



**Auditor of State
Betty Montgomery**

**LAW LIBRARY ASSOCIATION
PERRY COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Perry County
P.O. Box 88
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Perry 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 Law Library Association, Perry 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated November 10, 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.

Law Library Association
Perry County
Independent Accountants' Report
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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

November 10, 2004

**LAW LIBRARY ASSOCIATION
PERRY COUNTY**

**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	\$60,302	\$	\$60,302
Interest	545		545
Miscellaneous Receipts	26		26
Total Cash Receipts	60,873	0	60,873
Cash Disbursements:			
Supplies and Materials	67,698		67,698
Refunds to Relative Income Sources - See Note 3	2,291		2,291
Salaries	1,367		1,367
Total Cash Disbursements	71,356	0	71,356
Total Cash Receipts Over/(Under) Cash Disbursements	(10,483)	0	(10,483)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(255)	255	0
Refunds from Vendors	1,998		1,998
Total Other Financing Receipts/(Disbursements)	1,743	255	1,998
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(8,740)	255	(8,485)
Fund Cash Balances, January 1	8,740	47,875	56,615
Fund Cash Balances, December 31	\$0	\$48,130	\$48,130
Reserves for Encumbrances, December 31	\$0	\$0	\$0

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

**LAW LIBRARY ASSOCIATION
PERRY COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$70,725	\$	\$70,725
Interest	2,142		2,142
Total Cash Receipts	<u>72,867</u>	<u>0</u>	<u>72,867</u>
Cash Disbursements:			
Supplies and Materials	57,849		57,849
Refunds to Relative Income Sources - See Note 1	5,017		5,017
Salaries	1,514		1,514
Total Cash Disbursements	<u>64,380</u>	<u>0</u>	<u>64,380</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>8,487</u>	<u>0</u>	<u>8,487</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(557)	557	0
Refunds from Vendors	810		810
Total Other Financing Receipts/(Disbursements)	<u>253</u>	<u>557</u>	<u>810</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	8,740	557	9,297
Public Fund Cash Balances, January 1	<u>0</u>	<u>47,318</u>	<u>47,318</u>
Public Fund Cash Balances, December 31	<u>\$8,740</u>	<u>\$47,875</u>	<u>\$56,615</u>
Reserves for Encumbrances, December 31	<u>\$8,740</u>	<u>\$0</u>	<u>\$8,740</u>

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

**LAW LIBRARY ASSOCIATION
PERRY 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, Perry County (the Library), is directed by a five-member Board of Trustees who are elected annually by members of the Perry 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 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 Perry 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 hires a librarian and sets the compensation of the Law Librarian. The Law Librarian is paid by the County. All financial activity for the Library is handled by a Treasurer who is paid from the County Treasury and reimbursed by the Library.

The Library's management believes these financial statements present all public 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. The Reserves for Encumbrances on the financial statements represent commitments for purchases the Library has made. Encumbrances are recognized when a commitment is made.

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 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.

**LAW LIBRARY ASSOCIATION
PERRY 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

The Retained Monies Fund consists of monies retained by the Library under Ohio Rev. Code Section 3375.56. At the end of each calendar year the Library is permitted under law to retain up to ten percent of the unencumbered balance. See footnote 2 for additional information.

D. 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 2 for additional information.

E. 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.

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 Ohio Rev. Code 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	\$ 2,546
Refunded to Relative Sources during 2003	\$ 2,291
Retained Funds Amount during 2003	\$255

<i>Unencumbered</i> Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002	
Unencumbered Balance at December 31, 2001	\$ 5,574
Refunded to Relative Sources during 2002	\$ 5,017
Retained Funds Amount during 2002	\$557

**LAW LIBRARY ASSOCIATION
PERRY COUNTY**

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

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Library 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:

	<u>2002</u>	<u>2003</u>
Demand deposits	<u>\$56,615</u>	<u>\$48,130</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation, or collateralized by securities specifically pledged by the financial institution to the Library.

4. RETIREMENT SYSTEM

The Library's Law Librarian and Treasurer belong to the Public Employees Retirement System (OERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, the Law Librarian and Treasurer contributed 8.5% of their gross salary. The Library contributed an amount equal to 13.55% of the participants' gross salary. The Library has paid all contributions required through December 31, 2003.

5. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for comprehensive property and general liability risks as covered by the Perry County Commissioners.

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**Auditor of State
Betty Montgomery**

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

Law Library Association
Perry County
P.O. Box 88
New Lexington, Ohio 43764

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Perry County, Ohio (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated November 10, 2004. 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.

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.

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

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

November 10, 2004

**LAW LIBRARY ASSOCIATION
PERRY COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-001	Finding for Recovery Repaid Under Audit	Yes	Fully Corrected
2001-002	Material Weakness for lack of organization of the Law Library Association.	Yes	Fully Corrected.



**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

PERRY 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
JANUARY 20, 2005**