



**Auditor of State  
Betty Montgomery**



**LAW LIBRARY ASSOCIATION  
JACKSON COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Law Library Association  
Jackson County  
141 Portsmouth Street  
Jackson, Ohio 45640

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Jackson County, Ohio (the Library), as of and for the years ended December 31, 2002 and 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 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 and reserves for encumbrances of the Law Library Association, Jackson County, of December 31, 2002 and 2001, 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 July 15, 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 audit.

Law Library Association  
Jackson County  
Independent Accountants' Report  
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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.

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 15, 2003

**LAW LIBRARY ASSOCIATION  
JACKSON 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>Cash Receipts:</b>	
Fines	\$89,940
Municipal Court	4,000
Interest	20
Miscellaneous Receipts	401
Total Cash Receipts	94,361
<b>Cash Disbursements:</b>	
Salaries	5,403
Utilities	751
Books, Tapes, and Periodicals	81,126
Equipment	2,909
Supplies and Postage	800
PERS	1,321
Insurance	200
Medicare Tax	766
Miscellaneous	590
Total Cash Disbursements	93,866
Total Cash Receipts Over/(Under) Cash Disbursements	495
Fund Cash Balances, January 1	166
<b>Fund Cash Balances, December 31</b>	<b>\$661</b>
Reserve for Encumbrances, December 31	\$3,739

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

**LAW LIBRARY ASSOCIATION  
JACKSON 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>Cash Receipts:</b>	
Fines	\$67,142
Municipal Court	4,000
Interest	21
Miscellaneous Receipts	25
	71,188
<b>Cash Disbursements:</b>	
General Government	1,575
Salaries	5,402
Utilities	715
Books, Tapes, and Periodicals	58,250
Equipment	2,840
Supplies and Postage	960
PERS	1,260
Medicare Tax	145
Miscellaneous	543
	71,690
Total Cash Receipts Over/(Under) Cash Disbursements	(502)
Fund Cash Balances, January 1	668
<b>Fund Cash Balances, December 31</b>	<b>\$166</b>
Reserve for Encumbrances, December 31	\$2,912

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



**LAW LIBRARY ASSOCIATION  
JACKSON COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Law Library Association, Jackson County (the Library), is directed by a board of three trustees who are elected annually by members of the Jackson County Bar Association. The Library provides fee 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 Jackson 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 a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Jackson County fix the compensation of the librarian and up to two assistant librarians 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 any assistants should be paid by the Library. The salary of the Law Librarian was paid out of the public funds.

The Library's management believes these financial statements present all public funds activities for which the Library is financially accountable as per Ohio Rev. Code Sections 3375.50 and 3375.53. 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. The Reserve for Encumbrances on the financial statements represents commitments for purchases the Library has made. Encumbrances are recognized when a commitment is made.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

There were no investments held by the Library during the audit period.

**LAW LIBRARY ASSOCIATION  
JACKSON COUNTY**

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

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

**D. Fund Accounting**

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The 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. Private Monies**

Some funds the Library receives are considered private monies. Private monies include fees collected for the sale of books. Fees collected for the sale of books remain private even though the books may have been purchased with public funds. The Library can disburse private monies at its discretion. Private monies are presented with the general fund in the accompanying financial statements.

**E. Budgetary Process**

The Library is not required to budget annually; however, under Ohio Revised Code Section 3375.56 the Library is permitted to encumber funds equal to their commitments outstanding at year end. Encumbrances outstanding at year end are carried over to the subsequent year.

**F. 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 statements.

**2. EQUITY IN POOLED CASH**

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

	<u>2002</u>	<u>2001</u>
Demand Deposits	<u>\$661</u>	<u>\$166</u>

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

**LAW LIBRARY ASSOCIATION  
JACKSON COUNTY**

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

**3. 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 member contributed 8.5% of his gross salary. The Library contributed an amount equal to 13.55% of the participant's gross salary for 2001 and 2002.. The Library has paid all contributions required through December 31, 2002

**4. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Public officials' liability

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**Auditor of State  
Betty Montgomery**

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

Law Library Association  
Jackson County  
141 Portsmouth Street  
Jackson, Ohio 45640

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Jackson County, Ohio (the Library), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated July 15, 2003. 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*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated July 15, 2003.

**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 July 15, 2003.

Law Library Association  
Jackson 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

July 15, 2003



**Auditor of State  
Betty Montgomery**

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**LAW LIBRARY ASSOCIATION**

**JACKSON 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  
SEPTEMBER 4, 2003**