



Dave Yost • Auditor of State



CLARK COUNTY MUNICIPAL COURT  
CLARK COUNTY

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# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT

Guy Ferguson, Clerk of Courts  
Clark County Municipal Court  
Clark County  
50 East Columbia Street  
Springfield, Ohio 45502

### ***Report on the Financial Statements***

We have audited the accompanying financial statements and related notes of the Clark County Municipal Court (the Court) agency funds (divisions) of the City of Springfield, Ohio as of and for the years ended December 31, 2013 and 2012.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for preparing and fairly presenting these financial statements in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit; this responsibility includes designing, implementing and maintaining internal control relevant to preparing and fairly presenting financial statements free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to opine on these financial statements based on our audit. We audited in accordance with auditing standards generally accepted in the United States of America and the financial audit standards in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require us to plan and perform the audit to reasonably assure the financial statements are free from material misstatement.

An audit requires obtaining evidence about financial statement amounts and disclosures. The procedures selected depend on our judgment, including assessing the risks of material financial statement misstatement, whether due to fraud or error. In assessing those risks, we consider internal control relevant to the Court's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not to the extent needed to opine on the effectiveness of the Court's internal control. Accordingly, we express no opinion. An audit also includes evaluating the appropriateness of management's accounting policies and the reasonableness of their significant accounting estimates, as well as our evaluation of the overall financial statement presentation.

We believe the audit evidence we obtained is sufficient and appropriate to support our audit opinion.

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As described in Note 1, the financial statements present only the Court agency funds (divisions) and do not purport to, and do not, present fairly the financial position of the City of Springfield, Ohio as of December 31, 2013 and 2012, and the changes in financial position and cash flows, where applicable.

Also as described in Note 1 of the financial statements, the Court prepared these financial statements using the accounting basis permitted by the financial reporting provisions of Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D), which is an accounting basis other than accounting principles generally accepted in the United States of America, to satisfy these requirements.

The effects on the financial statements of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the Court as of December 31, 2013 and 2012, or changes in financial position thereof for the years then ended.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statements referred to above present fairly, in all material respects, the undisbursed cash balances of the Clark County Municipal Court, Clark County as of December 31, 2013 and 2012, and its cash receipts and disbursements for the years then ended in accordance with the financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit, described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 12, 2014, on our consideration of the Court'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. That report describes the scope of our internal control testing over financial reporting and compliance, and the results of that testing, and does not opine on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Court's internal control over financial reporting and compliance.



**Dave Yost**  
Auditor of State

Columbus, Ohio

August 12, 2014

**CLARK COUNTY MUNICIPAL COURT  
CLARK COUNTY**

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN UNDISBURSED CASH BALANCES - ALL DIVISIONS  
FOR THE YEAR ENDED DECEMBER 31, 2013**

	<b>Criminal/ Traffic</b>	<b>Bail Bond</b>	<b>Civil</b>	<b>Trusteeship</b>	<b>Rent Escrow</b>	<b>Combined Total</b>
<b>Receipts:</b>						
Fines, Costs and Forfeitures	\$2,675,525	\$204,605				\$2,880,130
Court Costs and Garnishee Fees			\$423,111			423,111
Garnishment Fees			1,548,330			1,548,330
Judgments			20,086			20,086
Additional Fees Collected			84,141			84,141
Capital Improvements Fund	145,574	4,544	34,095			184,213
Trusteeships				\$30,496		30,496
Interest	15	10	14			39
Rents Deposited with the Court					\$1,746	1,746
All Other Receipts collected			47,130			47,130
<b>Total Receipts</b>	<b>2,821,114</b>	<b>209,159</b>	<b>2,156,907</b>	<b>30,496</b>	<b>1,746</b>	<b>5,219,422</b>
<b>Disbursements:</b>						
City of Springfield	1,287,781	4,554	461,865	95		1,754,295
Clark County Treasurer	754,149					754,149
Treasurer of State of Ohio	727,405		82,866			810,271
All Other Entities	49,980					49,980
Bonds Forfeited		94,675				94,675
Bonds Returned		114,728				114,728
Garnishees			1,530,079			1,530,079
All Other Amounts Distributed			66,602			66,602
Creditors				29,488		29,488
Clerk's Poundage Distributed				910		910
Rents Disbursed					2,581	2,581
<b>Total Disbursements</b>	<b>2,819,315</b>	<b>213,957</b>	<b>2,141,412</b>	<b>30,493</b>	<b>2,581</b>	<b>5,207,758</b>
Receipts Over(Under) Disbursements	1,799	(4,798)	15,495	3	(835)	11,664
Undisbursed Cash Balance - January 1	169,881	94,966	112,125	187	1,553	378,712
Undisbursed Cash Balance - December 31	<u>\$171,680</u>	<u>\$90,168</u>	<u>\$127,620</u>	<u>\$190</u>	<u>\$718</u>	<u>\$390,376</u>

