



**Auditor of State
Betty Montgomery**

PAULDING COUNTY LAW LIBRARY ASSOCIATION

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Paulding County Law Library Association
200 North Williams Street
Paulding, Ohio 45879-1252

To the Board of Trustees:

We have audited the accompanying financial statements of the Paulding County Law Library Association (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 audits.

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. Those standards require that we plan and perform the audits 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 audits provide 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 Library 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated March 11, 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 audits.

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

March 11, 2004

PAULDING COUNTY LAW LIBRARY ASSOCIATION

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts			
Fine and Forfeitures	\$ 92,636	\$ -	\$ 92,636
Total Cash Receipts	<u>92,636</u>	<u>-</u>	<u>92,636</u>
Cash Disbursements			
Cost of Books	75,398	-	75,398
Salaries and Related Costs	13,130	-	13,130
Equipment and Supplies	232	-	232
Postage	37	-	37
Insurance and Contracts	98	-	98
Maintenance of Books	727	-	727
Professional Dues	15	-	15
Audit Costs	274	-	274
Repair of Equipment	138	-	138
Refund: Overpayment from Probate-Juvenile Division	144	-	144
Refunds to Relative Income Sources - See Note 2	2,204	-	2,204
Total Cash Disbursements	<u>92,397</u>	<u>-</u>	<u>92,397</u>
Total Cash Receipts Over Cash Disbursements	<u>239</u>	<u>-</u>	<u>239</u>
Other Financing Receipts/(Disbursements)			
Remittance to Retained Funds	(245)	245	-
Refunds from Vendors	6	-	6
Total Other Financing Receipts/(Disbursements)	<u>(239)</u>	<u>245</u>	<u>6</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	-	245	245
Fund Cash Balances, January 1	<u>127</u>	<u>5,420</u>	<u>5,547</u>
Fund Cash Balances, December 31	<u><u>\$ 127</u></u>	<u><u>\$ 5,665</u></u>	<u><u>\$ 5,792</u></u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

PAULDING COUNTY LAW LIBRARY ASSOCIATION

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts			
Fine and Forfeitures	\$ 99,782	\$ -	\$ 99,782
Total Cash Receipts	<u>99,782</u>	<u>-</u>	<u>99,782</u>
Cash Disbursements			
Cost of Books	78,695	-	78,695
Salaries and Related Costs	12,010	-	12,010
Equipment and Supplies	631	-	631
Postage	71	-	71
Insurance and Contracts	30	-	30
Maintenance of Books	715	-	715
Professional Dues	15	-	15
Audit Costs	1,258	-	1,258
Refunds to Relative Income Sources - See Note 2	5,721	-	5,721
Total Cash Disbursements	<u>99,146</u>	<u>-</u>	<u>99,146</u>
Total Cash Receipts Over Cash Disbursements	<u>636</u>	<u>-</u>	<u>636</u>
Other Financing Receipts/(Disbursements)			
Remittance to Retained Funds	(650)	650	-
Refunds from Vendors	141	-	141
Total Other Financing Receipts/(Disbursements)	<u>(509)</u>	<u>650</u>	<u>141</u>
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	127	650	777
Fund Cash Balances, January 1	<u>-</u>	<u>4,770</u>	<u>4,770</u>
Fund Cash Balances, December 31	<u>\$ 127</u>	<u>\$ 5,420</u>	<u>\$ 5,547</u>

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

PAULDING COUNTY LAW LIBRARY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2003 AND 2002

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Paulding County Law Library Association (the Library) is directed by a board of three trustees who are elected by members of the Paulding County Bar Association (the 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) §§ 3375.50 to .53, inclusive. The Library is permitted to expend funds under ORC § 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; 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 Paulding County Commissioners are required by ORC § 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 Association elects a librarian. The Judges of the Court of Common Pleas of Paulding County fix the compensation of the librarian to ORC § 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 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.

PAULDING COUNTY LAW LIBRARY ASSOCIATION

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

(Continued)

C. 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.

D. 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.

E. Refund to Relative Income Sources

If certain conditions are met, the Library is required to refund at least ninety percent of any balance to political subdivisions that provided revenues to the Library. See Footnote 2 for additional information.

F. 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.

PAULDING COUNTY LAW LIBRARY ASSOCIATION

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 Library refunds at least ninety percent of the 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 2003 and 2002.

Balance at December 31, 2002	
Refunded and Retained During Calendar Year 2003	
Balance at December 31, 2003	\$ 2,449
Refunded to Relative Sources during 2003	2,204
Retained Funds Amount during 2003	<u>\$ 245</u>

Balance at December 31, 2001	
Refunded and Retained During Calendar Year 2002	
Balance at December 31, 2002	\$ 6,371
Refunded to Relative Sources during 2002	5,721
Retained Funds Amount during 2002	<u>\$ 650</u>

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash December 31, 2003 and 2002 held in demand deposits was \$5,792 and \$5,547, respectively.

Deposits are insured by the Federal Depository Insurance Corporation.

4. RISK MANAGEMENT

Building and contents insurance is provided by the Paulding County Commissioners through the County Risk Sharing Authority (CORSA).

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**Auditor of State
Betty Montgomery**

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

Paulding County Law Library Association
200 North Williams Street
Paulding, Ohio 45879-1252

To the Board of Trustees:

We have audited the accompanying financial statements of the Paulding County Law Library Association (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated March 11, 2004. 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 audits 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*. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated March 11, 2004.

Internal Control over Financial Reporting

In planning and performing our audits, 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 March 11, 2004.

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

March 11, 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

PAULDING 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
APRIL 13, 2004**