



**HOCKING LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

HOCKING LAW LIBRARY ASSOCIATION
HOCKING COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Hocking Law Library Association
Hocking County
1 East Main Street
Logan, Ohio 43138

To the Board of Trustees:

We have audited the accompanying financial statement of the Regular Checking Account of the Hocking Law Library Association, Hocking County, Ohio (the Association), as of and for the years ended December 31, 2000 and 1999. This financial statement is the responsibility of the Association's management. Our responsibility is to express an opinion on this financial statement 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 Association prepares its financial statement 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 as discussed in Note 1, the financial statement presents only the Regular Checking Account, and is not intended to present all of the Association's cash receipts, disbursements and cash balances.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the cash balance of the Regular Checking Account of the Hocking Law Library Association, Hocking County, as of December 31, 2000 and 1999, and its cash receipts and cash 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 May 1, 2001, on our consideration of the Association'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 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.

Jim Petro
Auditor of State

May 1, 2001

**HOCKING LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN CASH BALANCE OF THE REGULAR CHECKING ACCOUNT
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	<u>2000</u>	<u>1999</u>
Cash Receipts:		
Municipal Court Fines	\$ 99,878	\$ 56,025
Municipal Court City Fines	4,000	4,000
Common Pleas Court	1,250	1,250
Juvenile Court Adult Fines		139
Refund & Reimbursements		<u>906</u>
 Total Cash Receipts	 <u>105,128</u>	 <u>62,320</u>
Cash Disbursements:		
Publications	57,665	45,104
Miscellaneous	<u>8,352</u>	<u>4,373</u>
 Total Cash Disbursements	 <u>66,017</u>	 <u>49,477</u>
 Excess of Cash Receipts Over/(Under) Cash Disbursements	 39,111	 12,843
 Cash Balance, January 1	 <u>13,253</u>	 <u>410</u>
 Cash Balance, December 31	 <u>\$ 52,364</u>	 <u>\$ 13,253</u>

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

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**HOCKING LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Hocking Law Library Association, Hocking County (the Association), is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution of the State of Ohio and Ohio Rev. Code Sections 3375.48 through 3375.56, inclusive. The Association is directed by an appointed Board of Trustees and Law Librarian. The Association provides legal reference materials for use in the Hocking County judicial system.

The accompanying financial statement includes only the Association's Regular Checking Account since it receipts and disburses public funds subject to the Auditor of State's statutory audit authority. The Association maintains other accounts not included in this presentation.

B. Basis of Accounting

The financial statement follows 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.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

C. Budgetary Process

The Association is not required to follow the budgetary requirements under Ohio Rev. Code Chapter 5705. Accordingly, no budgetary information is presented.

D. Payroll

The Association's employees are paid by Hocking County. Accordingly, no payroll expenditures are presented.

E. 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 statement. The Hocking County Commissioners provide the Association with facilities and equipment for its use.

2. CASH

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

	<u>2000</u>	<u>1999</u>
Demand Deposits	<u>\$52,364</u>	<u>\$13,253</u>

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

**HOCKING LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
DECEMBER 31, 2000 AND 1999
(Continued)**

3. RETIREMENT SYSTEM

The Association's Law Librarian belongs to the Public Employees Retirement System (PERS) 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 2000 and 1999, PERS members contributed 8.5% of their gross salaries. Hocking County contributed an amount equal to 13.55% of participants' gross salaries through June 30, 2000. For the period July 1, 2000 through December 31, 2000, PERS temporarily reduced the employer's contribution rate to 8.13% of participants gross salaries. The County has paid all contributions (on behalf of the Association) required through December 31, 2000.

4. RISK MANAGEMENT

Commercial insurance coverage for the Association is provided by the Hocking County Commissioners. This coverage includes the contents of the Law Library.



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

Hocking Law Library Association
Hocking County
1 East Main Street
Logan, Ohio 43138

To the Board of Trustees:

We have audited the accompanying financial statement of the Regular Checking Account of the Hocking Law Library Association, Hocking County, Ohio (the Association), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated May 1, 2001. 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 Association's financial statement is 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 Association's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement and not to provide assurance on the internal control over financial reporting. However, we noted certain matters involving the internal control over financial reporting and its operation that we consider to be reportable conditions. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgement, could adversely affect the Association's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2000-60737-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be a material weakness. However, we believe the reportable condition identified above is not a material weakness. We also 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 Association in a separate letter dated May 1, 2001.

Hocking Law Library Association
Hocking County
Report of Independent Accountants 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.

Jim Petro
Auditor of State

May 1, 2001

**HOCKING LAW LIBRARY ASSOCIATION
HOCKING COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 AND 1999**

**FINDINGS RELATED TO THE FINANCIAL STATEMENT
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2000-60737-001

Reportable Condition

Cash Disbursements

The Law Librarian was the only official signing checks. Due to the small size of the entity, the Librarian also performed the monthly reconciliations between the books and the bank account. This resulted in an inadequate segregation of duties, as the Law Librarian performed all accounting functions, and could allow errors and/or irregularities to occur and remain undetected.

In order to improve controls over the Association's expenditures, we recommend checks exceeding a preset amount require dual signatures.

HOCKING LAW LIBRARY ASSOCIATION
HOCKING COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2000 AND 1999

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
1998-60737-001	A material weakness was issued due to inadequate segregation of duties and limited monitoring controls performed by the Board over cash disbursements.	No	Not Corrected: This is repeated in the current audit as Finding Number 2000-60737-001.



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LAW LIBRARY ASSOCIATION

HOCKING 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
JUNE 26, 2001**