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

**CLARK COUNTY MUNICIPAL COURT  
CLARK COUNTY**

**COMBINING STATEMENT OF RECEIPTS, DISBURSEMENTS AND CHANGES  
IN UNDISBURSED CASH BALANCES - ALL DIVISIONS  
FOR THE YEAR ENDED DECEMBER 31, 2012**

	<u>Criminal/ Traffic</u>	<u>Bail Bond</u>	<u>Civil</u>	<u>Trusteeship</u>	<u>Rent Escrow</u>	<u>Combined Total</u>
<b>Receipts:</b>						
Fines, Costs and Forfeitures	\$3,068,092	\$265,874				\$3,333,966
Court Costs and Garnishee Fees			\$488,132			488,132
Garnishment Fees			1,657,172			1,657,172
Judgments			6,112			6,112
Additional Fees Collected			99,397			99,397
Capital Improvements Fund	171,530	5,617	39,620			216,767
Trusteeships				\$34,731		34,731
Interest	25	15	22			62
Rents Deposited with the Court					\$3,545	3,545
All Other Receipts collected			57,203			57,203
<b>Total Receipts</b>	<u>3,239,647</u>	<u>271,506</u>	<u>2,347,658</u>	<u>34,731</u>	<u>3,545</u>	<u>5,897,087</u>
<b>Disbursements:</b>						
City of Springfield	1,519,970	5,632	550,500	175		2,076,277
Clark County Treasurer	854,270					854,270
Treasurer of State of Ohio	850,361		99,237			949,598
All Other Entities	54,547					54,547
Bonds Forfeited		114,164				114,164
Bonds Returned		158,702				158,702
Garnishees			1,671,203			1,671,203
All other Amounts Distributed			44,374			44,374
Creditors				33,391		33,391
Clerk's Poundage Distributed				1,033		1,033
Rents Disbursed					2,933	2,933
<b>Total Disbursements</b>	<u>3,279,148</u>	<u>278,498</u>	<u>2,365,314</u>	<u>34,599</u>	<u>2,933</u>	<u>5,960,492</u>
Receipts Over(Under) Disbursements	(39,501)	(6,992)	(17,656)	132	612	(63,405)
Undisbursed Cash Balance - January 1	<u>209,382</u>	<u>101,958</u>	<u>129,781</u>	<u>55</u>	<u>941</u>	<u>442,117</u>
Undisbursed Cash Balance - December 31	<u>\$169,881</u>	<u>\$94,966</u>	<u>\$112,125</u>	<u>\$187</u>	<u>\$1,553</u>	<u>\$378,712</u>

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



**CLARK COUNTY MUNICIPAL COURT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Reporting Entity**

The Clark County Municipal Court (the Court) was established per Section 1901.01 of the Ohio Revised Code for the purpose of exercising the rights and privileges conveyed to it by the constitution and laws of the State of Ohio, and has jurisdiction within all of Clark County. The Court has three full-time judges, 2 magistrates and an elected Clerk of Courts to oversee the daily operations and the financial transactions.

