



**Auditor of State  
Betty Montgomery**



**MONROE COUNTY LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Monroe County Law Library Association  
Monroe County  
P.O. Box 563  
Woodsfield, Ohio 43793

To the Board of Trustees:

We have audited the accompanying financial statements of the Monroe County Law Library Association, Monroe County, Ohio (the Library), as of and for the years ended December 31, 2003 and 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Monroe County Law Library Association, Monroe County, 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 October 12, 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.

This report is intended solely for the information and use 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

October 12, 2004

**MONROE COUNTY LAW LIBRARY  
MONROE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$20,058	\$	\$20,058
Miscellaneous Receipts	30		30
<b>Total Cash Receipts</b>	<b>20,088</b>	<b>0</b>	<b>20,088</b>
<b>Cash Disbursements:</b>			
Supplies and Materials	16,635		16,635
Refunds to Relative Income Sources - See Note 3	2,901		2,901
Insurance	582		582
Miscellaneous	99		99
<b>Total Cash Disbursements</b>	<b>20,217</b>	<b>0</b>	<b>20,217</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(129)</b>	<b>0</b>	<b>(129)</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(82)		(82)
10% Fine Money Retained by Law Library		82	82
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(82)</b>	<b>82</b>	<b>0</b>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(211)	82	(129)
Fund Cash Balances, January 1	211	199	410
<b>Fund Cash Balances, December 31</b>	<b>\$0</b>	<b>\$281</b>	<b>\$281</b>

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

**MONROE COUNTY LAW LIBRARY  
MONROE COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$23,901	\$	\$23,901
Miscellaneous Receipts			0
Total Cash Receipts	<u>23,901</u>	<u>0</u>	<u>23,901</u>
<b>Cash Disbursements:</b>			
Supplies and Materials	23,289		23,289
Refunds to Relative Income Sources - See Note 1	1,677		1,677
Insurance	401		401
Miscellaneous			0
Total Cash Disbursements	<u>25,367</u>	<u>0</u>	<u>25,367</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(1,466)</u>	<u>0</u>	<u>(1,466)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(199)		(199)
10% Fine Money Retained by Law Library		199	199
Total Other Financing Receipts/(Disbursements)	<u>(199)</u>	<u>199</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(1,665)	199	(1,466)
Fund Cash Balances, January 1 - See Note 2 (if applicable)	<u>1,876</u>	<u>0</u>	<u>1,876</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$211</u></b>	<b><u>\$199</u></b>	<b><u>\$410</u></b>

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



**MONROE COUNTY LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Monroe County Law Library Association, Monroe County (the Library), is directed by a board of three trustees who are elected annually by members of the Monroe County Bar Association. The Library provides free access for all county officers and the judges of the 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 Monroe 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 hire a librarian and not more than two assistant law librarians. The Judge of the Court of Common Pleas of Monroe County fixes 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 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 all funds 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. Fund Accounting**

The Library uses fund accounting to segregate cash that is 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.

**MONROE COUNTY LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**C. Fund Accounting (Continued)**

**2. Retained Monies Fund**

Retained Monies Fund consists of monies retained by the Library under Ohio Revised Code Section 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 Note 2 for additional information.

**D. Property, Plant and Equipment**

Acquisitions of property, plant and equipment are recorded as 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.

**E. Refund to Relative Income Sources**

If certain conditions are met, the Library is required to refund at least ninety percent of any cash balance to political subdivisions that provided revenues to the Library. See Footnote 3 for additional information.

**2. ACCOUNTING CHANGE**

Prior to January 1, 2002, the Retained Monies Fund was not disclosed by the Library. Effective January 1, 2002, the Library determined the amounts relating to their Retained Monies Fund by providing documentation to support the retained monies balance at December 31, 2001.

**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 balance to the political subdivision 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 Library determined the amounts relating to their Retained Monies Fund to support the balance.

<i>Unencumbered</i> Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003	
Unencumbered Balance at December 31, 2002	\$211
Refunded to Relative Sources during 2003	\$2,901
Retained Funds Amount during 2003	\$82

<i>Unencumbered</i> Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002	
Unencumbered Balance at December 31, 2001	\$1876
Refunded to Relative Sources during 2002	\$1677
Retained Funds Amount during 2002	\$199

**MONROE COUNTY LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

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

**4. EQUITY IN POOLED CASH**

The Library maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 was as follows:

	<u>2003</u>	<u>2002</u>
Demand Deposits	<u>\$281</u>	<u>\$410</u>

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

**5. RISK MANAGEMENT**

**Commercial Insurance**

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

- Comprehensive property and general liability

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## **Auditor of State Betty Montgomery**

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

Monroe County Law Library Association  
Monroe County  
P.O. Box 563  
Woodsfield, Ohio 43793

To Board of Trustees:

We have audited the financial statements of Monroe County Law Library Association, Monroe County, Ohio (the Library), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated October 12, 2004 wherein we noted the Library has included the retained monies fund for the first time. 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 tested its compliance with certain provisions of laws, regulations, contracts and grants, 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 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 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 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 an other matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated October 12, 2004.

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

This report is intended 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

October 12, 2004

**MONROE LAW LIBRARY ASSOCIATION  
MONROE COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2003 AND 2002**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b><i>Explain:</i></b>
2001-61056-001	Ohio Rev. Code Section 3375.56- Finding for Recovery for not remitting 90% of excess unspent monies to Monroe County	Yes	







**Auditor of State  
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**MONROE COUNTY LAW LIBRARY ASSOCIATION**

**MONROE 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 7, 2004**