



**Auditor of State  
Betty Montgomery**



HARRISON LAW LIBRARY ASSOCIATION  
HARRISON COUNTY

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Public Funds – For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Public Funds – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements .....	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i> .....	9

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Harrison Law Library Association  
Harrison County  
117 West Market Street  
P.O. Box 427  
Cadiz, Ohio 43907-0427

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Harrison Law Library Association, Harrison County (the Library) as of and for the years ended December 31, 2003 and 2002. 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. 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 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 Library's general fund and the retained monies fund as of December 31, 2003 and 2002, 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 Library has included activity associated with the Retained Monies Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 16, 2004 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.

Harrison Law Library Association  
Harrison County  
Independent Accountants' Report  
Page 2

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

June 16, 2004

**HARRISON LAW LIBRARY ASSOCIATION  
HARRISON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PUBLIC FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$49,912		\$49,912
Total Cash Receipts	<u>49,912</u>		<u>49,912</u>
<b>Cash Disbursements:</b>			
Supplies and Materials	10,292		10,292
Refunds to Relative Income Sources - See Note 3	20,381		20,381
Total Cash Disbursements	<u>30,673</u>		<u>30,673</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>19,239</u>		<u>19,239</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(2,264)	2,264	
Total Other Financing Receipts/(Disbursements)	<u>(2,264)</u>	<u>2,264</u>	
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	16,975	2,264	19,239
Public Fund Cash Balances, January 1	<u>12,534</u>	<u>10,112</u>	<u>22,646</u>
<b>Public Fund Cash Balances, December 31</b>	<b><u>\$29,509</u></b>	<b><u>\$12,376</u></b>	<b><u>\$41,885</u></b>

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

**HARRISON LAW LIBRARY ASSOCIATION  
HARRISON COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PUBLIC FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$60,126		\$60,126
Total Cash Receipts	60,126		60,126
<b>Cash Disbursements:</b>			
Supplies and Materials	43,223		43,223
Refunds to Relative Income Sources - See Note 1	51,886		51,886
Total Cash Disbursements	95,109		95,109
Total Cash Receipts Over/(Under) Cash Disbursements	(34,983)		(34,983)
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(5,763)	5,763	
Total Other Financing Receipts/(Disbursements)	(5,763)	5,763	
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(40,746)	5,763	(34,983)
Public Fund Cash Balances, January 1 - See Note 2	53,280	4,349	57,629
<b>Public Fund Cash Balances, December 31</b>	<b>\$12,534</b>	<b>\$10,112</b>	<b>\$22,646</b>

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



**HARRISON LAW LIBRARY ASSOCIATION  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Harrison County Law Library (the Library) is directed by a board of five trustees who are elected by members of the Harrison 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) §§ 3375.50 to .53, inclusive. The Library is permitted to expend funds under ORC § 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 Harrison County Commissioners are required by ORC § 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 Harrison County fix the compensation of the librarian and up to two assistant librarians pursuant to ORC § 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 Library's management believes these financial statements present all public funds for which the Library is financially accountable.

Some funds received by the 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 Library. The accompanying financial statements do not present private monies.

**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. Fund Accounting**

The Library uses fund accounting to segregate cash that is restricted as to use. The Library classifies its funds into the following types:

**HARRISON LAW LIBRARY ASSOCIATION  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

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

**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 Library under Ohio Revised Code § 3375.56. At the end of each calendar year the Library is permitted under law to retain up to ten percent of their unencumbered balance. See footnote 2 for additional information.

**D. 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.

**E. 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 Footnote 3 for additional information

**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. ACCOUNTING CHANGE**

Prior to January 1, 2000, the retained monies funds were not disclosed by the Library. Effective January 1, 2000, the Library determined the amounts relating to their Retained Monies Fund by providing the computations and all documentation to support the calculations of the amount to be retained after all refunds had been made to the contributing subdivision.

**3. 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 cash 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 2003.

**HARRISON LAW LIBRARY ASSOCIATION  
HARRISON COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(Continued)**

**3. CALCULATION OF REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED  
(Continued)**

<b>Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003</b>	
Balance at December 31, 2002	\$22,646
Refunded to Relative Sources during 2003	\$20,381
Retained Funds Amount during 2003	\$ 2,265

<b>Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002</b>	
Balance at December 31, 2001	\$57,629
Refunded to Relative Sources during 2002	\$51,866
Retained Funds Amount during 2002	\$ 5,763

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

The carrying amount of cash at December 31 follows:

	2003	2002
Demand deposits	\$41,885	\$22,646

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

**5. RISK MANAGEMENT**

**Commercial Insurance**

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

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

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## **Auditor of State Betty Montgomery**

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

Harrison Law Library Association  
Harrison County  
117 West Market Street  
P.O. Box 427  
Cadiz, Ohio 43907-0427

To the Board of Trustees:

We have audited the accompanying financial statements of the Harrison Law Library Association, Harrison County (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 16, 2004, wherein we indicated the financial statements only include the general fund and the retained monies fund. We also noted the Library has included the retained monies 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 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.

Harrison Law Library Association  
Harrison 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 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

June 16, 2004



**Auditor of State  
Betty Montgomery**

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**HARRISON LAW LIBRARY ASSOCIATION**

**HARRISON 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  
JULY 22, 2004**