$744	\$30	\$1,234



**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005  
UNAUDITED  
(Continued)**

Net assets of governmental activities have decreased \$490 since 2004 (\$714 gain in 2006, and a \$1,204 loss during 2005). The primary reason contributing to the steady decline in cash balances occurred in 2005 and is attributed to the increase in the cost of legal materials and supplies, and a decrease in fines and forfeiture receipts.

Table 2 reflects the changes in net assets in 2006, 2005, and 2004.

**(Table 2)  
Changes in Net Assets**

	Governmental Activities		
	2006	2005	2004
Receipts:			
Program Receipts:			
Fines and Forfeitures	\$113,442	\$130,428	\$118,157
Total Program Receipts	<u>113,442</u>	<u>130,428</u>	<u>118,157</u>
General Receipts:			
Interest	19	27	20
Miscellaneous	461	245	857
Total Receipts	<u>113,922</u>	<u>130,700</u>	<u>119,034</u>
Disbursements:			
Supplies and Materials	106,839	123,502	113,725
Utilities	2,041	2,032	1,971
Contracts	3,162	3,131	2,900
Other	1,166	3,239	854
Total Disbursements	<u>113,208</u>	<u>131,904</u>	<u>119,450</u>
Increase (Decrease) in Net Assets	714	(1,204)	(416)
Net Assets, January 1	30	1,234	1,650
Net Assets, December 31	<u>\$744</u>	<u>\$30</u>	<u>\$1,234</u>

Program receipts represent 99 percent of total receipts and are the primary revenue source of the Library. These receipts are comprised of fines collected and distributed to the Library from the various courts within the County for violations of the State traffic laws.

Other receipts are insignificant and somewhat unpredictable revenue sources.

Disbursements for supplies and materials accounted for 94 percent of the total disbursements in both 2006 and 2005, and 95 percent in 2004. Supplies and materials represent disbursements made in the purchase, lease or rental of law books, and other materials and equipment that provide legal information or to facilitate legal research.

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005  
UNAUDITED  
(Continued)**

**Governmental Activities**

If you look at the Statement of Activities for 2006 on page 10 and for 2005 on page 14, you will see that the first column lists the major disbursements of the Library. The next column identifies the costs of providing these services. The major program disbursements for governmental activities are for Supplies and Materials, which accounted for 94 percent of all disbursements in both 2006 and 2005. The next column of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service received by the Library that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by fines and forfeitures. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 3.

**(Table 3)**

	<b><u>Governmental Activities</u></b>			
	Total Cost Of Services	Net Cost (Gain) of Services	Total Cost Of Services	Net Cost (Gain) of Services
	2006	2006	2005	2005
Supplies and Materials	\$106,839	(\$250)	\$123,502	\$1,421
Utilities	2,041	(1,135)	2,032	(1,098)
Contracts	3,162	1,120	3,131	1,175
Other	1,166	31	3,239	(22)
<b>Total Expenses</b>	<b>\$113,208</b>	<b>(\$234)</b>	<b>\$131,904</b>	<b>\$1,476</b>

Over 98 percent of disbursements were supported by program receipts in both 2006 and 2005.

**The Library's Fund**

The General Fund had receipts of \$113,922 and \$130,700, respectively, in 2006 and 2005 and disbursements of \$113,208 and \$131,904, respectively, in 2006 and 2005.

General Fund receipts decreased \$16,778 in 2006 compared to 2005 and increased \$11,666 in 2005 compared to 2004. The decrease in 2006 was attributed to the unanticipated reduction in fines and forfeitures collected from the various courts within the County. As revenues decreased in 2006, the Library canceled subscriptions with numerous publications. Subscription cancellations implemented in 2006 attributed to the decrease in disbursements of \$18,696 in 2006 compared to 2005. These cuts will not eliminate the need for additional funds (or additional cuts) in the future if fines and forfeiture receipts remain stagnant.

**General Fund Budgeting Highlights**

Most local governments prepare budgets in accordance with Ohio law. The Library is a private association that receives public money in the form of fine distributions. As such, the Library is not a public entity, and is not required to follow Chapter 5705 of the Ohio Rev. Code.

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED DECEMBER 31, 2006 AND 2005  
UNAUDITED  
(Continued)**

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**Capital Assets and Debt Administration**

Capital Assets

The Library does not currently keep track of its capital assets.

Debt

At December 31, 2006 and December 31, 2005, the Library had no debt outstanding.

**Contacting the Government's Financial Management**

This financial report is designed to provide our citizens, the County and City with a general overview of the Library's finances and to reflect the Library's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Kelly Starkey, Law Librarian, Fairfield County Law Library Association, 224 East Main Street, Lancaster, Ohio 43130.

