



**Auditor of State
Betty Montgomery**

**LAW LIBRARY ASSOCIATION
LICKING COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Licking County
65 East Main Street, Lower Level
Newark, Ohio 43058

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Licking County, Ohio, (the Library) as of and for the years ended December 31, 2003, and December 31, 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.

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, 2003, and December 31, 2002, and its combined 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 April 30, 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.

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Law Library Association
Licking County
Independent Accountants' Report
Page 2

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

Betty Montgomery
Auditor of State

April 30, 2004

**LICKING COUNTY LAW LIBRARY ASSOCIATION
LICKING 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>
Cash Receipts:			
Fine and Forfeitures	\$91,201	\$0	\$91,201
Interest	0	1,662	1,662
Total Cash Receipts	<u>91,201</u>	<u>1,662</u>	<u>92,863</u>
Cash Disbursements:			
Supplies and Materials	<u>90,007</u>	<u>0</u>	<u>90,007</u>
Total Cash Disbursements	<u>90,007</u>	<u>0</u>	<u>90,007</u>
Total Cash Receipts Over Cash Disbursements	1,194	1,662	2,856
Fund Cash Balances, January 1	<u>0</u>	<u>107,676</u>	<u>107,676</u>
Fund Cash Balances, December 31	<u><u>\$1,194</u></u>	<u><u>\$109,338</u></u>	<u><u>\$110,532</u></u>

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

**LICKING COUNTY LAW LIBRARY ASSOCIATION
LICKING COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$103,832	\$0	\$103,832
Interest	0	3,439	3,439
Total Cash Receipts	<u>103,832</u>	<u>3,439</u>	<u>107,271</u>
Cash Disbursements:			
Supplies and Materials	124,130	0	124,130
Total Cash Disbursements	<u>124,130</u>	<u>0</u>	<u>124,130</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(20,298)</u>	<u>3,439</u>	<u>(16,859)</u>
Other Financing Receipts/(Disbursements):			
Transfers-In	19,995	0	19,995
Transfers-Out	0	(19,995)	(19,995)
Total Other Financing Receipts/(Disbursements)	<u>19,995</u>	<u>(19,995)</u>	<u>0</u>
(Deficiency) of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing Disbursements	(303)	(16,556)	(16,859)
Fund Cash Balances, January 1	<u>303</u>	<u>124,232</u>	<u>124,535</u>
Fund Cash Balances, December 31	<u><u>\$0</u></u>	<u><u>\$107,676</u></u>	<u><u>\$107,676</u></u>

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

**LAW LIBRARY ASSOCIATION
LICKING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Licking County Law Library (the Library) is directed by a board of nine trustees who are elected annually by members of the Licking 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 Licking 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 employ a law librarian and one assistant law librarian. The Judges of the Court of Common Pleas of Licking County fix the compensation of the librarian and assistant librarian pursuant to ORC Section 3375.48. The Library provides free access to all county officers and the judges of the several courts, therefore the salary of the law librarian and assistant are paid from the county treasury.

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. 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.

Certificates of deposit and money market accounts are valued at cost.

**LAW LIBRARY ASSOCIATION
LICKING 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.

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 2 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. During 2001, receipts exceeded disbursements by \$303. However, due to the Library refunding \$363 in error in 2000, the Library was not required to refund any portion of their 2001 balance. During 2002, revenues did not exceed disbursements.

**LAW LIBRARY ASSOCIATION
LICKING COUNTY**

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

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment 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	\$1,471	\$262
Certificates of deposit	109,061	107,414
Total deposits	<u>\$110,532</u>	<u>\$107,676</u>

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

4. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for property and general liability.

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Auditor of State Betty Montgomery

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

Law Library Association
Licking County
65 East Main Street, Lower Level
Newark, Ohio 43058

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Licking County, Ohio, (the Library) as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated April 30, 2004. 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 a matter involving internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the District in a separate letter dated April 30, 2004.

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Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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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.

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Betty Montgomery
Auditor of State

April 30, 2004



**Auditor of State
Betty Montgomery**

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LICKING LAW LIBRARY ASSOCIATION

LICKING 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
JUNE 8, 2004**