



**Auditor of State
Betty Montgomery**

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Belmont Law Library Association
Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Belmont Law Library Association, Belmont County, Ohio (the Law Library), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Law 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 Law 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. Also, the financial statements present only the general fund and the retained monies fund and are not intended to present fairly the financial position and results of operations of the Law Library in conformity with the basis of accounting as described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Law Library's general fund and the retained monies fund as of December 31, 2002 and 2001, and its combined cash receipts and disbursements for the years then ended on the basis of accounting described in Note 1.

As discussed in Note 2, the Law Library has included activity associated with the Retained Monies Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated July 25, 2003, on our consideration of the Law 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.

Belmont Law Library Association
Belmont County
Independent Accountants' Report
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This report is intended solely for the information and use of the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 25, 2003

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT 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	\$181,229	\$	\$181,229
Copies, Computer, and Fax	2,764		2,764
Interest	2,851	6,712	9,563
Total Cash Receipts	186,844	6,712	193,556
Cash Disbursements:			
Supplies and Materials	229,430		229,430
Insurance	1,134		1,134
Equipment	1,705		1,705
Bank Fees	73		73
Professional Fees	2,200		2,200
Total Cash Disbursements	234,542	0	234,542
Total Cash Receipts Over/(Under) Cash Disbursements	(47,698)	6,712	(40,986)
Other Financing Receipts:			
Refunds from Vendors	393		393
Total Other Financing Receipts	393	0	393
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements	(47,305)	6,712	(40,593)
Public Fund Cash Balances, January 1	116,532	221,771	338,303
Public Fund Cash Balances, December 31	\$69,227	\$228,483	\$297,710

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

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$248,169	\$	\$248,169
Copies, Computer, and Fax	7,169		7,169
Interest	1,896	11,124	13,020
	<u>257,234</u>	<u>11,124</u>	<u>268,358</u>
Total Cash Receipts			
Cash Disbursements:			
Supplies and Materials	210,242		210,242
Insurance	1,458		1,458
Refunds to Relative Income Sources - See Note 2	32,140		32,140
State Audit	3,567		3,567
Equipment	3,456		3,456
Bank Fees	10		10
Professional Fees	2,250		2,250
Miscellaneous	181		181
	<u>253,304</u>	<u>0</u>	<u>253,304</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>3,930</u>	<u>11,124</u>	<u>15,054</u>
Other Financing Receipts:			
Refunds from Vendors	922		922
	<u>922</u>	<u>0</u>	<u>922</u>
Total Other Financing Receipts			
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements	4,852	11,124	15,976
Public Fund Cash Balances, January 1	<u>111,680</u>	<u>210,647</u>	<u>322,327</u>
Public Fund Cash Balances, December 31	<u>\$116,532</u>	<u>\$221,771</u>	<u>\$338,303</u>

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

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Belmont County Law Library Association, Belmont County (the Law Library, is directed by a board of six trustees who are elected annually by members of the Belmont County Bar Association. The Law Library provides free access for all county officers and the judges of the several courts within the county.

The Law 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 Law Library is permitted to expend funds under ORC Section 3375.54. The funds of the Law 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 Belmont County Commissioners are required by ORC Section 3375.49 to provide adequate facilities for the Law Library. The Board of County Commissioners is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hire a librarian. The Judges of the Court of Common Pleas of Belmont County fix the compensation of the librarian pursuant to ORC Section 3375.48. If the Law 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 should be paid by the Law Library.

The Law Library's management believes these financial statements present all public funds for which the Library is financially accountable.

Some funds received by the Law Library are considered private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Fees collected for the use of books and copiers remain private even though the books and copiers may have been purchased with public funds. Private monies can be disbursed at the discretion of the Law Library. The accompanying financial statements present the private monies for copies, computer and fax fees. The financial statements do not present private monies for membership dues.

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.

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

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

D. Fund Accounting

The Law Library uses fund accounting to segregate cash and investments that are restricted as to use. The Law 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 Law Library under Ohio Revised Code § 3375.56. At the end of each calendar year the Law Library is permitted under law to retain up to ten percent of their unencumbered balance. See footnote 2 for additional information.