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LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2006

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	Governmental Activities
<b>Assets</b>	
Cash	\$744
<i>Total Assets</i>	<u>\$744</u>
<b>Net Assets</b>	
Unrestricted	744
<i>Total Net Assets</i>	<u>\$744</u>

See accompanying notes to the basic financial statements

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2006**

	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
Cash Disbursements	Charges for Services	Governmental Activities
<b>Governmental Activities</b>		
Library Services:		
Supplies and Materials	\$106,839	\$250
Utilities	2,041	1,135
Contracts	3,162	(1,120)
Other	1,166	(31)
<i>Total Governmental Activities</i>	<u>\$113,208</u>	<u>234</u>
<b>General Receipts</b>		
Interest		19
Miscellaneous		461
<i>Total General Receipts</i>		<u>480</u>
Change in Net Assets		714
<i>Net Assets Beginning of Year</i>		<u>30</u>
<i>Net Assets End of Year</i>		<u><u>\$744</u></u>

See accompanying notes to the basic financial statements

LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GENERAL FUND  
DECEMBER 31, 2006

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<b>Assets</b>	
Cash	\$744
<i>Total Assets</i>	<u>\$744</u>
<b>Fund Balance</b>	
Unreserved:	
Undesignated, Reported in:	
General Fund	744
<i>Total Fund Balance</i>	<u>\$744</u>

See accompanying notes to the basic financial statements

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH BASIS FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2006**

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<b>Receipts</b>	
Fines and Forfeitures	\$113,442
Earnings on Investments	19
Miscellaneous	461
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<i>Total Receipts</i>	113,922
	<hr/>
<b>Disbursements</b>	
Current:	
Supplies and Materials	106,839
Utilities	2,041
Contracts	3,162
Other	1,166
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<i>Total Disbursements</i>	113,208
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<i>Net Change in Fund Balance</i>	714
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<i>Fund Balance Beginning of Year</i>	30
	<hr/>
<i>Fund Balance End of Year</i>	\$744
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See accompanying notes to the basic financial statements



LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY

STATEMENT OF NET ASSETS - CASH BASIS  
DECEMBER 31, 2005

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	Governmental Activities
<b>Assets</b>	
Cash	\$30
<i>Total Assets</i>	<u>\$30</u>
<b>Net Assets</b>	
Unrestricted	30
<i>Total Net Assets</i>	<u>\$30</u>

See accompanying notes to the basic financial statements

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**STATEMENT OF ACTIVITIES - CASH BASIS  
FOR THE YEAR ENDED DECEMBER 31, 2005**

	Cash Disbursements	Program Cash Receipts	Net (Disbursements) Receipts and Changes in Net Assets
	Cash Disbursements	Charges for Services	Governmental Activities
<b>Governmental Activities</b>			
Library Services:			
Supplies and Materials	\$123,502	\$122,081	(\$1,421)
Utilities	2,032	3,130	1,098
Contracts	3,131	1,956	(1,175)
Other	3,239	3,261	22
<i>Total Governmental Activities</i>	<u>\$131,904</u>	<u>\$130,428</u>	(1,476)
<b>General Receipts</b>			
Interest			27
Miscellaneous			245
<i>Total General Receipts</i>			<u>272</u>
Change in Net Assets			(1,204)
<i>Net Assets Beginning of Year</i>			<u>1,234</u>
<i>Net Assets End of Year</i>			<u><u>\$30</u></u>

See accompanying notes to the basic financial statements

LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY

STATEMENT OF CASH BASIS ASSETS AND FUND BALANCE  
GENERAL FUND  
DECEMBER 31, 2005

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<b>Assets</b>	
Cash	\$30
<i>Total Assets</i>	<u>\$30</u>
<b>Fund Balance</b>	
Unreserved:	
Undesignated, Reported in:	
General Fund	30
<i>Total Fund Balance</i>	<u>\$30</u>

See accompanying notes to the basic financial statements

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**STATEMENT OF CASH RECEIPTS, DISBURSEMENTS AND CHANGES IN  
CASH BASIS FUND BALANCE - GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2005**

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<b>Receipts</b>	
Fines and Forfeitures	\$130,428
Earnings on Investments	27
Miscellaneous	245
	<hr/>
<i>Total Receipts</i>	<i>130,700</i>
	<hr/>
<b>Disbursements</b>	
Current:	
Supplies and Materials	123,502
Utilities	2,032
Contracts	3,131
Other	3,239
	<hr/>
<i>Total Disbursements</i>	<i>131,904</i>
	<hr/>
<i>Net Change in Fund Balances</i>	<i>(1,204)</i>
	<hr/>
<i>Fund Balances Beginning of Year</i>	<i>1,234</i>
	<hr/>
<i>Fund Balances End of Year</i>	<i>\$30</i>
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See accompanying notes to the basic financial statements

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

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

**Note 1 - Reporting Entity**

The Law Library Association, Fairfield County, Ohio (the Library), is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is governed by a Board of five Trustees. Members of the Fairfield 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) Sections 3375.50 to .53, inclusive. ORC Section 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 Section 3375.49 requires the Fairfield County Commissioners to provide adequate facilities for the Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires the librarian. The Judges of the Court of Common Pleas of Fairfield County fixes the librarians' compensation pursuant to ORC Section 3375.48. The Library provides free access to all county officers and the judges of the several courts, and therefore, the County treasury pays the librarians' salary.

