



**Auditor of State  
Betty Montgomery**



**FAIRFIELD COUNTY LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**TABLE OF CONTENTS**

<b>TITLE</b>	<b>PAGE</b>
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Funds – For the Year Ended December 31, 2002 .....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Funds – For the Year Ended December 31, 2001 .....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Board of Trustees  
Law Library Association  
Fairfield County  
Hall of Justice  
224 E. Main St.  
Lancaster, Ohio 43130

We have audited the accompanying financial statements of the Fairfield County Law Library, Fairfield County, Ohio, (the Library), as of and for the years ended December 31, 2002, and December 31, 2001. 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 generally accepted auditing standards 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 Library as of December 31, 2002, and December 31, 2001, and its 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 April 7, 2003, 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.

Board of Trustees  
Law Library Association  
Fairfield 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 Section 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 of Ohio

April 7, 2003

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

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

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$149,524	\$0	\$149,524
Interest	306	0	306
Miscellaneous Receipts	786	0	786
<b>Total Cash Receipts</b>	<b>150,616</b>	<b>0</b>	<b>150,616</b>
<b>Cash Disbursements:</b>			
Supplies and Materials	142,549	0	142,549
Utilities	2,031	0	2,031
Contracts	786	0	786
Other	4,621	0	4,621
<b>Total Cash Disbursements</b>	<b>149,987</b>	<b>0</b>	<b>149,987</b>
<b>Total Cash Receipts Over Cash Disbursements</b>	<b>629</b>	<b>0</b>	<b>629</b>
<b>Fund Cash Balances, January 1</b>	<b>816</b>	<b>5,372</b>	<b>6,188</b>
<b>Fund Cash Balances, December 31</b>	<b>\$1,445</b>	<b>\$5,372</b>	<b>\$6,817</b>

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

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$143,274	\$0	\$143,274
Interest	405	0	405
Miscellaneous Receipts	909	0	909
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	144,588	0	144,588
<b>Cash Disbursements:</b>			
Supplies and Materials	138,654	0	138,654
Utilities	2,665	0	2,665
Contracts	657	0	657
Other	7,680	0	7,680
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	149,656	0	149,656
Total Cash Receipts (Under) Cash Disbursements	(5,068)	0	(5,068)
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(5,372)	5,372	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(5,372)	5,372	0
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(10,440)	5,372	(5,068)
Fund Cash Balances, January 1	11,256	0	11,256
	<hr/>	<hr/>	<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$816</b>	<b>\$5,372</b>	<b>\$6,188</b>
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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



**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Fairfield County Law Library (the Library) is directed by a board of five trustees who are elected annually by members of the Fairfield 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 Fairfield 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 the law librarian. The Judges of the Court of Common Pleas of Fairfield County fixes the compensation of the law librarian pursuant to ORC Section 3375.48. The salary of the law librarian is paid from the county treasury.

The Library's management believes these financial statements present all public funds for which the Library is financially accountable. The accompanying financial statements also include private monies. See note 1C.

**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:

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

**C. Fund Accounting (Continued)**

**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. The General Fund also includes private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Because the District includes private monies in the General Fund, these resources must be used in accordance with the laws governing public funds.

**Retained Monies Fund**

The 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. See footnote 2 for additional information.

**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 *unencumbered* balance to political subdivisions that provided revenues to the Library. See Footnote 3 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.

**2. ACCOUNTING CHANGE**

Prior to January 1, 2001, the retained monies fund was not disclosed by the Library. Effective January 1, 2001, the Library determined the amounts relating to their Retained Monies Fund by providing their general ledger for Fiscal Year 2000 to support the balance.

**LAW LIBRARY ASSOCIATION  
FAIRFIELD COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**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 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 2002 and 2001.

<b>Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002</b>	
Balance at December 31, 2001	\$0
Refunded to Relative Sources during 2002	\$0
Retained Funds Amount during 2002	\$0

<b>Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001</b>	
Balance at December 31, 2000	\$5,372
Refunded to Relative Sources during 2001	\$0
Retained Funds Amount during 2001	\$5,372

**4. EQUITY IN POOLED CASH**

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

	<u>2002</u>	<u>2001</u>
Demand Deposits	\$6,817	\$6,188

**Deposits:** Deposits were insured by the Federal Depository Insurance Corporation.

**5. RISK MANAGEMENT**

**Commercial Insurance**

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

- Errors and omissions.

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## **Auditor of State Betty Montgomery**

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

Board of Trustees  
Law Library Association  
Fairfield County  
Hall of Justice  
224 E. Main St.  
Lancaster, Ohio 43130

We have audited the accompanying financial statements of the Fairfield County Law Library, Fairfield County, Ohio, (the Library), as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated April 7, 2003, wherein we noted the Library has included the retained monies fund for the first time. We conducted our audit in accordance with generally accepted auditing standards 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 of 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 April 7, 2003.

35 N. Fourth St. / Second Floor / Columbus, OH 43215  
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199  
[www.auditor.state.oh.us](http://www.auditor.state.oh.us)

Board of Trustees  
Law Library Association  
Fairfield 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

April 7, 2003



**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

**FAIRFIELD COUNTY LAW LIBRARY ASSOCIATION**

**FAIRFIELD 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  
MAY 22, 2003**