



**Auditor of State  
Betty Montgomery**



**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Union County Law Library Association  
Union County  
215 West Fifth Street P.O. Box 723  
Marysville, Ohio 43040

To the Board of Trustees:

We have audited the accompanying financial statements of Union County Law Library Association, Union 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 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, 2003, and December 31, 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 May 17, 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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

This report is intended solely for the information and use of the audit committee, 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

May 17, 2004

**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, 2003**

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$176,925	\$0	\$176,925
Interest	344	580	924
Miscellaneous Receipts	18	0	18
<b>Total Cash Receipts</b>	<b>177,287</b>	<b>580</b>	<b>177,867</b>
<b>Cash Disbursements:</b>			
Supplies and Materials	111,502	0	111,502
Salaries and Benefits	1,113	0	1,113
Refunds to Relative Income Sources - See Note 2	39,129	0	39,129
Equipment	4,847	0	4,847
Miscellaneous	2,284	0	2,284
<b>Total Cash Disbursements</b>	<b>158,875</b>	<b>0</b>	<b>158,875</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>18,412</b>	<b>580</b>	<b>18,992</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(4,348)	4,348	0
Refunds from Vendors	10	0	10
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(4,338)</b>	<b>4,348</b>	<b>10</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<b>14,074</b>	<b>4,928</b>	<b>19,002</b>
<b>Fund Cash Balances, January 1</b>	<b>43,477</b>	<b>41,661</b>	<b>85,138</b>
<b>Fund Cash Balances, December 31</b>	<b><u>\$57,551</u></b>	<b><u>\$46,589</u></b>	<b><u>\$104,140</u></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, 2002**

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$202,176	\$0	\$202,176
Interest	251	1,458	1,709
Miscellaneous Receipts	290	0	290
<b>Total Cash Receipts</b>	<b>202,718</b>	<b>1,458</b>	<b>204,175</b>
<b>Cash Disbursements:</b>			
Supplies and Materials	130,413	0	130,413
Salaries and Benefits	19,113	0	19,113
Refunds to Relative Income Sources - See Note 2	35,425	0	35,425
Equipment	7,180	0	7,180
Miscellaneous	2,690	0	2,690
<b>Total Cash Disbursements</b>	<b>194,822</b>	<b>0</b>	<b>194,822</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>7,896</b>	<b>1,458</b>	<b>9,354</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(3,936)	3,936	0
Refunds from Vendors	156	0	156
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(3,780)</b>	<b>3,936</b>	<b>156</b>
<b>Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements</b>	<b>4,116</b>	<b>5,394</b>	<b>9,510</b>
<b>Fund Cash Balances, January 1</b>	<b>39,361</b>	<b>36,267</b>	<b>75,628</b>
<b>Fund Cash Balances, December 31</b>	<b>\$43,477</b>	<b>\$41,661</b>	<b>\$85,138</b>

*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, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Union County Law Library Association (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 hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Union 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.

**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 that is 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, 2003 AND 2002  
(Continued)**

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

**C. Fund Accounting**

**2. Retained Monies Fund**

The 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. See Footnote 2 for additional information.

**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. 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.

<b><i>Unencumbered Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003</i></b>	
Unencumbered Balance at December 31, 2002	\$ 43,477
Refunded to Relative Sources during 2003	39,129
Retained Funds Amount during 2002	4,348

<b><i>Unencumbered Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002</i></b>	
Unencumbered Balance at December 31, 2001	\$ 39,361
Refunded to Relative Sources during 2002	35,425
Retained Funds Amount during 2001	3,936

**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

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

**3. EQUITY IN POOLED CASH**

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$57,551	\$85,138
Certificates of deposit	46,589	0
Total deposits	<u>\$104,140</u>	<u>\$85,138</u>

**Deposits:** Deposits up to \$100,000 are insured by the Federal Depository Insurance Corporation.

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability.

**5. RETIREMENT SYSTEM**

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 2002, PERS members contributed 8.5 % of their gross salaries. The Library contributed an amount equal to 13.55 % of participants' gross salaries for 2002. The Library has paid all contributions required through December 31, 2002.

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## **Auditor of State Betty Montgomery**

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

Union County Law Library Association  
Union County  
215 West Fifth Street P.O Box 723  
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, 2003, and December 31, 2002, and have issued our report thereon dated May 17, 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 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. In addition, we noted certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 17, 2004.

#### **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.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Union County Law Library Association  
Union 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 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.

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**Betty Montgomery**  
Auditor of State

May 17, 2004

**UNION COUNTY LAW LIBRARY ASSOCIATION  
UNION COUNTY**

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

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

**Ohio Rev. Code Section 3375.54 – Expenditure of Law Library Monies:**

Under Ohio Law, the Law Library may only expend monies for the support and operation of the law library association. If the expenditure is not specifically for the purchase, lease, or rental of equipment to facilitate legal research (books, supplies, office equipment), it is generally prohibited. Additionally the library is prohibited from expending public funding on items that are required to be provided by the County. (i.e., suitable rooms, bookcases, heating and lighting, etc).

There were two occurrences during 2003 where the Law Library had expenditures which were determined to be unallowable per Ohio Rev. Code Section 3375.54. The Library paid expenditures for prohibited items, namely for fees and expenses associated with seminars and training sessions on behalf of the Law Librarian. The Library paid \$25 to Tuscarawas County for registration for the Librarian to attend a seminar, and also personally reimbursed the Law Librarian in the amount of \$246.21 for airline expenses related to her attendance of a Librarian conference.

The Finding amount of \$ 271.21 was repaid on June 14, 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

**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  
JULY 27, 2004**