



**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Warren County Law Library Association
Warren County
500 Justice Drive
Lebanon, Ohio 45036

To the Board of Trustees:

We have audited the accompanying financial statements of the Warren County Law Library Association, Warren County, Ohio (the Library), as of and for the years ended December 31, 2001 and 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 generally accepted accounting principles.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Library December 31, 2001 and 2000, and its combined 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 October 7, 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, Board of Trustees and other officials authorized to receive this report under Section 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 fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

October 7, 2002

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

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

	<u>General Fund</u>	<u>Private Monies Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Fine and Forfeitures	\$493,716	\$0	\$0	\$493,716
Interest	12,447	0	0	12,447
Miscellaneous Receipts	471	50	0	521
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Receipts	506,634	50	0	506,684
Cash Disbursements:				
Supplies and Materials	5,873	0	0	5,873
Refunds to Relative Income Sources - See Note 3	220,600	0	0	220,600
Book Accounts	218,290	0	0	218,290
Insurance	3,388	0	0	3,388
Phone	2,006	0	0	2,006
Miscellaneous	43,819	0	0	43,819
	<hr/>	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	493,976	0	0	493,976
Total Cash Receipts Over/(Under) Cash Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	12,658	50	0	12,708
Other Financing Receipts/(Disbursements):				
Remittance to Retained Funds	(26,083)	0	26,083	0
Remittance to Retained Funds - Corrections for Prior Years' Amount Not Remitted (See Note 2)	<hr/>	<hr/>	<hr/>	<hr/>
	(162,836)	0	162,836	0
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(188,919)	0	188,919	0
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<hr/>	<hr/>	<hr/>	<hr/>
	(176,261)	50	188,919	12,708
Fund Cash Balances, January 1	<hr/>	<hr/>	<hr/>	<hr/>
	386,193	12	24,511	410,716
Fund Cash Balances, December 31	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
	\$209,932	\$62	\$213,430	\$423,424

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

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN 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>Private Monies Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:				
Fine and Forfeitures	\$431,820	\$0	\$0	\$431,820
Interest	12,465	0	0	12,465
Miscellaneous Receipts	7,484	12	0	7,496
	<u>451,769</u>	<u>12</u>	<u>0</u>	<u>451,781</u>
Cash Disbursements:				
Supplies and Materials	1,248	0	0	1,248
Refunds to Relative Income Sources - See Note 3	204,704	0	0	204,704
Book Accounts	155,513	0	0	155,513
Insurance	3,948	0	0	3,948
Phone	1,645	0	0	1,645
Miscellaneous	11,666	0	0	11,666
	<u>378,724</u>	<u>0</u>	<u>0</u>	<u>378,724</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>73,045</u>	<u>12</u>	<u>0</u>	<u>73,057</u>
Other Financing Receipts/(Disbursements):				
Remittance to Retained Funds	<u>(24,511)</u>	<u>0</u>	<u>24,511</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)	<u>(24,511)</u>	<u>0</u>	<u>24,511</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	48,534	12	24,511	73,057
Fund Cash Balances, January 1	<u>337,659</u>	<u>0</u>	<u>0</u>	<u>337,659</u>
Fund Cash Balances, December 31	<u>\$386,193</u>	<u>\$12</u>	<u>\$24,511</u>	<u>\$410,716</u>

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

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Warren County Law Library Association, Warren County, Ohio (the Library), is directed by a board of eleven trustees who are elected for three year terms by members of the Warren 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 Warren 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 Warren County 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. The accompanying financial statements also include private monies, see note 1D.

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

The Library maintains an interest-bearing checking account for all of its deposits.

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:

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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.

2. Retained Monies Fund

Retained Monies Fund consists of monies retained by the Library under Ohio Rev. Code, Section 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.

3. Private Monies

Some funds the Library receives are considered private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Fees collected for the use of books and copiers remain private even though the books and copiers may have been purchased with public funds. The Library can disburse private monies at its discretion.

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 toward facilitating the use of the equipment.

F. Refund to Relative Income Sources

If certain conditions are met, the Library is required to refund at least ninety percent of any unencumbered balance to political subdivisions that provided revenues to the Library. See Footnote 3 for additional information

G. 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 relating to their Retained Monies Fund by calculating the accumulated retained ten percent of the unencumbered balance from previous years. In 2001, retained monies prior to January 1, 2000 were transferred from the general fund to the retained monies fund.

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

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

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. The following charts present the refunded and retained amounts during 2001 and 2000.

Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001	
Calculated Balance at December 31, 2000	\$246,683
Refunded to Relative Sources during 2001	220,600
Retained Funds Amount during 2001	26,083

Balance at December 31, 1999 Refunded and Retained During Calendar Year 2000	
Calculated Balance at December 31, 1999	\$229,215
Refunded to Relative Sources during 2000	204,704
Retained Funds Amount during 2000	24,511

The calculated balance at December 31, 2000 and 1999 represents the General Fund balance less amounts that should have been remitted to Retained Funds in prior years.

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>
Total Demand Deposits	<u>\$423,424</u>	<u>\$410,716</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institution's public entity deposit pool.

5. RISK MANAGEMENT

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

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

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

Warren County Law Library Association
Warren County
500 Justice Drive
Lebanon, Ohio 45036

To the Board of Trustees:

We have audited the accompanying financial statements of the Warren County Law Library Association, Warren County, Ohio (the Library), as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated October 7, 2002. 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*.

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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated , October 7, 2002.

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". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

October 7, 2002

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1999-60483-001	The Law Library did not have a SAS 70 for their third party administrator for health insurance benefits.	Yes	



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WARREN COUNTY LAW LIBRARY ASSOCIATION

WARREN 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**