The Library's management believes these financial statements present all activities for which the Library is financially accountable.

**Note 2 - Summary of Significant Accounting Policies**

As discussed further in Note 2C, these financial statements are presented on a cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. Following are the more significant of the Library's accounting policies.

**A. Basis of Presentation**

The Library's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

**Government-wide Financial Statements**

The statement of net assets and the statement of activities display information about the Library as a whole.

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

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

**Note 2 - Summary of Significant Accounting Policies** (Continued)

**Government-wide Financial Statements** (Continued)

The statement of net assets presents the cash balance of the governmental activities of the Library at year end. The statement of activities compares disbursements with program receipts for each of the Library's governmental activities. Disbursements are reported by object. Program receipts include fines and forfeitures paid by the Courts to the Library. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each object is financed from program receipts or draws from the Library's general receipts.

**Fund Financial Statements**

Fund financial statements are designed to present financial information of the Library at a more detailed level. The focus of governmental fund financial statements is on major funds. The Library has only one fund, the General Fund.

**B. Fund Accounting**

The Library uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Library has only one fund, the General Fund.

**Governmental Funds**

The Library's only fund is the General Fund which is financed through fines and forfeiture receipts. The General Fund is used to account for all financial resources except those required to be accounted for in another fund. The General Fund's balance is available to the Library for any purpose provided it is expended according to the general laws of Ohio. The General Fund also includes private monies. Private monies include; membership dues, overdue book charges and photocopying charges. Because the Library includes private monies in the General Fund, these resources must be used in accordance with the laws governing public funds.

**C. Basis of Accounting**

The Library's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Library's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this modified cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

**D. Cash**

During 2006 and 2005, the Library had no investments.

Interest earnings are allocated to the General Fund. Interest revenue credited to the General Fund was \$19 and \$27 during 2006 and 2005, respectively.

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

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

**Note 2 - Summary of Significant Accounting Policies** (Continued)

**E. Capital Assets**

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected in the accompanying financial statements.

**F. Net Assets**

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The Library had no restricted net assets as of December 31, 2006 or December 31, 2005.

**G. Fund Balance Reserves**

The Library reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved (*undesignated*) fund balance indicates that portion of fund balance which is available in future periods. The Library had no fund balance reserves as of December 31, 2006 or December 31, 2005.

**Note 3 - Deposits**

Monies held by the Library have been classified as active monies. Active monies are public monies determined to be necessary to meet current demands upon the Library treasury. Active monies must be maintained either as cash in the Library treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Protection of the Library's deposits is provided by the Federal Deposit Insurance Corporation (FDIC).

The Library, at December 31, 2006 and 2005, had \$53 and \$54, respectively, in petty cash, which is not included as part of "Cash".

**Note 4 - Risk Management**

The Library has obtained commercial insurance for errors and omissions.

**Note 5 - Management Plan**

The Library has a fund balance of \$744 as of December 31, 2006. This fund balance is small when compared with the receipt and disbursement activity. To ensure the Library continues to operate, the Board has cancelled numerous subscriptions in 2007 and is scrutinizing all expenditures to potentially cut other costs. The Board believes the Library will continue to operate and that these cost saving measures will help the Library avoid a deficit fund balance.

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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  
Fairfield County  
Hall of Justice  
224 East Main Street  
Lancaster, Ohio 43130

To the Board of Trustees:

We have audited the financial statements of the governmental activities and the major fund of the Law Library Association, Fairfield County, Ohio (the Library) as of and for the years ended December 31, 2006 and December 31, 2005, which collectively comprise the Library's basic financial statements and have issued our report thereon dated July 20, 2007. 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 opinions 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 a certain matter that we reported to the Library's management in a separate letter dated July 20, 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 intend this report solely for the information and use of the audit committee, management, and the Board of Trustees. We intend it for no one other than these specified parties.

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

**Mary Taylor, CPA**  
Auditor of State

July 20, 2007



**Mary Taylor, CPA**  
Auditor of State

**LAW LIBRARY ASSOCIATION**

**FAIRFIELD 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 6, 2007**