



**Auditor of State  
Betty Montgomery**



**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

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**Auditor of State  
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**INDEPENDENT ACCOUNTANTS' REPORT**

Clinton County Law Library Association  
Clinton County  
46 South South Street  
Wilmington, Ohio 45177

To the Board of Trustees:

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Law Library 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 April 11, 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.

This report is intended solely for the information and use of management, 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

April 11, 2003

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON 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>Private Monies Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Fine and Forfeitures	\$129,786	\$0	\$0	\$129,786
Interest	0	0	1,407	1,407
Miscellaneous Receipts	1,078	109	0	1,187
<b>Total Cash Receipts</b>	<b>130,864</b>	<b>109</b>	<b>1,407</b>	<b>132,380</b>
<b>Cash Disbursements:</b>				
Salaries and Benefits	34,604			34,604
Supplies and Materials	91,135	109		91,244
Refunds to Relative Income Sources - See Note 3	86			86
Insurance	1,207			1,207
Phone	2,135			2,135
Furniture and Equipment	1,375			1,375
Miscellaneous	333			333
<b>Total Cash Disbursements</b>	<b>130,875</b>	<b>109</b>	<b>0</b>	<b>130,984</b>
Total Cash Receipts Over/(Under) Cash Disbursements	(11)	0	1,407	1,396
<b>Other Financing Receipts/(Disbursements):</b>				
Remittance to Retained Funds	(11)		11	0
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(11)</b>	<b>0</b>	<b>11</b>	<b>0</b>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(22)	0	1,418	1,396
Fund Cash Balances, January 1	180	0	33,350	33,530
<b>Fund Cash Balances, December 31</b>	<b>\$158</b>	<b>\$0</b>	<b>\$34,768</b>	<b>\$34,926</b>

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

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

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

	<b>General Fund</b>	<b>Private Monies Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>				
Fine and Forfeitures	\$135,112	\$0	\$0	\$135,112
Interest			1,811	1,811
Miscellaneous Receipts	637	117		754
<b>Total Cash Receipts</b>	<b>135,749</b>	<b>117</b>	<b>1,811</b>	<b>137,677</b>
<b>Cash Disbursements:</b>				
Salaries and Benefits	33,107			33,107
Supplies and Materials	96,154	117		96,271
Refunds to Relative Income Sources - See Note 3	126			126
Insurance	1,032			1,032
Phone	1,871			1,871
Furniture and Equipment	644			644
Miscellaneous	2,789			2,789
<b>Total Cash Disbursements</b>	<b>135,723</b>	<b>117</b>	<b>0</b>	<b>135,840</b>
Total Cash Receipts Over/(Under) Cash Disbursements	26	0	1,811	1,837
<b>Other Financing Receipts/(Disbursements):</b>				
Remittance to Retained Funds	(10)		10	0
Prior Years' Amount Not Remitted (See Note 2)	(31,529)		31,529	0
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(31,539)</b>	<b>0</b>	<b>31,539</b>	<b>0</b>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(31,513)	0	33,350	1,837
Fund Cash Balances, January 1	31,693	0	0	31,693
<b>Fund Cash Balances, December 31</b>	<b>\$180</b>	<b>\$0</b>	<b>\$33,350</b>	<b>\$33,530</b>

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



**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Clinton County Law Library Association, Clinton County, Ohio (the Law Library), is directed by a board of 5 trustees who are elected annually by members of the Clinton 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 Clinton 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 elects a law librarian which is compensated, pursuant to ORC, Section 3375.48, out of the County General Fund. The Board of Trustees appoints not more than two assistant law librarians. The salary of the assistant librarians is approved by the Board of the Law Library and paid by the Law Library.

The Law Library's management believes these financial statements present all funds for which the Law Library is financially accountable. The accompanying financial statements also include private monies, see note 1D.

**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. Cash and Deposits**

The Law Library maintains a non-interest bearing checking account, and interest bearing savings account, and two certificates of deposit. 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.

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON COUNTY**

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

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

**2. Retained Monies Fund**

Retained Monies Fund consists of monies retained by the Law Library under Ohio Revised Code, Section 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.

**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 Law Library is required to refund at least ninety percent of any unencumbered balance to political subdivisions that provided revenues to the Law Library. See Footnote 3 for additional information.

**G. 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 funds was not disclosed by the Law Library. Effective January 1, 2001, the Law Library determined the amounts relating to their Retained Monies Fund by calculating the accumulated retained ten percent of the unencumbered balance from previous years. In 2001, retained monies prior to January 1, 2001 were transferred from the general fund to the retained monies fund.

**CLINTON COUNTY LAW LIBRARY ASSOCIATION  
CLINTON 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 Law 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, Section 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>	
Unencumbered Balance at December 31, 2001	95
Refunded to Relative Sources during 2002	86
Retained Funds Amount during 2002	9

<b>Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001</b>	
Unencumbered Balance at December 31, 2000	140
Refunded to Relative Sources during 2001	126
Retained Funds Amount during 2001	14

**4. EQUITY IN POOLED CASH AND DEPOSITS**

The Law 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:

	2002	2001
Demand deposits	\$2,184	\$2,175
Certificates of deposit	32,742	31,355
Total deposits	34,926	33,530

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

**5. RISK MANAGEMENT**

**Commercial Insurance**

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

- Comprehensive property and general liability;
- Errors and omissions.

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**Auditor of State  
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**INDEPENDENT ACCOUNTANTS REPORT ON COMPLIANCE AND ON  
INTERNAL CONTROL REQUIRED BY GOVERNMENT AUDITING STANDARDS**

Clinton County Law Library Association  
Clinton County  
46 South South Street  
Wilmington, Ohio 45177

To the Board of Trustees:

We have audited the accompanying financial statements of the Clinton County Law Library Association, Clinton County, Ohio (the Law Library), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 11, 2003, wherein noted the Law Library has included the retained monies fund for the first time. 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 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 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 April 11, 2003.

This report is intended solely for the information and use of 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

April 11, 2003



**Auditor of State  
Betty Montgomery**

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**CLINTON COUNTY LAW LIBRARY ASSOCIATION**

**CLINTON 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 20, 2003**