



**Auditor of State
Betty Montgomery**

**LAW LIBRARY ASSOCIATION
PIKE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Public Funds – For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Public Funds – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Pike County
100 East Second Street
Waverly, Ohio 45690

To the Board of Trustees:

We have audited the accompanying financial statements of the General Fund and the Retained Monies Fund of the Law Library Association, Pike County, Ohio (the Association), as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Association'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 Association 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. Also, the financial statements present only the General Fund and the Retained Monies Fund and are not intended to present fairly the financial position and results of operations of the Association in conformity with the basis of accounting as described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Law Library Association, Pike County, General Fund and the Retained Monies Fund as of December 31, 2003 and 2002, 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 September 30, 2004 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 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.

Law Library Association
Pike 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

September 30, 2004

**LAW LIBRARY ASSOCIATION
PIKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC 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	\$28,566	\$	\$28,566
Total Cash Receipts	<u>28,566</u>	<u>0</u>	<u>28,566</u>
Cash Disbursements:			
Books and Periodicals	16,500		16,500
Salaries and Fringes	6,863		6,863
Refunds to Relative Income Sources - See Note 3	8,327		8,327
Equipment ,Supplies, Internet Service	4,935	730	5,665
Total Cash Disbursements	<u>36,625</u>	<u>730</u>	<u>37,355</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(8,059)</u>	<u>(730)</u>	<u>(8,789)</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(895)	895	0
Total Other Financing Receipts/(Disbursements)	<u>(895)</u>	<u>895</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<u>(8,954)</u>	<u>165</u>	<u>(8,789)</u>
Public Fund Cash Balances, January 1	<u>8,954</u>	<u>298</u>	<u>9,252</u>
Public Fund Cash Balances, December 31	<u>\$0</u>	<u>\$463</u>	<u>\$463</u>

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

**LAW LIBRARY ASSOCIATION
PIKE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC 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	\$32,446	\$	\$32,446
Total Cash Receipts	<u>32,446</u>	<u>0</u>	<u>32,446</u>
Cash Disbursements:			
Books and Periodicals	7,441		7,441
Salaries and Fringes	6,886		6,886
Refunds to Relative Income Sources - See Note 3	2,686		2,686
Equipment, Internet Service and Supplies	9,165		9,165
Total Cash Disbursements	<u>26,178</u>	<u>0</u>	<u>26,178</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>6,268</u>	<u>0</u>	<u>6,268</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(290)	290	0
Total Other Financing Receipts/(Disbursements)	<u>(290)</u>	<u>290</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<u>5,978</u>	<u>290</u>	<u>6,268</u>
Public Fund Cash Balances, January 1	<u>2,976</u>	<u>8</u>	<u>2,984</u>
Public Fund Cash Balances, December 31	<u>\$8,954</u>	<u>\$298</u>	<u>\$9,252</u>

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

**LAW LIBRARY ASSOCIATION
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Law Library Association, Pike County (the Association), is directed by a board of three trustees who are appointed by members of the Pike County Bar Association. The Association provides free access for all county officers and the 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 3375.53, 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 Pike 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 hires a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Pike County fix the compensation of the librarian and up to two assistant librarians pursuant to ORC Section 3375.48. If the Association 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 Association.

The Association's management believes these financial statements present all public funds for which the Association is financially accountable.

Some funds received by the Association are considered private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Fees collected for the use of books and copiers remain private even though the books and copiers may have been purchased with public funds. Private monies can be disbursed at the discretion of the Association. The accompanying financial statements do not present private monies.

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.

**LAW LIBRARY ASSOCIATION
PIKE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

The Association maintains a non interest bearing checking account.

D. Fund Accounting

The Association uses fund accounting to segregate cash and investments that are restricted as to use. The Association 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 Association under Ohio Rev. Code § 3375.56. At the end of each calendar year the Association 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 Association is required to refund at least ninety percent of any *unencumbered* balance to political subdivisions that provided revenues to the Association. 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.

**LAW LIBRARY ASSOCIATION
PIKE COUNTY**

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

2. CALCULATION OF REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED

In any year that revenues exceed disbursements, the Association 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 Section 3375.56 or refund to relative income sources. The following charts present the refunded and retained amounts during 2003 and 2002.

<i>Unencumbered</i> Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003	
Unencumbered Balance at December 31, 2002	\$8,954
Refunded to Relative Sources during 2003	8,059
Retained Funds Amount during 2003	\$895

<i>Unencumbered</i> Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002	
Unencumbered Balance at December 31, 2001	\$2,976
Refunded to Relative Sources during 2002	2,686
Retained Funds Amount during 2002	\$290

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Association 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:

	2003	2002
Demand deposits	<u>\$463</u>	<u>\$9,252</u>

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

This page intentionally left blank.



Auditor of State Betty Montgomery

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

Law Library Association
Pike County
100 East Second Street
Waverly, Ohio 45690

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Pike County, Ohio (the Association), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated September 30, 2004, wherein we indicated the financial statements only include the General Fund and the Retained Monies Fund. 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 Association'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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Association in a separate letter dated September 30, 2004.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association'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 the internal control over financial reporting that does not require inclusion in this report, which we have reported to management of the Association in a separate letter dated September 30, 2004.

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
Pike 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 management and the 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

September 30, 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

LAW LIBRARY ASSOCIATION

PIKE 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
NOVEMBER 18, 2004**