



**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2002 & 2001



**Auditor of State
Betty Montgomery**

**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Geauga County Law Library Association
Geauga County
100 Short Court, Main Street
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the accompanying financial statements of the Geauga County Law Library Association, Geauga County, Ohio, (the Library) as of and for the years ended December 31, 2002 and December 31, 2001. 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 described 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 Geauga County Law Library Association, Geauga County, Ohio, as of December 31, 2002 and December 31, 2001, 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 April 23, 2003 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 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

April 23, 2003

**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

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

	General Fund	Private Monies Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:				
Fine and Forfeitures	\$210,114			\$210,114
Interest	139		\$12,174	12,313
Photocopy charges		\$131		131
Miscellaneous Receipts	272			272
Total Cash Receipts	210,525	131	12,174	222,830
Cash Disbursements:				
Books, subscriptions, etc.	193,399	131		193,530
Refunds to Relative Income Sources - See Note 3	6			6
Supplies and Materials	16,850			16,850
Total Cash Disbursements	210,255	131	0	210,386
Total Cash Receipts Over/(Under) Cash Disbursements	270	0	12,174	12,444
Other Financing Receipts/(Disbursements):				
Remittance to Retained Funds	(1)		1	0
Total Other Financing Receipts/(Disbursements)	(1)	0	1	0
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	269	0	12,175	12,444
Fund Cash Balances, January 1, 2002	7	0	261,140	261,147
Fund Cash Balances, December 31, 2002	\$276	\$0	\$273,315	\$273,591

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

**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	General Fund	Private Monies Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:				
Fine and Forfeitures	\$226,990			\$226,990
Interest	81		\$15,320	15,401
Photocopy Charges		\$1,134		1,134
Miscellaneous Receipts	600			600
Total Cash Receipts	<u>227,671</u>	<u>1,134</u>	<u>15,320</u>	<u>244,125</u>
Cash Disbursements:				
Books, subscription, etc.	219,842	1,134		220,976
Refunds to Relative Income Sources - See Note 3	225			225
Supplies and Materials	7,822			7,822
Total Cash Disbursements	<u>227,889</u>	<u>1,134</u>	<u>0</u>	<u>229,023</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(218)</u>	<u>0</u>	<u>15,320</u>	<u>15,102</u>
Other Financing Receipts/(Disbursements):				
Remittance to Retained Funds	(25)		25	0
Total Other Financing Receipts/(Disbursements)	<u>(25)</u>	<u>0</u>	<u>25</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(243)	0	15,345	15,102
Fund Cash Balances, January 1, 2001 - See Note 2	<u>250</u>		<u>245,795</u>	<u>246,045</u>
Fund Cash Balances, December 31, 2001	<u>\$7</u>	<u>\$0</u>	<u>\$261,140</u>	<u>\$261,147</u>

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

**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Geauga County Law Library Association, Geauga County, Ohio, (the Library) is directed by a board of five trustees who are elected for a five year term. 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 Geauga 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 hired a librarian and a part-time computer assistant. The Judges of the Court of Common Pleas of Geauga County fix the compensation of the librarian and part-time computer assistant 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 part-time computer assistant should be paid from the county treasury. If the conditions above are not met, then the salary of the librarian and the part-time computer assistant 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 and Investments

The Library maintains an interest bearing account for its General and Private Fund and invests in certificates of deposit for its Retained Monies Fund.

Certificates of deposit are valued at cost.

**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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.

3. Private Monies Fund

Some funds the Library receives are considered private monies. Private monies include photocopying charges. Fees collected for copiers may have been purchased with public funds. The Library can disburse private monies at its discretion.

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 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.

**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

2. ACCOUNTING CHANGE

Prior to January 1, 2001, the retained monies funds were not disclosed by the Library. Effective January 1, 2001, the Library determined the amounts relating to their Retained Monies Fund by providing certificates of deposit confirmations to support their Retained Monies Fund at December 31, 2000.

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 2002 and 2001.

<i>Unencumbered Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002</i>	
Unencumbered Balance at December 31, 2001	\$ 7
Refunded to Relative Sources during 2002	6
Retained Funds Amount during 2002	1

<i>Unencumbered Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001</i>	
Unencumbered Balance at December 31, 2000	\$ 250
Refunded to Relative Sources during 2001	225
Retained Funds Amount during 2001	25

4. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash pool used by the General and Private Fund and an investment pool used by the Retained Monies Fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash and investments at December 31 follows:

	2002	2001
Demand deposits	\$276	\$7
Certificates of deposits	273,315	261,140
Total deposits and investments	\$273,591	\$261,147

Deposits: In 2002, \$271,491 of deposits and in 2001 all deposits were insured by the Federal Depository Insurance Corporation. The remainder was uninsured and uncollateralized.

**GEAUGA COUNTY LAW LIBRARY ASSOCIATION
GEAUGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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



Auditor of State Betty Montgomery

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

Geauga County Law Library Association
Geauga County
100 Short Court, Main Street
Chardon, Ohio 44024

To the Board of Trustees:

We have audited the financial statements of the Geauga County Law Library Association, Geauga County, Ohio, (the Library) as of and for the years ended December 31, 2002 and December 31, 2001, and have issued our report thereon dated April 23, 2003, wherein we noted the Library has included the retained monies fund for the first time. We conducted our audits 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.

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.

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 23, 2003



**Auditor of State
Betty Montgomery**

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GEAUGA COUNTY LAW LIBRARY ASSOCIATION

GEAUGA 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 17, 2003**