

**COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2007 - 2006**





# Mary Taylor, CPA

Auditor of State

Coshocton County Law Library Association  
305 Main Street, 4th Floor  
Coshocton, Ohio 43812

We have reviewed the *Report of Independent Accountants* of the Coshocton County Law Library Association, Coshocton County, prepared by Knox & Knox, for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

The financial statements in the attached report are presented in accordance with a regulatory basis of accounting prescribed or permitted by the Auditor of State. Due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA), modifications were required to the *Report of Independent Accountants* on your financial statements. While the Auditor of State 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. The attached report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the statements are misstated under the non-GAAP regulatory basis. The *Report of Independent Accountants* also includes an opinion on the financial statements using the regulatory format the Auditor of State permits.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Coshocton County Law Library Association is responsible for compliance with these laws and regulations.

*Mary Taylor*

Mary Taylor, CPA  
Auditor of State

October 13, 2008

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COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY

Table of Contents

<u>Title</u>	<u>Page</u>
Independent Accountants' Report.....	1
Combined Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Public Funds - For the Years Ended December 31, 2007 and 2006.....	3
Notes to the Financial Statements.....	4
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	7

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Accountants and Consultants

## Independent Accountants' Report

Coshocton County Law Library Association  
Coshocton County  
305 Main Street, 4<sup>th</sup> Floor  
Coshocton , Ohio 43812

To the Board of Trustees:

We have audited the accompanying financial statements of Coshocton County Law Library Association, Coshocton County, Ohio, (the Law Library) as of and for the years ended December 31, 2007 and 2006. These financial statements are the responsibility of the Law 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 *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about 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, if any, made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Law Library has prepared its 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 accounting principles generally accepted in the United States of America, we presume they are material.

Revisions to GAAP would require the Law Library to reformat its financial statement presentation and make other changes effective for the years ended December 31, 2007 and 2006. In addition to the accompanying financial statements present for 2007 and 2006, the revisions require presenting entity wide statements. While the Law Library does not follow GAAP, generally accepted auditing standards require 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 governments to reformat their statements. The Law Library has elected not to reformat its statements. 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, 2007 and 2006 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Law Library as of December 31, 2007 and 2006, 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 Coshocton County Law Library Association, Coshocton County, as of December 31, 2007 and 2006, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

The Law 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 June 26, 2008, on our consideration of the Law Library's internal control over financial reporting and our tests of its compliance with laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Governmental Auditing Standards*. You should be read it in conjunction with this report in considering the results of our audit.

***Knox & Knox***

Orrville, Ohio  
June 26, 2008



COSHOCOTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCOTON COUNTY

COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES - ALL PUBLIC FUNDS  
FOR THE YEARS ENDED DECEMBER 31, 2007 AND 2006

	<u>2007</u> General Fund	<u>2006</u> General Fund
<b>CASH RECEIPTS:</b>		
Fines and Forfeitures	\$75,078	\$76,293
Interest	67	41
Miscellaneous Receipts	<u>25</u>	<u>          </u>
Total Cash Receipts	<u>75,170</u>	<u>76,334</u>
<b>CASH DISBURSEMENTS:</b>		
Supplies and Materials	77,264	72,055
Refunds to County/City	3,852	
Miscellaneous	<u>1,264</u>	<u>          </u>
Total Cash Disbursements	<u>82,380</u>	<u>72,055</u>
Excess (Deficiency) of Cash Receipts Over/(Under) Cash Disbursements	(7,210)	4,279
Public Fund Cash Balances, January 1	<u>10,004</u>	<u>5,725</u>
<b>PUBLIC FUND CASH BALANCES, DECEMBER 31</b>	<u><u>\$2,794</u></u>	<u><u>\$10,004</u></u>

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

COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **DESCRIPTION OF THE ENTITY**

Coshocton County Law Library Association, Coshocton County, (the Law Library) is directed by a three-member Board of Trustees who are appointed by members of the Coshocton County Law Library Association. The Library provides free access for all county officers and the judges 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. The Law Library is permitted to expend funds under ORC Section 3375.54. The funds of the Law Library are expended on the purchase, lease or rental of law books; computer communication 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.