For financial reporting purposes, the Court is an agency fund group which reports the receipts and disbursements of the five divisions of the Court: criminal/traffic, civil, bail bond, trusteeship, and rent escrow. Financial information contained within this report consists of fines, fees, forfeitures, garnishments, bonds and other sources which are collected as a result of Court action and then distributed to other governmental entities and individuals. Management believes the financial statement included in this report represents all of the cash receipts and disbursements of the Court over which the Court officials have the ability to exercise direct operating control.

The operating expenses of the Court are funded by the City of Springfield, and are not, therefore, part of the reporting entity included in this report.

**B. Basis of Accounting**

Financial accountability for the Court is that of an agent, acting in a fiduciary capacity for others. The Court has no equity or ownership over the money it controls. The financial statements presented follow a basis of accounting the Auditor of State of Ohio prescribes or permits. The Court recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

**2. CASH DEPOSITS**

The Court maintains separate demand accounts for each of its five divisions (Criminal/Traffic, Bond, Civil, Trusteeship, and Rent) at PNC Bank. The accounts for Collections and Credit Cards were transferred to Huntington National Bank in October 2013. The Ohio Revised Code prescribes allowable deposits and investments. In accordance with these statutes, only banks located in Ohio and domestic building and loan associations are eligible to hold public deposits. The statutes also permit the Court to invest monies in certificates of deposit and saving accounts.

Public depositories must give security for all public funds on deposit. These institutions may either specifically collateralize individual accounts in addition to amounts insured by the Federal Deposit Insurance Corporation (FDIC), or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. These securities must be obligations of or guaranteed by the United States and mature or be redeemable within five years of the date of the related repurchase agreement. State law does not require security for public deposits and investments to be maintained in the Court's name.

**CLARK COUNTY MUNICIPAL COURT  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2013 AND 2012  
(Continued)**

**2. CASH DEPOSITS (Continued)**

**A. Deposits**

The carrying amount of cash deposits at December 31, 2012 and 2013 was \$378,712 and \$390,376, respectively. Bank balances were \$346,829 at the end of 2012 and \$341,446 at the end of 2013. Of the Court's deposits, \$250,000 was insured each year by FDIC and the remaining deposits were uninsured and collateralized with securities held by the pledging institution's trust department but not in the Court's name.



# Dave Yost • Auditor of State

## INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Guy Ferguson, Clerk of Courts  
Clark County Municipal Court  
Clark County  
50 East Columbia Street  
Springfield, Ohio 45502

We have audited, in accordance with auditing standards generally accepted in the United States and the Comptroller General of the United States' *Government Auditing Standards*, the financial statements of the Clark County Municipal Court, (the Court) agency funds (divisions) of the City of Springfield, Ohio as of and for the years ended December 31, 2013 and 2012, and the related notes to the financial statements, and have issued our report thereon dated August 12, 2014, wherein we noted the Court followed financial reporting provisions Ohio Revised Code Section 117.38 and Ohio Administrative Code Section 117-2-03(D) permit.

### ***Internal Control Over Financial Reporting***

As part of our financial statement audit, we considered the Court's internal control over financial reporting (internal control) to determine the audit procedures appropriate in the circumstances to the extent necessary to support our opinion on the financial statements, but not to the extent necessary to opine on the effectiveness of the Court's internal control. Accordingly, we have not opined on it.

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 a reasonable possibility that internal control will not prevent or detect and timely correct a material misstatement of the Court's financial statements. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all internal control deficiencies that might be material weaknesses or significant deficiencies. Given these limitations, we did not identify any deficiencies in internal control that we consider material weaknesses. However, unidentified material weaknesses may exist.

### ***Compliance and Other Matters***

As part of reasonably assuring whether the Court'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, opining 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*.

***Purpose of this Report***

This report only describes the scope of our internal control and compliance testing and our testing results, and does not opine on the effectiveness of the Court's internal control or on compliance. This report is an integral part of an audit performed under *Government Auditing Standards* in considering the Court's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Dave Yost". The signature is written in a cursive style with a large, looping initial "D".

**Dave Yost**  
Auditor of State

Columbus, Ohio

August 12, 2014



# Dave Yost • Auditor of State

**CLARK COUNTY MUNICIPAL COURT**

**CLARK 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 9, 2014**