



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

LAW LIBRARY ASSOCIATION
CLARK COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Law Library Association
Clark County
101 North Limestone Street
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Law Library Association (the Library) as of and for the years ended December 31, 2001 and 2000. 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 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.

As discussed in Note 2, the Library has included activity associated with its retained monies fund.

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 retained monies fund as of December 31, 2001 and 2000, and its combined 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 October 22, 2002 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 § 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

October 22, 2002

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$240,427		\$240,427
Interest		\$23,226	23,226
Miscellaneous Receipts	7,394		7,394
	<u>247,821</u>	<u>23,226</u>	<u>271,047</u>
Cash Disbursements:			
Supplies and Materials	224,837		224,837
Payroll Wages & Taxes	13,618		13,618
Refunds to Relative Income Sources - See Note 3	4,856		4,856
Equipment	98		98
Bank Fees		1,724	1,724
	<u>243,409</u>	<u>1,724</u>	<u>245,133</u>
Total Cash Disbursements			
	<u>243,409</u>	<u>1,724</u>	<u>245,133</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>4,412</u>	<u>21,502</u>	<u>25,914</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(539)	539	0
	<u>(539)</u>	<u>539</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
	<u>(539)</u>	<u>539</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	3,873	22,041	25,914
Public Fund Cash Balances, January 1	<u>77,724</u>	<u>318,055</u>	<u>395,779</u>
Public Fund Cash Balances, December 31- See Note 2	<u>\$81,597</u>	<u>\$340,096</u>	<u>\$421,693</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**CLARK COUNTY LAW LIBRARY ASSOCIATION
CLARK COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$231,130		\$231,130
Interest		\$18,248	18,248
Miscellaneous Receipts	1,735		1,735
	<u>232,865</u>	<u>18,248</u>	<u>251,113</u>
Total Cash Receipts			
Cash Disbursements:			
Supplies and Materials	209,356		209,356
Payroll Wages & Taxes	12,819		12,819
Refunds to Relative Income Sources - See Note 1	1,089		1,089
Equipment	3,143		3,143
Bank Fees		931	931
	<u>226,407</u>	<u>931</u>	<u>227,338</u>
Total Cash Disbursements			
Total Cash Receipts Over/(Under) Cash Disbursements	<u>6,458</u>	<u>17,317</u>	<u>23,775</u>
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(121)	121	0
	<u>(121)</u>	<u>121</u>	<u>0</u>
Total Other Financing Receipts/(Disbursements)			
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<u>6,337</u>	<u>17,438</u>	<u>23,775</u>
Public Fund Cash Balances, January 1, 2000	<u>71,387</u>	<u>300,617</u>	<u>372,004</u>
Public Fund Cash Balances, December 31, 2000- See Note 2	<u>\$77,724</u>	<u>\$318,055</u>	<u>\$395,779</u>
Reserves for Encumbrances, December 31	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

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

**LAW LIBRARY ASSOCIATION
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Clark County Law Library (the Law Library) is directed by a board of 11 to 12 trustees who are elected annually by members of the Clark 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 Clark 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 may hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Clark County fix the compensation of the librarian and up to two assistant librarians pursuant to ORC Section 3375.48. The Library provides free access to all county officers and the judges of the several courts, thus the salary of the law librarian is paid from the county treasury.

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 Investments

Investments are included in Fund Cash Balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively. Repurchase agreements are valued at cost.

**LAW LIBRARY ASSOCIATION
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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 type:

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 Section 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 3 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 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, 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 bank account statements to support the balance.

**LAW LIBRARY ASSOCIATION
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(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 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 2000 and 2001.

Balance at December 31, 1999 Refunded and Retained During Calendar Year 2000	
Unencumbered Balance at December 31, 1999	\$ 71,387
Refunded to Relative Sources during 2000	1,089
Retained Funds Amount during 2000	121

Unencumbered Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001	
Unencumbered Balance at December 31, 2000	\$ 77,724
Owed to Relative Sources during 2001	4,856
Retained Funds Amount during 2001	539

The Library did not refund the excess of revenues over disbursements for the year ended December 31, 2000 during 2001.

4. EQUITY IN POOLED CASH AND INVESTMENTS

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:

	2001	2000
Demand deposits	\$0	\$0
Repurchase agreement (Sweep Account)	58,322	51,657
Investments - Money Market Fund	363,371	344,122
Total investments	421,693	395,779
Total deposits and investments	\$421,693	\$395,779

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, (2) collateralized by securities specifically pledged by the financial institution to the Library.

The Library's financial institution transfers the securities to the Library's agent to collateralize repurchase agreements. The securities are not in the Library's name.

The Money Market Fund, which consists of U.S. Government Securities, is held by the financial institutions trust department in the Library's name.

**LAW LIBRARY ASSOCIATION
CLARK COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

5. RISK MANAGEMENT

Commercial Insurance

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

- Comprehensive property and general liability;



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

Law Library Association
Clark County
101 North Limestone Street
Springfield, Ohio 45502

To the Board of Trustees:

We have audited the accompanying financial statements of the Clark County Law Library Association (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated October 22, 2002, wherein we indicated the financial statements only include the general fund and retained monies fund. We also 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 an instance of noncompliance that is required to be reported under Government Auditing Standards which is described in the accompanying schedule of findings as item 2001-30302-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated October 22, 2002.

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 October 22, 2002.

Law Library Association
Clark County
Report of Independent Accountants 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 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

October 22, 2002

**LAW LIBRARY ASSOCIATION
CLARK COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
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FINDING NUMBER 2001-30302-001

Refund Distributions

Ohio Rev. Code Section 3375.56, states the Board of Trustees of the Law Library Association shall make a detailed statement to the County Auditor of the amount of the fines and penalties received under sections 3375.50 through 3375.53, Revised Code, inclusive, and the money expended by the Association. If the total amount received such sections during the preceding calendar exceeds expenditures during the same time period, the auditor shall certify such fact to the board which shall direct the treasurer of the association to refund proportionately to the political subdivisions from which the balance was received, not less than ninety percent of any unencumbered balance on hand from the preceding year.

The statement certified by the Library treasurer for the year ended December 31, 2000, showed an excess of public receipts over disbursements of \$5,395.92. Ninety percent of this amount, or \$4,856.33, should be refunded to the Clark County Municipal Court, Clark County Auditor and City of Springfield proportionate to the amounts received from those entities. None of the recipient entities had billed the Law Library Association for these amounts.

In accordance with the foregoing facts, and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery for public money due but uncollected is hereby issued against the Clark County Law Library Association in the amount of \$4,856.33, in favor of the Clark County Municipal Court in the amount of \$315.66 (to be refunded to the entities from which it was collected), the Clark County Auditor in the amount of \$2,209.63, and the City of Springfield in the amount of \$2331.04.

The Library issued refunds for the amounts listed above to the applicable entities during October and November 2002. The financial statements have been adjusted to reflect these payments.



STATE OF OHIO
OFFICE OF THE AUDITOR

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CLARK COUNTY LAW LIBRARY ASSOCIATION

CLARK 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
DECEMBER 3, 2002**