The Coshocton County Commissioners are required by ORC Section 3375.49 to provide adequate facilities for the Law Library. The Board of County Commissioners is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires a librarian. The Judges of the Court of Common Pleas of Coshocton County fix the compensation of the librarian pursuant to ORC Section 3375.48. If the Law Library provides free access to all county officers and the judges, the salary of the law librarian should be paid from the county treasury. If the conditions above are not met, then the salary of the librarian should be paid by the Library.

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

B. **BASIS OF ACCOUNTING**

These financial statements follow the basis of accounting prescribed or permitted by the Auditor of State, which is similar to the cash receipts and disbursements basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when a liability is incurred.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. **CASH AND INVESTMENTS**

All cash is in demand deposits. The Law Library has no investments.

COSHOCTON COUNTY LAW LIBRARY ASSOCIATION  
COSHOCTON COUNTY

NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEARS ENDED DECEMBER 31, 2007 and 2006

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

D. **FUND ACCOUNTING**

The Law Library uses fund accounting to segregate cash and investments that are restricted as to use. The Law Library classifies its fund into the following type:

1. **General Fund**

*The General Fund* is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

E. **PROPERTY, PLANT AND EQUIPMENT**

Acquisitions of equipment are recorded as equipment disbursements when paid. These items are not reflected as assets on the accompanying financial statements. Items purchased which are deemed to be equipment are computers, copiers, fax machines, and other items related to facilitating the use of the equipment.

F. **REFUND TO RELATIVE INCOME SOURCES**

If certain conditions are met, the Law Library is required to refund at least 90 percent of any balance to political subdivisions that provided revenues to the Law Library. See footnote 2 for additional information.

2. **CALCULATION OF REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED**

In any year that revenues exceed disbursements, the Law Library refunds at least 90 percent of the balance to the political subdivisions who provided the funds and retains the remaining amount. This refund process is referred to as the application of ORC 3375.56 or "refunds to relative income sources."

In 2007, refunds of \$3,852 were made.

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

The Law Library maintains cash in segregated accounts for each fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 was as follows:

	<u>2007</u>	<u>2006</u>
Demand deposits	<u>\$2,794</u>	<u>\$10,004</u>

Deposits are (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

4. **RISK MANAGEMENT**

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

- Commercial property and general liability; and
- Public officials' liability; and
- Vehicle

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Accountants and Consultants

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

Coshocton County Law Library Association  
Coshocton County  
305 Main Street, 4<sup>th</sup> Floor  
Coshocton , Ohio 43812

To the Board of Trustees:

We have audited the accompanying financial statements of Coshocton County Law Library Association, Coshocton County, Ohio (the Law Library) as of and for the years ended December 31, 2007 and 2006, and have issued our report thereon dated June 26, 2008, wherein we noted the Law 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 *Government Auditing Standards*, issued by the Comptroller General of the United States.

## COMPLIANCE

As part of reasonably assuring whether the Law 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*.

## INTERNAL CONTROL OVER FINANCIAL REPORTING

In planning and performing our audit, we considered the Law Library's internal control over financial reporting as basis for designing our audit procedures in order to express our opinions on the financial statements, but not to opine on the effectiveness of the Law Library's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Law 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 Law 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 Law 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 Law Library's internal control will not prevent or detect a material financial statement misstatement.

Coshocton County Law Library Association  
Coshocton County  
Independent Accountants' Report on Internal Control Over  
Financial Reporting and on Compliance and Other Matters  
Required by *Government Auditing Standards*  
Page 2

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. However, we did note other matters that we reported to the management of the Law Library in a separate letter dated June 26, 2008.

We intend this report solely for the information and use of the audit committee, management, and Board of Trustees. We intend it for no one other than these specified parties.

*KNOX & KNOX*

Orrville, Ohio  
June 26, 2008



**Mary Taylor, CPA**  
Auditor of State

**COSHOCTON COUNTY LAW LIBRARY ASSOCIATION**

**COSHOCTON 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  
NOVEMBER 6, 2008**