



**LAW LIBRARY ASSOCIATION
MERCER COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LAW LIBRARY ASSOCIATION
MERCER COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Report of Independent Accountants	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 1999	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Governmental Fund Type – For the Year Ended December 31, 1998	4
Notes to the Financial Statements	5
Report of Independent Accountants on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	7
Schedule of Findings	9
Schedule of Prior Audit Findings	10

This page intentionally left blank.



STATE OF OHIO
OFFICE OF THE AUDITOR
JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

REPORT OF INDEPENDENT ACCOUNTANTS

Mercer County Law Library Association
Mercer County Courthouse - Room 201
Celina, Ohio 45822

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Mercer County, Ohio, (the Library) as of and for the years ended December 31, 1999 and December 31, 1998. 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 generally accepted auditing standards 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 combined fund cash balances and reserves for encumbrances of the Library as of December 31, 1999 and December 31, 1998, 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 May 24, 2000 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.

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, appearing to read "Jim Petro".

Jim Petro
Auditor of State

May 24, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General</u>
Cash Receipts:	
Intergovernmental Receipts	50,941
Miscellaneous Receipts	<u>6,349</u>
Total Cash Receipts	<u>57,290</u>
Cash Disbursements:	
Current:	
Legal Publications and Subscriptions	36,925
Personal Services	4,000
Insurance	213
Office Supplies	87
Other Expenditures	<u>1,094</u>
Total Cash Disbursements	<u>42,319</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>14,971</u>
Fund Cash Balance, January 1	<u>4,010</u>
Fund Cash Balance, December 31	<u><u>\$18,981</u></u>
Reserves for Encumbrances, December 31	<u><u>\$4,251</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General
Cash Receipts:	
Intergovernmental Receipts	47,947
Miscellaneous Receipts	102
Total Cash Receipts	48,049
Cash Disbursements:	
Current:	
Legal Publications and Subscriptions	37,906
Personal Services	4,000
Insurance	212
Office Supplies	93
Other Expenditures	2,738
Total Cash Disbursements	44,949
Total Cash Receipts Over/(Under) Cash Disbursements	3,100
Fund Cash Balance, January 1	910
Fund Cash Balance, December 31	\$4,010
Reserves for Encumbrances, December 31	\$2,998

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

**LAW LIBRARY ASSOCIATION
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Law Library, Mercer County, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by a five-member appointed Board of Trustees. The Treasurer is responsible for fiscal control of the resources of the Library which are maintained in the fund described below. Services provided by the Law Library includes the purchase and maintenance of legal publications and material for the judicial actions executed by the county.

The Library's management believes these financial statements present all activities 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

The checking account is valued at cost and the Library had no interest in investments.

D. Fund Accounting

The Library uses fund accounting to segregate cash restricted as to use. The Library classifies its fund into the following type:

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.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

2. REVENUE OF THE LAW LIBRARY

The Law Library's major source of revenue is based on a percentage of all fines charged by the various courts of the County.

**LAW LIBRARY ASSOCIATION
MERCER COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

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>1999</u>	<u>1998</u>
Demand deposits	<u>\$18,981</u>	<u>\$4,010</u>

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

4. RISK MANAGEMENT

The Law Library has obtained commercial insurance for the following risks:

- Commercial property coverage
- Commercial Dishonesty Coverage



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

One First National Plaza
130 West Second Street
Suite 2040
Dayton, Ohio 45402
Telephone 937-285-6677
800-443-9274
Facsimile 937-285-6688
www.auditor.state.oh.us

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

Mercer County Law Library Association
Mercer County Courthouse - Room 201
Celina, Ohio 45822

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library, Mercer County, Ohio (the Library), as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated May 24, 2000. We conducted our audit in accordance with generally accepted auditing standards 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 one instance of noncompliance that is required to be reported under Government Auditing Standards, which is described in the accompanying schedule of findings as item 1999-60254-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 24, 2000.

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 May 24, 2000.

Mercer County Law Library Association
Mercer County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

This report is intended 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, appearing to read "Jim Petro". The signature is fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 24, 2000

**LAW LIBRARY ASSOCIATION
MERCER COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999 AND 1998**

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

Finding Number	1999-60254-001
-----------------------	----------------

Ohio Rev Code Section 3375.56, states the Board of Trustees of the Law Library Association shall make a detailed statement to the county auditor of the amount of the fines and penalties received under Sections 3375.50 through 3375.53, Revised Code, inclusive, and the money expended by the Association. If the total amount received under such sections during the preceding calendar year exceeds expenditures during the same time period, the auditor shall certify such fact to the board which shall direct the treasurer of the association to refund proportionately to the political subdivisions from which the balance was received , not less than ninety percent of any unencumbered balance on hand from the preceding year.

The Law Library Association prepared the required report and the County Auditor certified the excess balances as required. However, the outstanding obligations (encumbrances) reported by the Law Library as of December 31, 1999 were overstated by \$6,500 resulting in an understatement of the unencumbered balance on hand and an incorrect refund to the treasurer's of the political subdivisions. Based upon the proportionate share of the revenues, the following additional monies should have been refunded to the political subdivisions identified:

Mercer County	47.58%	\$3,092.70
Celina Corporation	42.12%	2,737.80
Celina Municipal Court	7.85%	510.25
Mercer County Juvenile Court	2.45%	159.25
Total	<u>100.00%</u>	<u>\$6,500.00</u>

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money due but uncollected is hereby issued against the Mercer County Law Library Association in the amount of \$6,500, and in favor of the Mercer County in the amount of \$3,092.70, Celina Corporation in the amount of \$2,737.80, Celina Municipal Court in the amount of \$510.25 and Mercer County Juvenile Court in the amount of \$159.25.

**LAW LIBRARY ASSOCIATION
MERCER COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 1999 AND 1998**

Finding Number	Finding Summary	Fully Corrected	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1997-60254-001	Weakness in the cash disbursement system.	Partially	The Library has taken steps to place check numbers on invoices and keep the same vendor invoices together. Portions of the finding has been repeated in the management letter issued this year.



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

MERCER LAW LIBRARY ASSOCIATION

MERCER 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 6, 2000**