3. Private Monies

Some funds the Law Library receives are considered private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Fees collected for the use of books and copiers remain private even though the books and copiers may have been purchased with public funds. The Law Library can disburse private monies at its discretion. Private monies for copies, computer and fax fees are included within the General Fund. Membership dues are recorded in the Membership fund, which is not included in the accompanying financial statements.

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.

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

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. 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.

Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002	
Balance at December 31, 2001	\$27,005
Refunded to Relative Sources during 2002	0
Retained Funds Amount during 2002	\$27,005

Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001	
Balance at December 31, 2000	\$35,712
Refunded to Relative Sources during 2001	\$32,140
Retained Funds Amount during 2001	\$3,572

During 2002 the required amount was not refunded to Belmont County, contrary to Ohio Rev. Code Section 3375.56.

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:

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

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

3. EQUITY IN POOLED CASH AND INVESTMENTS (Continued)

	<u>2002</u>	<u>2001</u>
Demand deposits	\$69,227	\$116,532
Certificates of deposit	228,483	221,771
Total deposits	<u>\$297,710</u>	<u>\$338,303</u>

Deposits: Deposits are either (1) insured by the Federal Deposit Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Library.

4. RISK MANAGEMENT

Commercial Insurance

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

- General liability and casualty; and
- Property.



**Auditor of State
Betty Montgomery**

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

Belmont Law Library Association
Belmont County
101 West Main Street
St. Clairsville, Ohio 43950

To the Board of Trustees:

We have audited the accompanying financial statements of the Belmont Law Library Association, Belmont County, Ohio (the Law Library), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 25, 2003, wherein we indicated the financial statements only include the general fund and the retained monies fund. 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 Law 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2002-001. We also noted a certain immaterial instance of noncompliance that we have reported to management of the Law Library in a separate letter dated July 25, 2003.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Law 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 Law Library in a separate letter dated July 25, 2003.

Belmont Law Library Association
Belmont 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 the audit committee, 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

July 25, 2003

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND 2001**

FINDING RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS

FINDING NUMBER 2002-001

Finding for Recovery – Repaid Under Audit

Ohio Rev Code Section 3375.56 states the Board of Trustees of the Law Library Association shall make a detailed statement to the county auditor of the amount of the fines and penalties received under Sections 3375.50 through 3375.53, inclusive, of the Revised Code, and the money expended by the Association. If the total amount received under such sections during the preceding calendar year exceeds expenditures during the same time period, the auditor shall certify such fact to the board which shall direct the treasurer of the association to refund proportionately to the political subdivisions from which the balance was received, not less than ninety percent of any unencumbered balance on hand from the preceding year.

During 2000, the Law Library had revenue from the County Courts that exceeded expenditures. The required ninety percent was paid back to the County Auditor in 2001. The Law Library included the ninety percent repayment amount as part of the expenditures against the 2001 County Courts receipts which resulted in expenditures exceeding revenue in 2001. Ohio Rev. Code Section 3375.56 does not include payment of surplus funds as an allowable offset expenditure to County Courts receipts. The awarding agencies for Belmont County are Juvenile Court, County Court, and the Court of Common Pleas. At least ninety percent of these unspent funds should have been remitted back to the General Fund of Belmont County during January 2002. The following shows the breakdown of the unspent fine monies:

2001

Total Fines Received	\$248,169
Less: Total Expenditures	\$221,164
Excess of Receipts over expenditures	\$27,005
Amounts to be remitted back to Belmont County	\$24,305
Amounts to be retained by Law Library	\$2,700

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for money due but not collected is hereby issued against the General Fund of the Belmont County Law Library Association in the amount of \$24,305 and in favor of the General Fund of Belmont County. The finding was paid to the Belmont County General Fund on August 11, 2003 (Pay-in #119205), with check number 5982.

**BELMONT LAW LIBRARY ASSOCIATION
BELMONT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDING
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2000-61007-001	The Law Librarian deposited receipts one to three months from the date of receipt.	Yes	N/A.



**Auditor of State
Betty Montgomery**

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BELMONT LAW LIBRARY ASSOCIATION

BELMONT 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 7, 2003**