



**Auditor of State
Betty Montgomery**

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All Funds – For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Cash Balances – All 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
Schedule of Prior Audit Findings.....	11

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Vinton County
114 West Main Street
McArthur, Ohio 45651

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Vinton County, Ohio (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 this financial statement 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 presents fairly, in all material respects, the fund cash balances of the Law Library Association, Vinton County, 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 14, 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.

Law Library Association
Vinton County
Independent Accountants' Report
Page 2

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 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

June 14, 2004

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$43,885	\$	\$43,885
Interest	47		47
Miscellaneous Receipts	6,122		6,122
Total Cash Receipts	<u>50,054</u>	<u>0</u>	<u>50,054</u>
Cash Disbursements:			
Books and Periodicals	35,584		35,584
Refunds to Relative Income Sources - See Note 3	7,913		7,913
Salaries and Fringes	3,407		3,407
Miscellaneous	988	13	1,001
Total Cash Disbursements	<u>47,892</u>	<u>13</u>	<u>47,905</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>2,162</u>	<u>(13)</u>	<u>2,149</u>
Public Fund Cash Balances, January 1	<u>0</u>	<u>4,366</u>	<u>4,366</u>
Public Fund Cash Balances, December 31	<u><u>\$2,162</u></u>	<u><u>\$4,353</u></u>	<u><u>\$6,515</u></u>

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

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$46,119	\$	\$46,119
Interest	673		673
Miscellaneous Receipts	4,050		4,050
Total Cash Receipts	50,842	0	50,842
Cash Disbursements:			
Books and Periodicals	53,149	2,887	56,036
Refunds to Relative Income Sources - See Note 3	39,292		39,292
Salaries and Fringes	3,475		3,475
Miscellaneous	2,131		2,131
Total Cash Disbursements	98,047	2,887	100,934
Total Cash Receipts Over/(Under) Cash Disbursements	(47,205)	(2,887)	(50,092)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(7,253)	7,253	0
Total Other Financing Receipts/(Disbursements)	(7,253)	7,253	0
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(54,458)	4,366	(50,092)
Public Fund Cash Balances, January 1	54,458	0	54,458
Public Fund Cash Balances, December 31	\$0	\$4,366	\$4,366

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

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Law Library Association, Vinton County (the Library), is directed by a Board of three Trustees who are elected annually by members of the Vinton 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 - .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 Vinton 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 hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Vinton 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 Library's management believes these financial statements present all funds for which the Library is financially accountable.

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

The Librarian invests all available fund of the Library in an interest-bearing checking account.

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:

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting (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.

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 *unencumbered* balance to political subdivisions that provided revenues to the 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, 2002, the retained monies fund was not disclosed by the Library. Effective January 1, 2002, the Library determined the amounts relating to their Retained Monies Fund by providing prior year financial statements to support the balance. In addition, a Finding For Recovery, issued as finding number 2001-60782-001, in the prior audit report disclosed the prior year amounts of Refunded to Relative Sources and Retained Funds Amount.

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

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

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 *unencumbered* 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 and 2002.

Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003	
Unencumbered General Fund Balance at December 31, 2002	\$0
Refunded to Relative Sources for 2002	\$0
Retained Funds Amount for 2002 during 2003	\$0

Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002	
Unencumbered Balance at December 31, 2001	\$54,458
Refunded to Relative Sources for 2001 during 2002	\$39,292
Refunded to Relative Sources for 2001 during 2003	\$ 7,913
Retained Funds Amounts during 2002	\$ 7,253

The following chart presents the refunded and retained amounts due in 2004.

Balance at December 31, 2003 Refunded and Retained During Calendar Year 2003	
Unencumbered General Balance at December 31, 2003	\$2,162
Refunded to Relative Sources to be paid in 2004	\$1,946
Retained Funds Amount to be paid in 2004	\$ 216

4. EQUITY IN POOLED CASH

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:

	2003	2002
Demand deposits	\$6,515	\$4,366

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

5. RISK MANAGEMENT

The Law Library Association has been insured by the Vinton County Commissioners 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***

Law Library Association
Vinton County
114 West Main Street
McArthur, Ohio 45651

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Vinton County, Ohio (the Library), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 14, 2004, wherein we noted the 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 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 June 14, 2004.

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 June 14, 2004.

Law Library Association
Vinton 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

June 14, 2004

**LAW LIBRARY ASSOCIATION
VINTON COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2003 and 2002**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-60782-001	A Finding for Recovery was issued against the Law Library Association in favor of the Vinton County General Fund in the amount of \$47,205.	Yes	Repaid \$39,292 in 2002 and the remaining \$7,913 in 2003.



**Auditor of State
Betty Montgomery**

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LAW LIBRARY ASSOCIATION

VINTON 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 21, 2004**