



**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

**FINAL AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2009-2008**



**Mary Taylor, CPA**  
Auditor of State



**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

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Mary Taylor, CPA  
Auditor of State

Tuscarawas County Law Library Association  
Tuscarawas County  
125 East High Avenue  
New Philadelphia, Ohio 44663

To the Law Library Resources Board:

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*

**Mary Taylor, CPA**  
Auditor of State

June 22, 2010

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# Mary Taylor, CPA

Auditor of State

## INDEPENDENT ACCOUNTANTS' REPORT

Tuscarawas County Law Library Association  
Tuscarawas County  
125 East High Avenue  
New Philadelphia, Ohio 44663

To the Law Library Resources Board:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Tuscarawas County Law Library Association, Tuscarawas County, Ohio, (the Library) as of and for the years ended December 31, 2009 and 2008. 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. We believe our audit provides a reasonable basis for our opinion.

The financial statements present only the general fund and the retained monies fund and do not intend to present fairly the financial position or results of operations of the all Library funds.

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.

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 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 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 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 Tuscarawas County Law Library Association, Tuscarawas County, Ohio general fund and the retained monies fund 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.

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

House Bill 420 of the 127th General Assembly required the 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 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 22, 2010, 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.



**Mary Taylor, CPA**  
Auditor of State

June 22, 2010



**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$146,436		\$146,436
Interest	44	\$776	820
<b>Total Cash Receipts</b>	<u>146,480</u>	<u>776</u>	<u>147,256</u>
<b>Cash Disbursements:</b>			
Salaries	5,462		5,462
Supplies and Materials	106,116		106,116
Refunds to Relative Income Sources - See Note 2	22,620		22,620
Closeout	20,000		20,000
Purchased Services	4,623		4,623
Equipment	2,645		2,645
Other	3,196		3,196
<b>Total Cash Disbursements</b>	<u>164,662</u>	<u>0</u>	<u>164,662</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(18,182)</u>	<u>776</u>	<u>(17,406)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(2,514)		(2,514)
Retained Monies		2,514	2,514
<b>Total Other Financing Receipts/(Disbursements)</b>	<u>(2,514)</u>	<u>2,514</u>	<u>0</u>
<b>Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(20,696)</u>	<u>3,290</u>	<u>(17,406)</u>
<b>Public Fund Cash Balances, January 1</b>	<u>25,134</u>	<u>45,547</u>	<u>70,681</u>
<b>Public Fund Cash Balances, December 31</b>	<u><u>\$4,438</u></u>	<u><u>\$48,837</u></u>	<u><u>\$53,275</u></u>

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

**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS 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	Retained Monies Fund	Totals (Memorandum Only)
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$156,888		\$156,888
Interest	33	\$1,274	1,307
Miscellaneous Receipts	4,888		4,888
<b>Total Cash Receipts</b>	<b>161,809</b>	<b>1,274</b>	<b>163,083</b>
<b>Cash Disbursements:</b>			
Salaries	23,085		23,085
Supplies and Materials	91,267		91,267
Refunds to Relative Income Sources - See Note 2	2,720		2,720
Purchased Services	5,849		5,849
Equipment	12,667		12,667
Other	3,207	2	3,209
<b>Total Cash Disbursements</b>	<b>138,795</b>	<b>2</b>	<b>138,797</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>23,014</b>	<b>1,272</b>	<b>24,286</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(302)		(302)
Retained Monies		302	302
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(302)</b>	<b>302</b>	<b>0</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<b>22,712</b>	<b>1,574</b>	<b>24,286</b>
<b>Public Fund Cash Balances, January 1</b>	<b>2,422</b>	<b>43,973</b>	<b>46,395</b>
<b>Public Fund Cash Balances, December 31</b>	<b>\$25,134</b>	<b>\$45,547</b>	<b>\$70,681</b>

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

**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Tuscarawas County Law Library Association (the Library) is governed by a board of seven trustees. Members of the Tuscarawas County Bar Association elect the board members for three, four, or five year terms. 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 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 Tuscarawas County Commissioners to provide adequate facilities for the 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 Tuscarawas 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.

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

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

**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS 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 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. Deposits and Investments**

The Library maintains all cash in an interest bearing checking account, savings account, and certificates of deposit.

**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:

**1. General Fund**

The General Fund reports 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. See footnote 2 for additional information.

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

The Library records disbursements for acquisitions of property, plant, and equipment when paid. The accompanying financial statements do not report these items as assets.

**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.

**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

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

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

Through 2008, if receipts exceed disbursements, the Library must refund 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 following tables present the refunded and retained amounts during 2008 and 2007.

Unencumbered Balance at December 31, 2008	
<u>Refunded and Retained During Calendar Year 2009</u>	
Unencumbered Balance at December 31, 2008	\$25,134
Refunded to Relative Sources during 2009	<u>22,620</u>
Retained Funds Amount during 2009	<u><u>\$2,514</u></u>

Unencumbered Balance at December 31, 2007	
<u>Refunded and Retained During Calendar Year 2008</u>	
Unencumbered Balance at December 31, 2007	<u>\$2,422</u>
Refunded to Relative Sources during 2008	2,720
Retained Funds Amount during 2008	<u>302</u>
Total Remitted	3,022
Difference	<u><u>(\$600)</u></u>

There is a \$600 difference between the unencumbered balance and the total remitted. At December 31, 2007, the Library initially reported an unencumbered balance of \$3,022 instead of the actual balance of \$2,422 due to the Library included a \$600 unredeemed outstanding check to their cash balance. The Library calculated the amount to be refunded to relative income sources and the amount to be retained from the balance of \$3,022 instead of the reported balance of \$2,422. The \$600 check was not redeemed at the time the Library transferred its public cash to Tuscarawas County.

