

Clermont County Law Library Association

Clermont County

Regular Audit

January 1, 2001 through December 31, 2002

Fiscal Years Audited Under GAGAS: 2001 - 2002

BALESTRA & COMPANY

(A Division of Harr & Scherer, CPAs, Inc.)

CERTIFIED PUBLIC ACCOUNTANTS

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**Auditor of State
Betty Montgomery**

Board of Trustees
Clermont County Law Library
270 Main Street
Batavia, Ohio 45103

We have reviewed the Independent Auditor's Report of the Clermont County Law Library, Clermont County, prepared by Balestra & Company, for the audit period January 1, 2001 to December 31, 2002. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Clermont County Law Library is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

May 7, 2003

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**CLERMONT COUNTY LAW LIBRARY ASSOCIATION
CLERMONT COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

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Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditor's Report

Board of Trustees
Clermont County Law Library Association
270 Main Street
Batavia, Ohio 45103

We have audited the accompanying financial statements of the Clermont County Law Library Association (Law Library), Clermont County, Ohio, as of and for the years ended December 31, 2002 and 2001, as listed in the table of contents. These financial statements are the responsibility of Clermont County Law Library's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audits 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 audits 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 Law 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 present fairly, in all material respects, the cash and unencumbered cash balance of the Clermont County Law Library Association, Clermont County, Ohio, as of December 31, 2002 and 2001, and the revenues it received and expenditures it paid for the years then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated March 7, 2003, on our consideration of the Law Library's internal control structure over financial reporting and our tests of 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 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.

Balestra & Company
Balestra & Company

March 7, 2003

**CLERMONT COUNTY LAW LIBRARY ASSOCIATION
CLERMONT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND -
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

	<u>2002</u>	<u>2001</u>
Cash Receipts		
Clermont County Receipts:		
Clermont County Auditor	\$ 619,001	\$ 551,899
Other Receipts:		
Interest	513	1,206
Miscellaneous	<u>7,849</u>	<u>3,317</u>
Total Receipts	<u>627,363</u>	<u>556,422</u>
Expenditures		
Wages	77,008	69,393
Book Purchases	472,145	428,552
Office	77,902	58,984
Excess Funds Refunded to Subdivisions:		
Clermont County	<u>0</u>	<u>81,224</u>
Total Expenditures	<u>627,055</u>	<u>638,153</u>
Net Change in Fund Balance	<u>308</u>	<u>(81,731)</u>
Beginning Balance, January 1,	<u>(255)</u>	<u>81,476</u>
Ending Balance, December 31,	<u>\$ 53</u>	<u>\$ (255)</u>

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

**CLERMONT COUNTY LAW LIBRARY ASSOCIATION
CLERMONT COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies

A. Description of the Entity

The Clermont County Law Library Association (the Law Library), Clermont County, Ohio is a body established for the purpose of exercising the rights and privileges conveyed to it by the Constitution and laws of the State of Ohio. The Law Library is directed by a five member Board of Trustees. The Trustees are members of the Clermont County Bar Association and are appointed by the presiding judge of the Court of Common Pleas of Clermont County. They serve unlimited terms. The Law Library is formed for the purpose of providing a legal research and resource base to members.

The Law Librarian and assistants serve at the pleasure of the Board of Trustees. The Law Librarian's and two of her assistant's compensation is fixed by the Judge of Common Pleas Court and is paid out of the Clermont County General Fund. The Board of Trustees serve without compensation.

Management believes the financial statements included in this report represent all of the funds of the Law Library over which the Board of Trustees is financially accountable.

The Law Library controls only public funds that are received from the various courts of Clermont County. These public funds are restricted to purchases of law books, computer communication, salaries, and equipment. Some funds the Library receives are considered private monies which include fees charged for the use of the Library's computer system for legal research and from photocopying charges. Fees collected for the use of the computers and copiers remain private even though the equipment may have been purchased with public funds. The Library accounts for these monies within the General fund and can disburse these private monies at its discretion.

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

D. Fund Accounting

The Law Library uses fund accounting to account for the revenues and expenditures of public funds. The Law Library uses one fund to account for the related revenues and expenditures:

**CLERMONT COUNTY LAW LIBRARY ASSOCIATION
CLERMONT COUNTY
FOR THE YEARS ENDED DECEMBER 31, 2002 AND 2001**

NOTES TO FINANCIAL STATEMENTS

1. Summary of Significant Accounting Policies (Continued)

General Fund

The General Fund is the general operating fund of the Law Library. It is used to account for all financial resources except those required by law or contract to be restricted. The Law Library has no financial resources required by law or contract to be restricted.

E. Budgetary Process

The Law Library is not subject to Ohio budgetary law and is not a taxing subdivision.

F. Property, Plant and Equipment

Acquisitions of property, plant, and equipment are recorded as disbursements when paid. These items are not reflected as assets on the accompanying financial statements, and depreciation is not recorded for these assets.

2. Cash and Deposits

The Ohio Revised Code prescribes allowable deposits. Deposits are either insured by the Federal Depository Insurance Corporation, or collateralized by the financial institutions' public entity deposit pool. The carrying amount of the Law Library's cash and deposits as of December 31, 2002 and 2001 were as follows:

	<u>2002</u>	<u>2001</u>
Total Demand Deposits	\$ 53	\$ (255)

3. Risk Management

The Law Library has obtained commercial carrier insurance for the following risks: comprehensive property and general liability, public official's liability and errors and omissions.

The Law Library also provides health insurance coverage to fulltime employees through a private carrier.

There has been no significant change in coverage from last year. Settled claims have not exceeded commercial coverage in the past three years.

4. Retirement Systems

Employees of the Law Library were covered by the Public Employees Retirement System (PERS) of Ohio. The State of Ohio accounts for the activities of the retirement system and the amount of that fund is not reflected in the accompanying financial statements. The employees of the law library began contributing to PERS in June, 1996. Prior to June, 1996, the employees paid into the Social Security System. The employees contribute 8.5% of their gross salaries and Law Library contributed an amount equal to 10.84% of their gross wages. The Law Librarian and two of her assistants are County employees and thus contributed 8.5% of their gross wages. Clermont County contributes an amount equal to 10.84% of their gross wages.

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Report on Compliance and on Internal Control Over Financial Reporting Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Board of Trustees
Clermont County Law Library Association
270 Main Street
Batavia, Ohio 45103

We have audited the financial statements of the Clermont County Law Library, Clermont County, Ohio (the Law Library), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated March 7, 2003. 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 Law 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 Law 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 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.

Balestra & Company
Balestra & Company
March 7, 2003



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Betty Montgomery**

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CLERMONT COUNTY LAW LIBRARY ASSOCIATION

CLERMONT 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
MAY 22, 2003**