



**Auditor of State
Betty Montgomery**

**LAW LIBRARY ASSOCIATION
GUERNSEY COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Guernsey County
801 Wheeling Avenue
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Guernsey County, Ohio (the Association), as of and for the years ended December 31, 2003 and 2002. These financial statements are the responsibility of the Association'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 Association 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 combined fund cash balances and reserves for encumbrances of the Law Library Association, Guernsey 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 January 24, 2005 on our consideration of the Association's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.

Law Library Association
Guernsey County
Independent Accountants' Report
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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

January 24, 2005

**LAW LIBRARY ASSOCIATION
GUERNSEY COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$169,491	\$	\$169,491
Interest		2,840	2,840
Miscellaneous Receipts		101	101
Total Cash Receipts	169,491	2,941	172,432
Cash Disbursements:			
Supplies and Materials	153,205		153,205
Salaries and Benefits	16,966	11,293	28,259
Computer Expenses	12,716		12,716
Miscellaneous	5,761		5,761
Total Cash Disbursements	188,648	11,293	199,941
Total Cash Receipts Over/(Under) Cash Disbursements	(19,157)	(8,352)	(27,509)
Fund Cash Balances, January 1	47,751	126,339	174,090
Fund Cash Balances, December 31	\$28,594	\$117,987	\$146,581
Reserves for Encumbrances, December 31	\$28,594	\$0	\$28,594

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

**LAW LIBRARY ASSOCIATION
GUERNSEY 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	\$183,843	\$	\$183,843
Interest		2,727	2,727
Miscellaneous Receipts		190	190
Total Cash Receipts	183,843	2,917	186,760
Cash Disbursements:			
Supplies and Materials	138,923		138,923
Salaries and Benefits		25,603	25,603
Computer Expenses	10,760	1,983	12,743
Miscellaneous		6,878	6,878
Total Cash Disbursements	149,683	34,464	184,147
Total Cash Receipts Over/(Under) Cash Disbursements	34,160	(31,547)	2,613
Fund Cash Balances, January 1	13,591	157,886	171,477
Fund Cash Balances, December 31	\$47,751	\$126,339	\$174,090
Reserves for Encumbrances, December 31	\$47,751	\$0	\$47,751

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

**LAW LIBRARY ASSOCIATION
GUERNSEY 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, Guernsey County (the Association), is directed by a board of five trustees who are elected for four year terms by members of the Guernsey County Bar Association. The Association provides free access for all county officers and the judges of the several courts within the county.

The Association 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 Association is permitted to expend funds under ORC Section 3375.54. The funds of the Association 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 Guernsey County Commissioners are required by Ohio Revised Code Section 3375.49 to provide adequate facilities for the Association. 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 Guernsey County fix the compensation of the librarian and up to two assistant librarians pursuant to Ohio Revised Code Section 3375.48. If the Association 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 Association.

The Association's management believes these financial statements present all funds for which the Association is financially accountable. The accompanying financial statements also include private monies. (See note 2)

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 statement represents commitments for purchases the Association 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

Certificates of deposit are valued at cost

**LAW LIBRARY ASSOCIATION
GUERNSEY COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Association uses fund accounting to segregate cash and investments that are restricted as to use. The Association 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. Retained Monies Fund

Retained Monies Fund consists of monies retained by the Association under Ohio Revised Code § 3375.56. At the end of each calendar year the Association is permitted under law to retain up to ten percent of their unencumbered balance. The Association receives bar association dues which are considered private monies. The Association can disburse private monies at its discretion. These private monies are unable to be segregated therefore these receipts and disbursements are included in the Retained Monies Fund. See footnote 2 for additional information.

E. Budgetary Process

The Association is not required to budget annually; however, under Ohio Rev. Code Section 3375.56 the Association 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 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.

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. RETAINED MONIES

The Association is not able to determine the Retained Monies Fund amount. Therefore, the Retained Monies Fund in the accompanying financial statements includes both retained monies and private monies. The private monies will be reported with the Retained Monies Fund until the Association is able to support the Retained Monies portion.

**LAW LIBRARY ASSOCIATION
GUERNSEY COUNTY**

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

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Association 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 is as follows:

	<u>2003</u>	<u>2002</u>
Demand deposits	\$46,581	\$74,090
Certificates of deposit	100,000	100,000
Total deposits	<u>\$146,581</u>	<u>\$174,090</u>

Deposits: Deposits are insured by the Federal Deposit Insurance Corporation and collateralized by the financial institution's public entity deposit pool.

4. RETIREMENT SYSTEMS

The Association's employee belongs to the Ohio Public Employees Retirement System (OPERS). OPERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 2003 and 2002, PERS members contributed 8.5% of their gross salaries. The Association contributed an amount equal to 13.55% of the participant's gross salary. The Association has paid all contributions required through December 31, 2003.

5. RISK MANAGEMENT

Commercial Insurance

The 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 INTERNAL CONTROL OVER FINANCIAL
REPORTING AND COMPLIANCE AND OTHER MATTERS REQUIRED
BY GOVERNMENT AUDITING STANDARDS**

Law Library Association
Guernsey County
801 Wheeling Avenue
Cambridge, Ohio 43725

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Guernsey County, Ohio (the Association), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated January 24, 2005. We conducted our audit in accordance with auditing standards generally accepted by 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Association's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when 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 the Association's management in a separate letter dated January 24, 2005.

Compliance and Other Matters

As part of reasonably assuring whether the Association's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially affect 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 we must report under *Government Auditing Standards*.

743 E. State St. / Athens Mall Suite B / Athens, OH 45701
Telephone: (740) 594-3300 (800) 441-1389 Fax: (740) 594-2110
www.auditor.state.oh.us

Law Library Association
Guernsey County
Independent Accountants' Report on Internal Control Over Financial Reporting
And on Compliance and Other Matters Required by *Government Auditing Standards*
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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

January 24, 2005

**LAW LIBRARY ASSOCIATION
GUERNSEY 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>
2002-61030-001	Recording private monies separate from public funds and identifying which funds constitute retained monies.	Not Corrected	This issue is reported in the management letter for the current audit period.



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Telephone 614-466-4514
800-282-0370

Facsimile 614-466-4490

**LAW LIBRARY ASSOCIATION
GUERNSEY 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
MARCH 22, 2005**