



**Auditor of State
Betty Montgomery**

**MAHONING LAW LIBRARY ASSOCIATION
MAHONING COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Public Fund - For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balance – Public Fund - 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>	7

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Mahoning Law Library Association
Mahoning County
Fourth Floor Court House
120 Market Street
Youngstown, OH 44503-1752

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund of the Mahoning Law Library Association, Mahoning County, (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 generally accepted accounting principles. Also, the financial statements present only the general fund and are not intended to present fairly the financial position and results of operations of the Library 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 Library's general fund 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 July 30, 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.

Mahoning Law Library Association
Mahoning County
Independent Accountants' Report
Page 2

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

July 30, 2004

**MAHONING LAW LIBRARY ASSOCIATION
MAHONING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PUBLIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>General Fund</u>
Cash Receipts:	
Intergovernmental	\$445,145
Fine and Forfeitures	50,779
Contributions	11,050
Interest	15
Miscellaneous Receipts	<u>6,812</u>
Total Cash Receipts	<u>513,801</u>
Cash Disbursements:	
Salaries and Benefits	129,162
Book Expenses	322,779
General Expenses	23,925
Computer Expenses	34,908
Miscellaneous	<u>3,328</u>
Total Cash Disbursements	<u>514,102</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(301)</u>
Public Fund Cash Balance, January 1	<u>8,143</u>
Public Fund Cash Balance, December 31	<u><u>\$7,842</u></u>

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

**MAHONING LAW LIBRARY ASSOCIATION
MAHONING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE
PUBLIC FUND
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Fund
Cash Receipts:	
Intergovernmental	\$450,513
Fine and Forfeitures	21,416
Contributions	6,004
Interest	23
Miscellaneous Receipts	4,583
	<hr/>
Total Cash Receipts	482,539
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Cash Disbursements:	
Salaries and Benefits	123,614
Book Expenses	301,186
General Expenses	23,118
Computer Expenses	36,607
Miscellaneous	3,434
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Total Cash Disbursements	487,959
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Total Cash Receipts Over/(Under) Cash Disbursements	(5,420)
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Public Fund Cash Balance, January 1	13,563
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Public Fund Cash Balance+A3, December 31	<u><u>\$8,143</u></u>

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

**MAHONING LAW LIBRARY ASSOCIATION
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Mahoning Law Library Association, (the Library) is directed by a board of seven trustees who are elected for a three-year term by members of the Mahoning 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 law books; 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 Mahoning 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 appoints a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Mahoning 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 the public fund for which the Library is financially accountable.

Some funds received by the Library 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 Library. 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.

C. Cash and Investments

The Library maintains a general operating account, which is valued at cost.

**MAHONING LAW LIBRARY ASSOCIATION
MAHONING COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

D. Fund Accounting

The Library uses fund accounting to segregate cash that is restricted as to use. The Library only has a General Fund. The General Fund is the general operating fund. It is used to account for all financial resources except private revenues.

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.

2. CASH DEPOSITS

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

	<u>2003</u>	<u>2002</u>
Demand Deposits	\$7,842	\$8,143

Deposits are insured by the Federal Depository Insurance Corporation.

3. RISK MANAGEMENT

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

- Comprehensive property and general liability
- Errors and omissions

The Library also provides health insurance and dental and vision coverage to full-time employees through a private carrier.



Auditor of State Betty Montgomery

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

Mahoning Law Library Association
Mahoning County
Fourth Floor Court House
120 Market Street
Youngstown, OH 44503-1752

To the Board of Trustees:

We have audited the accompanying financial statements of the Mahoning Law Library Association (the Library) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated July 30, 2004, where in we indicated the financial statements only include the general 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 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated July 30, 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.

Mahoning Law Library Association
Mahoning 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.

A handwritten signature in black ink that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 30, 2004



**Auditor of State
Betty Montgomery**

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MAHONING LAW LIBRARY ASSOCIATION

MAHONING 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
SEPTEMBER 7, 2004**