



**Auditor of State
Betty Montgomery**

LAW LIBRARY ASSOCIATION
HOCKING COUNTY

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**Auditor of State
Betty Montgomery**

Law Library Association
Hocking County
1 East Main Street, 3rd Floor
Logan, Ohio 43138

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

A handwritten signature in cursive script that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

October 6, 2005

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Hocking County
1 East Main Street, 3rd Floor
Logan, Ohio 43138

To the Board of Trustees:

We have audited the accompanying financial statement of the General Fund of the Law Library Association, Hocking County, Ohio (the Association), as of and for the years ended December 31, 2004 and 2003. This financial statement is the responsibility of the Association'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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statement is 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Association has prepared this financial statement using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statement of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP require the Association to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. While the Association does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statement does not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require, governments to reformat their statements. The Association has elected not to reformat its statement. Since the Association does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reflected are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statement referred to above for the year ended December 31, 2004, does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Association as of December 31, 2004, or their changes in financial position for the year then ended.

Also, in our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Law Library Association, Hocking County, Ohio, as of December 31, 2004 and 2003, and its cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Association to include Management's Discussion and Analysis for the year ended December 31, 2004. The Association has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statement.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 6, 2005, on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

October 6, 2005

**LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
ALL PUBLIC FUNDS
FOR THE YEARS ENDED DECEMBER 31, 2004 AND 2003**

	General Fund	
	2004	2003
Cash Receipts:		
Fine and Forfeitures	\$ 59,959	\$ 56,861
Miscellaneous Receipts	116	916
Total Cash Receipts	60,075	57,777
Cash Disbursements:		
Publications	52,791	55,980
Refunds to Relative Income Sources (See Note 2)	5,628	
Supplies and Materials	588	1,023
Miscellaneous Disbursements	329	1,512
Total Cash Disbursements	59,336	58,515
Total Cash Receipts Over/(Under) Cash Disbursements	739	(738)
Public Fund Cash Balance, January 1	261	999
Public Fund Cash Balance, December 31	\$ 1,000	\$ 261

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

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**LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004 AND 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Law Library Association, Hocking County (the Association), is governed by a board of four trustees who are elected annually or until their successors are elected and qualified by members of the Hocking County Bar Association. The Association provides free access for all County officers and judges of the several courts within the County.

The Association 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 Association is permitted to expend funds under ORC Section 3375.54. The funds of the Association 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 Hocking County Commissioners are required by ORC Section 3375.49 to provide adequate facilities for the Association. The Board of County Commissioners is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees elects a librarian and not more than two assistant law librarians. The Judge of the Court of Common Pleas of Hocking County fixes the compensation of the librarian pursuant to ORC Section 3375.48, which is paid from the Hocking County Treasury. If the Library provides free access to all county officers and the judges of the several courts, the County treasury pays the librarians' salary. If the Library does not provide free access, the Library must pay the librarians' salary.

The Association's management believes this financial statement presents all public funds for which the Association is financially accountable.

B. Basis of Accounting

This financial statement follows the basis of accounting the Auditor of State prescribes or permits. This basis is similar to the cash receipts and disbursements accounting basis. The Association recognizes receipts when received in cash rather than when earned, and recognizes disbursements when paid rather than when a liability is incurred.

This statement includes adequate disclosure of material matters, as the Auditor of State prescribes or permits.

C. Budgetary Process

The Ohio Revised Code does not require the Association to budget annually. However, under Ohio Revised Code Section 3375.56, the Association may encumber funds equal to their commitments outstanding at year end. There were no recorded encumbrances at December 31, 2004 and 2003.

**LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2004 AND 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Property, Plant, and Equipment

The Association records disbursements for equipment acquisitions when paid. The accompanying financial statements do not report these items as assets. The Association deems computers, copiers, fax machines, and other items related toward facilitating the use of equipment as equipment.

E. Refund to Relative Income Sources

If certain conditions are met, Ohio Revised Code Section 3375.56 requires the Association to refund at least ninety percent of any unencumbered balance to political subdivisions that provided revenues to the Association. See Footnote 2 for additional information.

2. REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED

In any year that receipts exceed disbursements, the Association refunds at least ninety percent of the unencumbered balance to the political subdivisions who provided the funds and retains the remainder. Ohio Revised Code Section 3375.56 requires this "refund to relative income sources." The following table presents the refunded and retained amounts during 2004. There were no refunded or retained amounts in 2003.

Unencumbered Balance at December 31, 2004	
Refunded and Retained During Calendar Year 2004	
Cash Balance at December 31, 2004 prior to Refund	\$ 6,628
Refunded to Relative Sources during 2004	<u>5,628</u>
Retained Funds Amount during 2004	<u><u>\$ 1,000</u></u>

3. CASH

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2004</u>	<u>2003</u>
Demand deposits	<u>\$ 1,000</u>	<u>\$ 261</u>

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

4. RISK MANAGEMENT

Commercial Insurance

The Association has obtained commercial insurance for the following risks:

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



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS REQUIRED BY GOVERNMENT AUDITING STANDARDS

Law Library Association
Hocking County
1 East Main Street, 3rd Floor
Logan, Ohio 43138

To the Board of Trustees:

We have audited the financial statement of the Law Library Association, Hocking County, Ohio (the Association), as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated October 6, 2005, wherein we noted the Association follows the accounting practices the Auditor of State prescribes rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting in to determine our auditing procedures to express our opinion on the financial statement and not to opine 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 reportable 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 caused by error or fraud in amounts material to the financial statement we audited may occur and not be timely detected by employees when 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. In a separate letter to the Association's management dated October 6, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Association's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect 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 or other matters we must report under *Government Auditing Standards*. In a separate letter to the Association's management dated October 6, 2005, we reported an other matter related to compliance we deemed immaterial.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

Law Library Association
Hocking County
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

We intend this report solely for the information and use of management and the Board of Trustees. It is not intended for 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 6, 2005



**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
HOCKING 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 27, 2005**