



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



DARKE COUNTY LAW LIBRARY

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**STATE OF OHIO  
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**REPORT OF INDEPENDENT ACCOUNTANTS**

Darke County Law Library  
124 West Fifth Street  
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund, of the Darke County Law Library (the Library) as of and for the years ended December 31, 2001 and 2000. 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 Library's general fund, as of December 31, 2001 and 2000, and its 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 September 5, 2002, 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 of the management, 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

September 5, 2002

DARKE COUNTY LAW LIBRARY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001

**Cash Receipts:**

Darke County Auditor	\$135,228
Darke County Clerk of Courts	1,250
Fees for On-line Services	1,892
Interest	3,825
Other Revenue	933

Total Cash Receipts 143,128

**Cash Disbursements:**

Legal Publications	87,626
Refunds to Relative Income Sources - See Note 2	31,575
Salaries and Wages	7,775
On-line Services	5,729
Insurance	818
Supplies	2,067
Other Expenditures	205

Total Cash Disbursements 135,795

Total Cash Receipts Over Cash Disbursements 7,333

Fund Cash Balance, January 1 34,757

**Fund Cash Balance, December 31 \$42,090**

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

DARKE COUNTY LAW LIBRARY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2000

**Cash Receipts:**

Darke County Auditor	\$181,575
Darke County Clerk of Courts	1,250
Fees for On-line Services	472
Interest	5,013
Other Revenue	967

Total Cash Receipts 189,277

**Cash Disbursements:**

Legal Publications	86,332
Refunds to Relative Income Sources - See Note 2	48,105
Salaries and Wages	8,040
On-Line Services	34,041
Insurance	886
Supplies	488
Other Expenditures	1,027

Total Cash Disbursements 178,919

Total Cash Receipts Over Cash Disbursements 10,358

Public Fund Cash Balance, January 1 24,399

**Public Fund Cash Balance, December 31** **\$34,757**

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



**DARKE COUNTY LAW LIBRARY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Darke County Law Library (the Library) is directed by a seven member Board of Trustees who are elected for a three year term by members of the Darke 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 Darke 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 may hire a librarian and not more than two assistant law librarians. The Judge of the Court of Common Pleas of Darke County fixes the compensation of the librarian and assistants pursuant to ORC Section 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 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 assistants should be paid by the Library.

The Library's management believes these financial statements present all public funds for which the Library is financially accountable. The monies retained by the Library under Ohio Revised Code Section 3375.56 have not been segregated in a separate retained monies fund and are included in the amounts presented for the general fund in 2001 and 2000.

**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.

**DARKE COUNTY LAW LIBRARY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

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

**C. Cash and Investments**

Investments are included in Fund Cash Balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of deposit are valued at cost and money market mutual funds are recorded at share values reported by the mutual fund.

**D. Fund Accounting**

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its fund into the following type:

**General Fund**

The General Fund is the general operating fund. It is used to account for all financial resources.

**E. 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.

**F. 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 Note 2 for additional information.

**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 2001 and 2000.

<b>Balance at December 31, 2000</b>	
<b>Refunded and Retained During Calendar Year 2001</b>	
Balance at December 31, 2000	\$34,757
Refunded to Relative Sources during 2001	\$31,575
Retained Funds Amount during 2001	\$3,508

<b>Balance at December 31, 1999</b>	
<b>Refunded and Retained During Calendar Year 2000</b>	
Balance at December 31, 1999	\$24,399
Refunded to Relative Sources during 2000	\$48,105
Retained Funds Amount during 2000	\$5,345

**DARKE COUNTY LAW LIBRARY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2001 AND 2000  
(Continued)**

**3. EQUITY IN POOLED CASH AND INVESTMENTS**

The Library maintains a cash and investments pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	2001	2000
Demand deposits	\$501	(\$47,765)
Money Market deposits	6,831	58,532
Certificates of deposit	34,758	23,990
Total deposits and investments	\$42,090	\$34,757

**Deposits:** Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by the financial institution's public entity deposit pool.

**Investments:** Investments in mutual funds are not evidenced by securities that exist in physical or book-entry form.

**4. RISK MANAGEMENT**

**Commercial Insurance**

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

- Comprehensive property and general liability;
- Electronic data processing; and
- Valuable papers.

**5. RETIREMENT SYSTEM**

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. The Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13%, effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

**6. FUNDS WITH FISCAL AGENT**

Darke County handles payroll transactions for the Library including the payment of retirement and remittance of amounts withheld. The Library had on deposit with Darke County the amounts of \$18 and \$831 as of December 31, 2001 and 2000 respectively.

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

Darke County Law Library  
124 West Fifth Street  
Greenville, Ohio 45331

To the Board of Trustees:

We have audited the accompanying financial statements of the Darke County Law Library (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated September 5, 2002. 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. 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 September 5, 2002.

This report is intended solely for the information and use of the management and 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a long horizontal stroke extending to the right.

**Jim Petro**  
Auditor of State

September 5, 2002



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**DARKE COUNTY LAW LIBRARY**

**DARKE 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  
OCTOBER 8, 2002**