



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

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STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Union County Law Library Association  
Union County  
215 West Fifth Street  
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of the Union County Law Library Association, Union County, Ohio, (the Library) as of and for the years ended December 31, 2001, and December 31, 2000. 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 *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 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 discussed in Note 1, the Library prepares its financial statements on the basis of accounting prescribed or permitted by the Auditor of State, which is a comprehensive basis of accounting 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 fund cash balances of the Library as of December 31, 2001, and December 31, 2000, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

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

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2002, 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 grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

This report is intended solely for the information and use of management, the Board of Trustees and other officials authorized to receive this report under § 117.26, Ohio Revised Code, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro". The signature is stylized with a large, sweeping initial "J" and a long, horizontal stroke extending to the right.

**JIM PETRO**  
Auditor of State

September 10, 2002

**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$210,452	\$0	\$210,452
Interest	734	0	734
<b>Total Cash Receipts</b>	<b>211,186</b>	<b>0</b>	<b>211,186</b>
<b>Cash Disbursements:</b>			
Supplies and Materials	137,196	0	137,196
Salaries and Benefits	29,509	0	29,509
Refunds to Relative Income Sources - See Note 1	21,659	0	21,659
Equipment	3,674	0	3,674
Miscellaneous	2,402	0	2,402
<b>Total Cash Disbursements</b>	<b>194,440</b>	<b>0</b>	<b>194,440</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>16,746</b>	<b>0</b>	<b>16,746</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(3,936)	3,936	0
Refunds from Vendors	956	0	956
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(2,980)</b>	<b>3,936</b>	<b>956</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<b>13,766</b>	<b>3,936</b>	<b>17,702</b>
<b>Fund Cash Balances, January 1</b>	<b>21,659</b>	<b>36,267</b>	<b>57,926</b>
<b>Fund Cash Balances, December 31</b>	<b>\$35,425</b>	<b>\$40,203</b>	<b>\$75,628</b>

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

**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$176,124	\$0	\$176,124
Interest	724	154	878
	<u>176,848</u>	<u>154</u>	<u>177,002</u>
<b>Total Cash Receipts</b>			
	<u>176,848</u>	<u>154</u>	<u>177,002</u>
<b>Cash Disbursements:</b>			
Supplies and Materials	128,074	0	128,074
Salaries and Benefits	20,074	0	20,074
Refunds to Relative Income Sources - See Note 3	34,537	0	34,537
Equipment	1,392	0	1,392
Miscellaneous	3,242	0	3,242
	<u>187,319</u>	<u>0</u>	<u>187,319</u>
<b>Total Cash Disbursements</b>			
	<u>187,319</u>	<u>0</u>	<u>187,319</u>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<u>(10,471)</u>	<u>154</u>	<u>(10,317)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(2,407)	2,407	0
	<u>(2,407)</u>	<u>2,407</u>	<u>0</u>
<b>Total Other Financing Receipts/(Disbursements)</b>			
	<u>(2,407)</u>	<u>2,407</u>	<u>0</u>
<b>Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements</b>	<u>(12,878)</u>	<u>2,561</u>	<u>(10,317)</u>
<b>Fund Cash Balances, January 1 - See Note 2</b>	<u>34,537</u>	<u>33,706</u>	<u>68,243</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$21,659</u></u>	<u><u>\$36,267</u></u>	<u><u>\$57,926</u></u>

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



**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Union County Law Library (the Library) is directed by a board of three trustees who are elected annually by members of the Union County Bar Association. The Library provides free access for 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. The Library is permitted to expend funds under ORC Section 3375.54. The funds of the Library are expended on the purchase, lease or rental of 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.

The Union County Commissioners are required by ORC Section 3375.49 to provide adequate facilities for the 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 and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Union County is required to fix the compensation of the librarian and up to two assistant librarians pursuant to ORC Section 3375.48. If the Library provides free access to all county officers and the judges of the several courts, the salary of the law librarian and up to two assistants should be paid from the county treasury. If the conditions above are not met, then the salary of the librarian and any assistants should be paid by the Library.

The Library's management believes these financial statements present all 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. 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 is the general operating fund. It is used to account for all financial resources except those required to be accounted for in another fund.

**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**C. Fund Accounting (Continued)**

**2. Retained Monies Fund**

Retained Monies Fund consists of monies retained by the Library under Ohio Revised Code § 3375.56. At the end of each calendar year the Library is permitted under law to retain up to ten percent of their unencumbered balance. See footnote 2 for additional information.

**D. 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 toward facilitating the use of the equipment.

**E. Refund to Relative Income Sources**

If certain conditions are met, the Library is required to refund at least ninety percent of any balance to political subdivisions that provided revenues to the Library.

**F. Total Columns on Financial Statements**

Total columns on the financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, or results of operations in conformity with the basis of accounting described above. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**2. ACCOUNTING CHANGE**

Prior to January 1, 2000, the retained monies fund was not disclosed by the Library. Effective January 1, 2000, the Library determined the amounts related to their Retained Monies Fund by utilizing relevant supporting documentation from the first year they retained monies through the current reporting period.

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

In any year that revenues exceed disbursements, the Library refunds at least ninety 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 refund to relative income sources.

At December 31, 2000, the Law Library had unspent monies of \$24,067. The Library retained \$2,407 of this, which is reflected as Remittance to Retained Funds on the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Funds – For the Year Ended December 31, 2000. The remaining \$21,660 is reflected as Refund to Relative Income Sources on the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Funds – For the Year Ended December 31, 2001

**UNION CONTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. CALCULATION OF REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED  
(Continued)**

At December 31, 1999, the Law Library had unspent monies of \$38,374. The Library retained \$3,837 of this, which is included in beginning balance in the Retained Monies Fund on the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Funds – For the Year Ended December 31, 2000. The remaining \$34,537 is reflected as Refund to Relative Income Sources on the Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Funds – For the Year Ended December 31, 2000.

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

The Library maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	<u>\$75,628</u>	<u>\$57,926</u>

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

**5. RETIREMENT SYSTEMS**

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2001 and 2000, PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;

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**REPORT OF INDEPENDENT ACCOUNTANTS ON COMPLIANCE AND ON INTERNAL CONTROL  
REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Union County Law Library Association  
215 West Fifth Street  
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of the Union County Law Library Association, Union County, Ohio, (the Library) as of and for the years ended December 31, 2001, and December 31, 2000, and have issued our report thereon dated September 10, 2002, wherein we also noted the Library has included the retained monies fund for the first time. 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 obtaining reasonable assurance about whether the Library's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, noncompliance with which could have a direct and material effect on 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 such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated September 10, 2002.

**Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted a certain other matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated September 10, 2002.

Union County Law Library Association  
Report of Independent Accountants on Compliance and on Internal Control  
Required by *Government Auditing Standards*  
Page 2

This report is intended solely for the information and use of management and the Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

A handwritten signature in black ink, appearing to read "Jim Petro", with a large, stylized flourish at the end.

**JIM PETRO**  
Auditor of State

September 10, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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JIM PETRO, AUDITOR OF STATE

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**UNION COUNTY LAW LIBRARY ASSOCIATION**

**UNION 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 7, 2002**