**3. CLOSEOUT TRANSFER TO COUNTY**

HB 420 of the 127th General Assembly required the 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. However, the Library did not finish transferring all of their public funds until April 28, 2010.

The Law Library Association issued a payment of \$20,000 to the Tuscarawas County Auditor on December 30, 2009

**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

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

**3. CLOSEOUT TRANSFER TO COUNTY (Continued)**

Below is the activity that took place within the Library bank accounts from January to April 2010, as the Library transferred the balance to Tuscarawas County.

Bank Balance at December 31, 2009	\$53,275
Add: Unrecorded Interest at December 31, 2009	139
Add: Interest earned from January to April 2010	36
Add: Unredeemed check from 2006	600
Remaining Balance to be transferred to Tuscarawas County	\$54,050

The Library transferred \$37,036 to the County on January 12, 2010, \$5,039 to the County on February 5, 2010, and \$11,975 to the County on April 28, 2010.

**4. EQUITY IN POOLED DEPOSITS AND INVESTMENTS**

The Library maintains a deposit and investments pool all funds use. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of deposits and investments at December 31 was as follows:

	2009	2008
Demand deposits	\$4,438	\$25,134
Certificates of deposit	48,837	45,547
Total deposits	\$53,275	\$70,681

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

**5. RETIREMENT SYSTEM**

The Librarian belongs 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 Library or County) contributed an amount equaling 14 percent of participants' gross salaries. The Library, or County, has paid all contributions required through December 31, 2009.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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



# 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*

Tuscarawas County Law Library Association  
Tuscarawas County  
125 East High Avenue  
New Philadelphia, Ohio 44663

To the Law Library Resources Board:

We have audited the financial statements of the Tuscarawas County Law Library Association, Tuscarawas County, Ohio, (the Library) as of and for the years ended December 31, 2009 and December 31, 2008, and have issued our report thereon dated June 22, 2010 wherein we noted the Library prepared its financial statements using 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 and the Retained Monies Fund. We also disclosed that state statute requires the Library to transfer its public funds to the County. The County will assume accounting responsibility for the 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 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 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 *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 Library'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 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 an instance of noncompliance or other matter we must report under *Government Auditing Standards* which is described in the accompanying Schedule of Findings as item 2009-001.

We also noted certain matters not requiring inclusion in this report that we reported to the Library's management in a separate letter dated June 22, 2010.

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

June 22, 2010



**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2009 AND 2008**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
--

**FINDING NUMBER 2009-001**

**Finding for Recovery/Material Noncompliance**

**Ohio Revised Code Section 3375.56** states on the first Monday of each year, the board of trustees of the law library association shall make a detailed statement to the county auditor, verified by the oath of the treasurer of the association, of the amount of the fines and penalties received under sections 3375.50 to 3375.53, inclusive, of the Ohio Revised Code, and of the money expended by the association.

If the total amount received under such sections during the preceding calendar year covered by such report exceeds the expenditures during the same period, the auditor shall certify such fact to the board which shall thereupon direct the treasurer of the association to refund proportionately to the treasurers of the political subdivisions from which such balance was received, not less than ninety percent of any unencumbered balance on hand from the preceding year. Additionally, **AOS Bulletin 2004-007** indicates interest earned on any public funds subject to the same spending restrictions as noted in Ohio Rev. Code Section 3375.54 and is therefore not subject to the distribution prescribed in Ohio Rev. Code Section 3375.56.

During 2009, the Law Library refunded ninety percent of the 2008 unencumbered cash balance to the City of New Philadelphia and Tuscarawas County. However, during 2008 the Law Library misclassified \$4,341 in other revenue as fines and forfeitures from the City of New Philadelphia. As a result, the Law Library's refund to the City of New Philadelphia and Tuscarawas County was not calculated correctly. Additionally, the Law Library did not exclude interest earned from public funds in the amount to be refunded. As a result, the Law Library refunded \$501 more to the City of New Philadelphia, \$471 less to Tuscarawas County, and \$30 less to the Law Library's retained monies funds than required at the beginning of 2009.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code Section 117.28, a Finding for Recovery for public monies due but not collected is hereby issued against the City of New Philadelphia in the amount of \$501 and in favor of the Tuscarawas County General Fund for \$471 and in favor of the Tuscarawas County Law Library Resources Fund for \$30.

**Officials' Response:** We did not receive a response from Officials to this Finding.

**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION  
TUSCARAWAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2009 AND 2008**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain</i></b>
2007-001	Bank to Book Reconciliations - not performed timely and included various errors	Yes	Corrected



**Mary Taylor, CPA**  
Auditor of State

**TUSCARAWAS COUNTY LAW LIBRARY ASSOCIATION**  
**TUSCARAWAS 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**  
**AUGUST 19, 2010**