



**Auditor of State
Betty Montgomery**

WARREN COUNTY LAW LIBRARY
WARREN COUNTY

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Warren County Law Library
Warren County
500 Justice Drive
Lebanon, Ohio 45036

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Warren County Law Library, Warren County, Ohio (the Library), as of and for the years ended December 31, 2003 and December 31, 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 December 31, 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 March 4, 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.

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 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

March 4, 2004

**WARREN COUNTY LAW LIBRARY
WARREN 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>
Cash Receipts:			
Fine and Forfeitures	\$524,127	\$0	\$524,127
Interest	5,240		5,240
Miscellaneous Receipts	0		0
Total Cash Receipts	<u>529,367</u>	<u>0</u>	<u>529,367</u>
Cash Disbursements:			
Book Accounts	255,994		255,994
Supplies and Materials	3,837		3,837
Refunds to Relative Income Sources - See Note 3	197,234		197,234
Insurance	467		467
Phone	789		789
Miscellaneous	1,438		1,438
Total Cash Disbursements	<u>459,759</u>	<u>0</u>	<u>459,759</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>69,608</u>	<u>0</u>	<u>69,608</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(26,684)	26,684	0
Total Other Financing Receipts/(Disbursements)	<u>(26,684)</u>	<u>26,684</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<u>42,924</u>	<u>26,684</u>	<u>69,608</u>
Fund Cash Balances, January 1	<u>172,423</u>	<u>235,345</u>	<u>407,768</u>
Fund Cash Balances, December 31	<u><u>\$215,347</u></u>	<u><u>\$262,029</u></u>	<u><u>\$477,376</u></u>

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

**WARREN COUNTY LAW LIBRARY
WARREN COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$479,328	\$0	\$479,328
Interest	6,928		6,928
Miscellaneous Receipts	655		655
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	486,911	0	486,911
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Book Accounts	254,224		254,224
Supplies and Materials	3,055		3,055
Refunds to Relative Income Sources - See Note 3	234,743		234,743
Insurance	3,483		3,483
Phone	1,296		1,296
Miscellaneous	5,705		5,705
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	502,505	0	502,505
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	(15,594)	0	(15,594)
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(21,915)	21,915	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(21,915)	21,915	0
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(37,509)	21,915	(15,594)
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, January 1	209,932	213,430	423,362
	<hr/>	<hr/>	<hr/>
Fund Cash Balances, December 31	\$172,423	\$235,345	\$407,768
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The notes to the financial statements are an integral part of this statement.

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Warren County Law Library, Warren County, Ohio (the Library), is directed by a board of ten trustees who are elected for three year terms by members of the Warren 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 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 Warren 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. The Judges of the Court of Common Pleas of Warren County fix the compensation of the librarian 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 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. Cash and Deposits

The Library maintains an interest-bearing checking account for all of its deposits.

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:

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN 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.

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 2 for additional information.

H. 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 2003 and 2002.

Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003	
Balance at December 31, 2002	\$235,345
Refunded to Relative Sources during 2003	197,234
Retained Funds Amount during 2003	26,684

Balance at December 31, 2002 Refunded and Retained During Calendar Year 2002	
Balance at December 31, 2002	\$213,430
Refunded to Relative Sources during 2002	234,743
Retained Funds Amount during 2002	21,915

**WARREN COUNTY LAW LIBRARY ASSOCIATION
WARREN COUNTY**

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

3. EQUITY IN POOLED CASH AND DEPOSITS

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

	<u>2003</u>	<u>2002</u>
Total Demand deposits	<u>\$477,376</u>	<u>\$407,768</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Library.

4. RISK MANAGEMENT

Commercial Insurance

The Warren 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
Betty Montgomery**

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

Warren County Law Library Association
Warren County
500 Justice Drive
Lebanon, Ohio 45036

To the Board of Trustees:

We have audited the accompanying financial statements of the Warren County Law Library Association, Warren County, Ohio (the Library), as of and for the years ended December 31, 2003, and December 31, 2002, and have issued our report thereon dated March 4, 2004, 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 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 an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated March 4, 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.

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

March 4, 2004



**Auditor of State
Betty Montgomery**

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WARREN COUNTY LAW LIBRARY ASSOCIATION

WARREN 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
APRIL 6, 2004**