



**STARK COUNTY LAW LIBRARY ASSOCIATION
STARK COUNTY**

FINAL AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2009-2008



Mary Taylor, CPA
Auditor of State

**STARK COUNTY LAW LIBRARY ASSOCIATION
STARK COUNTY**

TABLE OF CONTENTS

| TITLE | PAGE |
|---|-------------|
| Cover Letter | 1 |
| Independent Accountants' Report..... | 3 |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Public Funds - For the Year Ended December 31, 2009..... | 5 |
| Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances - All Public Funds - For the Year Ended December 31, 2008..... | 6 |
| Notes to the Financial Statements | 7 |
| Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by <i>Government Auditing Standards</i> | 11 |

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Mary Taylor, CPA
Auditor of State

Stark County Law Library Association
Stark County
110 Central Plaza South
Suite 401
Canton, Ohio 44702

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

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Auditor of State

September 27, 2010

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Mary Taylor, CPA

Auditor of State

INDEPENDENT ACCOUNTANTS' REPORT

Stark County Law Library Association
Stark County
110 Central Plaza South, Suite 401
Canton, OH 44702

To the Board of Trustees

We have audited the accompanying financial statements of the General Fund of the Stark County Law Library Association, Stark County, (the Law Library) as of and for the years ended December 31, 2009 and 2008. 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 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 Public Funds and do not intend to present fairly the financial position or results of operations of all Law Library funds.

As described more fully in Note 1, the Law 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 Law 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 Law 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 Law 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 Stark County Law Library Association, Stark County, 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 Law 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 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 September 27, 2010 on our consideration of the Law 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

September 27, 2010

**STARK COUNTY LAW LIBRARY ASSOCIATION
STARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2009**

| | General Fund |
|---|-------------------------|
| Cash Receipts: | |
| Fine and Forfeitures | \$428,292 |
| Interest | 2 |
| Miscellaneous Receipts | 260 |
| Total Cash Receipts | 428,554 |
| Cash Disbursements: | |
| Salaries and Benefits | 137,396 |
| Supplies and Materials | 346,683 |
| Purchased Services | 37,745 |
| Equipment | 8,864 |
| Travel Reimbursements | 476 |
| Miscellaneous | 2,775 |
| Total Cash Disbursements | 533,939 |
| Total Cash Receipts (Under) Cash Disbursements | (105,385) |
| Other Financing Receipts/(Disbursements): | |
| Reimbursements | 105,385 |
| Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements | 0 |
| Public Fund Cash Balances, January 1 | 0 |
| Public Fund Cash Balances, December 31 | \$0 |

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

**STARK COUNTY LAW LIBRARY ASSOCIATION
STARK COUNTY**

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

| | General Fund |
|---|-------------------------|
| Cash Receipts: | |
| Fine and Forfeitures | \$437,209 |
| Interest | 26 |
| Miscellaneous Receipts | 263 |
| Total Cash Receipts | 437,498 |
| Cash Disbursements: | |
| Salaries and Benefits | 163,026 |
| Supplies and Materials | 283,171 |
| Purchased Services | 37,880 |
| Equipment | 8,584 |
| Travel Reimbursements | 549 |
| Miscellaneous | 1,159 |
| Total Cash Disbursements | 494,369 |
| Total Cash Receipts (Under) Cash Disbursements | (56,871) |
| Other Financing Receipts/(Disbursements): | |
| Refunds from Vendors | 778 |
| Reimbursements | 56,093 |
| Total Other Financing Receipts/(Disbursements) | 56,871 |
| Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements | 0 |
| Public Fund Cash Balances, January 1 | 0 |
| Public Fund Cash Balances, December 31 | \$0 |

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

**STARK COUNTY LAW LIBRARY ASSOCIATION
STARK COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Stark County Law Library Association (the Law Library) is governed by a board of seven trustees. Members of the Stark County County Bar Association annually elect the board members. The Law Library provides access to all county officers and the judges of the several courts within the county.

The Law 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 Law 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 Stark County Commissioners to provide adequate facilities for the Law Library, including suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Stark County fix these librarians' compensation pursuant to ORC § 3375.48. If the Law Library provides free access to all county officers and the judges of the several courts, the County treasury pays the librarians' salary. If the Law Library does not provide free access, the Law Library must pay the librarians' salary.

During 2009, Ohio Rev. Code Section 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 Ohio Revised Code Section 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 Ohio Revised Code Section 307.514. On or before January 1, 2010 the Law Library must transfer money and property purchased with fine and penalties monies to the LLRB. Expenditures from the LLRF fund shall be made pursuant to the annual appropriation measure adopted by the commissioners.

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

The Law Library deems some funds it receives as private monies. Private monies include: membership dues, overdue book charges, and photocopying charges. Fees the Law 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 Law Library need not comply with ORC § 3375.54 when disbursing private money. The accompanying financial statements do not present private monies.

**STARK COUNTY LAW LIBRARY ASSOCIATION
STARK 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 Law 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 Investments

All cash is maintained in a business checking account.

D. Fund Accounting

The Law Library uses the General Fund to account for all financial resources.

E. Property, Plant, and Equipment

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

2. CLOSEOUT TRANSFER TO COUNTY

HB 420 of the 127th General Assembly required the Law 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 Law Library transferred \$-0- to the County, since the Law Library spent all their monies at the end of the year and no transfer was needed.

3. EQUITY IN POOLED DEPOSITS AND INVESTMENTS

At December 31, 2009 and 2008, the Law Library did not have any equity in pooled cash.

4. RETIREMENT SYSTEMS

The Law Library's employees belong to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. The Ohio Revised Code prescribes this plan's benefits, which include postretirement healthcare and survivor and disability benefits.

The Ohio Revised Code also prescribes contribution rates. For 2009 and 2008, OPERS members contributed 10 percent respectively, of their gross salaries and their employer (i.e. the Law Library or County) contributed an amount equaling 14 percent, respectively, of participants' gross salaries. The Law Library has paid all contributions required through December 31, 2009.

**STARK COUNTY LAW LIBRARY ASSOCIATION
STARK COUNTY**

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

5. RISK MANAGEMENT

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

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

Claims have not exceed coverage and there has been no reduction in coverage from the previous year.

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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

Stark County Law Library Association
Stark County
110 Central Plaza S., Suite 401
Canton, Ohio 44702

To the Board of Trustees:

We have audited the financial statements of the Stark County Law Library Association, Stark County, (the Law Library) as of and for the years ended December 31, 2009 and 2008, and have issued our report thereon dated September 27, 2010, wherein we noted the Law Library followed accounting practices the Auditor of State prescribes or permits rather than accounting principles generally accepted in the United States of America. We also disclosed the financial statements include only the General Fund. We also disclosed that State Statute requires the Law to transfer its public funds to the County. The County will assume accounting responsibilities for the Law 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 Law 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 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 *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 Government'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 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*.

We intend this report solely for the information and use of management, the Board of Trustees and others within the Law Library. 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

September 27, 2010



Mary Taylor, CPA
Auditor of State

STARK COUNTY LAW LIBRARY ASSOCIATION

STARK 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 4, 2010**