



**Auditor of State
Betty Montgomery**

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Public Funds – For the Year Ended December 31, 2002	3
Statement of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – All Public Funds – For the Year Ended December 31, 2001	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 Findings.....	11

THIS PAGE INTENTIONALLY LEFT BLANK.



Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Marion County
258 W. Center Street
Marion, Ohio 43302

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, Marion County, Ohio, (the Library) as of and for the years ended December 31, 2002, and December 31, 2001. 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 retained monies fund as of December 31, 2002, and December 31, 2001, 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 in a separate fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 20, 2003, 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 Board of Trustees, management, 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 20, 2003

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fines & Forfeitures	\$162,917	\$0	\$162,917
Interest	57	106	163
Other Revenue	273	0	273
Total Cash Receipts	163,247	106	163,353
Cash Disbursements:			
Salary and Wages	29,350	0	29,350
Books and Subscriptions	105,244	0	105,244
Supplies, Services, and Equipment	13,571	3,825	17,396
Employers Tax	426	0	426
Employer PERS	3,977	0	3,977
Insurance	9,301	0	9,301
Other Expenses	1,368	0	1,368
Total Cash Disbursements	163,237	3,825	167,062
Total Cash Receipts Over/(Under) Cash Disbursements	10	(3,719)	(3,709)
Public Funds Cash Balances, January 1 , 2002	(7)	10,739	10,732
Public Funds Cash Balances, December 31, 2002	\$3	\$7,020	\$7,023

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

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fines & Forfeitures	\$143,714	\$0	\$143,714
Interest	139	450	589
Other Revenue	1,985	0	1,985
Total Cash Receipts	145,838	450	146,288
Cash Disbursements:			
Salary and Wages	28,602	0	28,602
Books and Subscriptions	91,383	2,326	93,709
Supplies, Services, and Equipment	9,829	1,196	11,025
Employers Tax	415	0	415
Employer PERS	3,876	0	3,876
Insurance	8,462	0	8,462
Refunds to Relative Income Sources - See Note 3	6,223	0	6,223
Other Expenses	3,278	0	3,278
Total Cash Disbursements	152,068	3,522	155,590
Total Cash Receipts (Under) Cash Disbursements	(6,230)	(3,072)	(9,302)
Other Financing Receipts/(Disbursements):			
Remittance from General Fund	0	692	692
Remittance to Retained Monies Fund	(692)	0	(692)
Total Other Financing Receipts/(Disbursements)	(692)	692	0
Excess of Cash Receipts and Other Financing Receipts (Under) Cash Disbursements and Other Financing (Disbursements)	(6,922)	(2,380)	(9,302)
Public Funds Cash Balances, January 1 , 2001	6,915	13,119	20,034
Public Funds Cash Balances, December 31, 2001	(\$7)	\$10,739	\$10,732

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

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Marion County Law Library (the Library) is directed by a board of five trustees who are elected to three-year terms by members of the Marion 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 Marion 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 the Library manager. If the Library provides free access to all county officers and the judges of the several courts, the salary of the manager should be paid from the county treasury. If the conditions above are not met, then the salary of the manager should be paid by the Library. For fiscal years 2002 and 2001, the Library paid the salary of the Library Manager, contrary to Ohio Revised Code Section 3375.48.

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, which are comprised of photocopying charges. Fees collected for use of copiers remain private even though the 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

The Library maintains two interest-bearing checking accounts.

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

The Library uses fund accounting to segregate cash that is restricted as to use. The Library 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

The 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 unexpended 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, 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 unexpended 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, 2001, the retained monies fund was not disclosed separately by the Library. It was combined with all other Library financial activity in one fund. Effective January 1, 2001, the Library determined the amounts relating to their Retained Monies Fund by providing detailed check registers to support the balance.

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2002 AND 2001
(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 unexpended 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 2002 and 2001.

Unexpended Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002	
Unexpended Balance at December 31, 2001	(\$7)
Refunded to Relative Sources during 2002	\$0
Retained Funds Amount during 2002	\$0

Unexpended Balance at December 31, 2000 Refunded and Retained During Calendar Year 2001	
Unexpended Balance at December 31, 2000	\$6,915
Refunded to Relative Sources during 2001	\$6,223
Retained Funds Amount during 2001	\$692

4. EQUITY IN POOLED CASH

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

	2002	2001
Demand deposits	\$7,023	\$10,732

Deposits: Deposits are insured by the Federal Depository Insurance Corporation,

5. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and commercial general liability;
- Non-Owned Vehicle.

THIS PAGE INTENTIONALLY LEFT BLANK.



Auditor of State Betty Montgomery

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

Law Library Association
Marion County
222 W. Center Street
Marion, Ohio 43302

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Marion County, Ohio, (the Library) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated June 20, 2003, wherein we indicated the financial statements only include the general fund and the retained monies in a separate fund. We also noted the Library included the activity associated with the retained monies in a separate 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 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 2002-001.

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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated June 20, 2003.

35 N. Fourth St. / Second Floor / Columbus, OH 43215
Telephone: (614) 466-3402 (800) 443-9275 Fax: (614) 728-7199
www.auditor.state.oh.us

Law Library Association
Marion 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 the Board of Trustees and management, 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 20, 2003

**LAW LIBRARY ASSOCIATION
MARION COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2002 AND DECEMBER 31, 2001**

**FINDING RELATED TO THE FINANCIAL STATEMENTS
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

FINDING NUMBER 2002-001

Compensation and Fringe Benefits of Law Library Manager

Ohio Rev. Code Section 3375.48 states that compensation of a Law Librarian (the Library's Manager performs similar duties) must be paid out of the county treasury. Furthermore, monies received by a law library under Ohio Rev. Code Sections 3375.50 – 3375.53 may only be expended for purposes outlined in Ohio Rev. Code Section 3375.54, such as the support and operation of the law library association and in the purchase, lease, or rental of lawbooks, computer equipment and other services, materials, and equipment that provide legal information or facilitate legal research.

The Law Library Manager's gross salary of \$25,750.40 for 2002, and \$25,001.60 for 2001, and health insurance premiums of \$8,892 for 2002 and \$8,165 for 2001 were paid directly by the Law Library Association from monies received under Ohio Rev. Code Sections 3375.50 – 3375.53.

We recommend the Library arrange to have the Law Library Manager's salary and health insurance premiums paid from the county treasury.



**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

MARION 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
AUGUST 26, 2003**