



**Auditor of State  
Betty Montgomery**



**LAW LIBRARY ASSOCIATION  
GALLIA 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 Funds – For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All 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

**This page intentionally left blank.**



## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association  
Gallia County  
18 Locust Street  
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Gallia County, Ohio (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 this financial statement 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 presents fairly, in all material respects, the fund cash balances of the Law Library Association, Gallia County, as of December 31, 2003 and 2002, 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 14, 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.

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 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

October 14, 2004

**LAW LIBRARY ASSOCIATION  
GALLIA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL 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	\$64,162	\$	\$64,162
Interest		31	31
Miscellaneous Receipts	284	144	428
<b>Total Cash Receipts</b>	<u>64,446</u>	<u>175</u>	<u>64,621</u>
<b>Cash Disbursements:</b>			
Supplies and Materials	221		221
Refunds to Relative Income Sources - See Note 3	18		18
Books and Periodicals	52,806		52,806
Insurance	100		100
Telephone	1,957		1,957
Online Resources	9,085		9,085
Miscellaneous	281	213	494
<b>Total Cash Disbursements</b>	<u>64,468</u>	<u>213</u>	<u>64,681</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(22)</u>	<u>(38)</u>	<u>(60)</u>
Fund Cash Balances, January 1	<u>22</u>	<u>155</u>	<u>177</u>
<b>Fund Cash Balances, December 31</b>	<u><u>\$0</u></u>	<u><u>\$117</u></u>	<u><u>\$117</u></u>

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

**LAW LIBRARY ASSOCIATION  
GALLIA COUNTY**

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

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$85,754	\$	\$85,754
Interest		42	42
Miscellaneous Receipts	50	108	158
<b>Total Cash Receipts</b>	<b>85,804</b>	<b>150</b>	<b>85,954</b>
<b>Cash Disbursements:</b>			
Supplies and Materials	780		780
Refunds to Relative Income Sources - See Note 3	48		48
Books and Periodicals	80,288		80,288
Insurance	105		105
Telephone	1,999		1,999
Miscellaneous	2,610		2,610
<b>Total Cash Disbursements</b>	<b>85,830</b>	<b>0</b>	<b>85,830</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(26)	150	124
Fund Cash Balances, January 1 - See Note 2	48	5	53
<b>Fund Cash Balances, December 31</b>	<b>\$22</b>	<b>\$155</b>	<b>\$177</b>

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



**LAW LIBRARY ASSOCIATION  
GALLIA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Law Library Association, Gallia County (the Library), is directed by a board of three trustees who are elected annually by members of the Gallia 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 Gallia 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 Gallia 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**

The Librarian invests all available fund of the Library in an interest-bearing checking account.

**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:

**LAW LIBRARY ASSOCIATION  
GALLIA COUNTY**

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

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

**D. Fund Accounting (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 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 Note 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 copies may have been purchased with public funds. The Library can disburse private monies at its discretion. The private monies are included with the Retained Monies Fund.

**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 Note 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, 2002, the retained monies fund was not disclosed by the Library. Effective January 1, 2002, the Library is not able to determine the Retained Monies Fund amount. Therefore, the Retained Monies Fund in the accompanying financial statements includes both retained monies and private monies. The Private Monies will be reported with the Retained Monies Fund until the Library is able to support the Retained monies portion.

**LAW LIBRARY ASSOCIATION  
GALLIA COUNTY**

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

Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003	
Unencumbered Balance at December 31, 2002	\$21
Refunded to Relative Sources for 2003	\$18
Retained Funds Amount during 2003	\$3

Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002	
Unencumbered Balance at December 31, 2001	\$53
Refunded to Relative Sources for 2002	\$48
Retained Funds Amounts during 2002	\$5

**4. EQUITY IN POOLED CASH**

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

	2003	2002
Demand deposits	\$117	\$177

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

**5. RISK MANAGEMENT**

The Law Library Association has been insured by the Gallia County Commissioners for the following risks:

- Comprehensive property and general liability
- Errors and omissions.

**This page intentionally left blank.**



**Auditor of State  
Betty Montgomery**

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

Law Library Association  
Gallia County  
18 Locust Street  
Gallipolis, Ohio 45631

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Gallia County, Ohio (the Library), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated October 14, 2004, wherein we 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 an instance of noncompliance that we must report 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.

Law Library Association  
Gallia County  
Independent Accountants' Report 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

October 14, 2004

**LAW LIBRARY ASSOCIATION  
GALLIA COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 and 2002**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2003-001**

**Finding For Recovery Repaid Under Audit**

Ohio Rev. Code Section 3375.53 requires, in part, that fifty percent of all fines and penalties collected by, and of moneys arising from forfeited bail in, any county for offenses brought for prosecution under Chapters 4301 and 4303 of the Ohio Revised Code and the state traffic laws shall be paid monthly by the Treasurer of the County or Municipal Corporation to the Board of Trustees of the Law Library Association in such County, but the sum so paid to such Board by each Treasurer shall not exceed twelve hundred dollars per annum. The Treasurer of Gallia County did not distribute to the Gallia County Law Library Association, the fines described in Ohio Rev. Code Section 3375.53 as required for the years 1992 through 2003. A breakdown of amounts due the Gallia County Law Library Association from 1992 to 2003 follows:

Year	Amount Collected by Treasurer of Gallia County:	Amount Due: (50% of the amount collected up to \$1,200)
1992	\$2,753.50	\$1,200.00
1993	3,998.60	1,200.00
1994	5,805.74	1,200.00
1995	3,684.49	1,200.00
1996	3,954.40	1,200.00
1997	2,249.15	1,124.58
1998	233.85	116.93
1999	265.00	132.50
2000	329.25	164.63
2001	25.00	12.50
2002	.00	.00
2003	221.50	<u>110.75</u>
Totals		\$7,661.89

In accordance with Ohio Rev. Code Section 3375.56, a Law Library is required to proportionally refund the contributing political subdivisions at least ninety percent of any unencumbered balance in the General Fund. Therefore, of the \$7,661.89, \$6,895.70 (\$7,661.89 x 90%) would need to be refunded to the Gallia County General Fund resulting in a difference of \$766.19 (\$7661.89 - \$6,895.70).

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against the Gallia County General Fund in the amount of \$766.19, for public moneys collected but unaccounted for, in favor of the Gallia County Law Library Retained Monies Fund.

The Gallia County General Fund repaid the Library \$766.19 on November 4, 2004.







**Auditor of State  
Betty Montgomery**

88 East Broad Street  
P.O. Box 1140  
Columbus, Ohio 43216-1140

Telephone 614-466-4514  
800-282-0370

Facsimile 614-466-4490

**LAW LIBRARY ASSOCIATION**

**GALLIA 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  
DECEMBER 7, 2004**