



**Auditor of State  
Betty Montgomery**



**CLARK COUNTY LAW LIBRARY ASSOCIATION  
CLARK COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Public Funds – For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Public Funds – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9
Schedule of Findings.....	11
Schedule of Prior Audit Findings.....	12

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Clark County Law Library Association  
Clark County  
101 North Limestone Street  
Springfield, Ohio 45502-1190

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Clark County Law Library (the Library) as of and for the years ended December 31, 2003 and 2002. 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. Also, the financial statements present only the general fund and the retained monies fund and are intended to present fairly the financial position and results of operations of the Library in conformity with the basis of accounting as described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Library's general fund and the retained monies fund as of December 31, 2003 and 2002, and its cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 29, 2004 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.

Clark County Law Library Association  
Clark County  
Report of Independent Accountants  
Page 2

This report is intended solely for the information and use of the audit committee, management, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 29, 2004

**CLARK COUNTY LAW LIBRARY ASSOCIATION  
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PUBLIC FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$228,450		\$228,450
Interest	376	19,925	20,301
Miscellaneous Receipts	100		100
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	228,926	19,925	248,851
<b>Cash Disbursements:</b>			
Books and Periodicals	202,068		202,068
Supplies and Materials	7,858		7,858
Payroll Wages & Taxes	16,320		16,320
Refunds to Relative Income Sources - See Note 2	714		714
Bank Fees	164	1,952	2,116
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	227,124	1,952	229,076
Total Cash Receipts Over Cash Disbursements	1,802	17,973	19,775
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(79)	79	
	<hr/>	<hr/>	<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,723	18,052	19,775
Public Fund Cash Balances, January 1	82,908	360,033	442,941
	<hr/>	<hr/>	<hr/>
<b>Public Fund Cash Balances, December 31</b>	<u>\$84,631</u>	<u>\$378,085</u>	<u>\$462,716</u>

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

**CLARK COUNTY LAW LIBRARY ASSOCIATION  
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PUBLIC FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$252,617		\$252,617
Interest	705	22,068	22,773
	<u>253,322</u>	<u>22,068</u>	<u>275,390</u>
<b>Total Cash Receipts</b>			
<b>Cash Disbursements:</b>			
Books and Periodicals	220,725		220,725
Supplies and Materials	7,468		7,468
Payroll Wages & Taxes	17,557		17,557
Refunds Relative Income Sources	1,687		1,687
Equipment	4,165		4,165
Bank Fees	222	2,318	2,540
	<u>251,824</u>	<u>2,318</u>	<u>254,142</u>
<b>Total Cash Disbursements</b>			
Total Cash Receipts Over Cash Disbursements	1,498	19,750	21,248
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	<u>(187)</u>	<u>187</u>	
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	1,311	19,937	21,248
Public Fund Cash Balances, January 1	<u>81,597</u>	<u>340,096</u>	<u>421,693</u>
<b>Public Fund Cash Balances, December 31</b>	<u><u>\$82,908</u></u>	<u><u>\$360,033</u></u>	<u><u>\$442,941</u></u>

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



**CLARK LAW LIBRARY ASSOCIATION  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Clark County Law Library Association (the Library) is directed by a board of 11 to 12 trustees who are elected annually by members of the Clark 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 Clark 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 may hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Clark 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 public funds for which the Library is financially accountable.

Some funds received by the Library 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. Private monies can be disbursed at the discretion of the Library. The accompanying financial statements do not present private monies.

**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**

Investments are included in Fund Cash Balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Repurchase agreements are valued at cost.

**CLARK LAW LIBRARY ASSOCIATION  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**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 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 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.

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. 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 2003 and 2002.

**CLARK LAW LIBRARY ASSOCIATION  
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

<b>Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002</b>	
Balance at December 31, 2002	\$ 81,597
Refunded to Relative Sources during 2003	1,687
Retained Funds Amount during 2003	187

<b>Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003</b>	
Balance at December 31, 2001	\$ 82,203
Refunded to Relative Sources during 2002	714
Retained Funds Amount during 2002	79

**3. 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>2003</u>	<u>2002</u>
Demand Deposits	(\$15)	(\$14)
Repurchase agreement (Sweep Account)	66,691	64,690
Investments - Money Market Fund	396,040	378,265
Total investments	<u>462,731</u>	<u>442,955</u>
Total deposits and investments	<u>\$462,716</u>	<u>\$442,941</u>

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** The Library's financial institution transfers the securities to the Library's agent to collateralize repurchase agreements. The securities are not in the Library's name. The Money Mark Fund, which consists of U.S Government Securities, is held by the financial institutions trust department in the Library's name.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability

**5. NONCOMPLIANCE**

The Library did not comply with a regulation regarding employee compensation.

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**Auditor of State  
Betty Montgomery**

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

Clark County Law Library  
Clark County  
101 North Limestone Street  
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Law Library Association (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 29, 2004, wherein we indicated the financial statements only include the general fund and the retained monies fund. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001.

**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 March 29, 2004.

Clark County Law Library Association  
Clark County  
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 the audit committee, management and 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

March 29, 2004

**CLARK COUNTY LAW LIBRARY ASSOCIATION  
CLARK COUNTY**

**SCHEDULE OF FINDINGS  
FISCAL YEAR END DECEMBER 31, 2003 AND 2002**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>
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**FINDING NUMBER 2003-001**

**Finding for Recovery – Repaid during Audit**

**Ohio Rev. Code Section 3375.48** states, in part, the judges of the court of common pleas of any county in which there is a law library association which furnishes to all of the members of the Ohio general assembly, the county officers and the judges of the several courts in the county admission to its library and the use of its books free of charge, upon the appointment by the board of trustees of such association of a person to act as librarian thereof, or of a person to act as librarian and not more than two additional persons to act as assistant law librarians thereof, shall fix the compensation of such persons, which shall be paid from the county treasury.

This Section limits the compensation of the librarian of a county law library to be paid out of public funds to the amount fixed by the judge or judges of the common pleas court, and the trustees of a law library association do not have the authority to provide for additional compensation.

The Clark County Law Library Association provided additional compensation to the assistant librarian during 2003 and 2002 in the respective amounts of \$1,183.20 and \$2,036. These amounts were in addition to the amounts approved by the judges of the court of common pleas.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money inappropriately expended is hereby issued against the Clark County Law Library Association's private funds in the amount of \$3,219.20, in favor of the Clark County Law Library Association's public funds.

The Clark County Bar Association's private funds issued a refund for the aforementioned amounts to the Library's public funds and the funds were deposited on March 15, 2004. The financial statements have been adjusted to reflect these payments.

CLARK COUNTY LAW LIBRARY ASSOCIATION  
CLARK 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; <b><i>Explain:</i></b>
2001-30302-001	Refund Distributions	Yes	





**Auditor of State  
Betty Montgomery**

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**CLARK COUNTY LAW LIBRARY ASSOCIATION**

**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  
MAY 6, 2004**