



**Auditor of State  
Betty Montgomery**



WILLIAMS COUNTY LAW LIBRARY ASSOCIATION

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Williams County Law Library Association  
One Courthouse Square  
Bryan, Ohio 43506-1790

To the Board of Trustees:

We have audited the accompanying financial statements of the Williams County Law Library Association (the Library) as of and for the years ended December 31, 2002 and 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 audits.

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 audits provide 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Library as of December 31, 2002 and 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 Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 12, 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 audits.

This report is intended solely for the information and use of management, the 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

June 12, 2003

**WILLIAMS COUNTY LAW LIBRARY ASSOCIATION**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$160,241		\$160,241
Miscellaneous Receipts	628		628
	<hr/>		<hr/>
Total Cash Receipts	160,869		160,869
	<hr/>		<hr/>
<b>Cash Disbursements:</b>			
Books and Supplements	35,266	\$892	36,158
Computer Services	49,526		49,526
Computer Equipment	1,039		1,039
Copier Maintenance and Supplies	152		152
Utilities	311		311
Miscellaneous	2,889		2,889
Supplies and Postage	426		426
Refunds to Relative Income Sources - See Note 3	67,256		67,256
	<hr/>		<hr/>
Total Cash Disbursements	156,865	892	157,757
	<hr/>		<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	4,004	(892)	3,112
	<hr/>		<hr/>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(7,473)	7,473	
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,469)	6,581	3,112
	<hr/>		<hr/>
Fund Cash Balances, January 1	3,469	116,447	119,916
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b><u><u>3,469</u></u></b>	<b><u><u>116,447</u></u></b>	<b><u><u>119,916</u></u></b>

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

**WILLIAMS COUNTY LAW LIBRARY ASSOCIATION**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$135,967		\$135,967
Interest	1,709		1,709
Miscellaneous Receipts	713		713
	<hr/>		<hr/>
Total Cash Receipts	138,389		138,389
	<hr/>		<hr/>
<b>Cash Disbursements:</b>			
Books and Supplements	28,192		28,192
Computer Services	24,488		24,488
Computer Equipment	81		81
Copier Maintenance and Supplies	454		454
Utilities	1,395		1,395
Miscellaneous	4,262		4,262
Supplies and Postage	376		376
Refunds to Relative Income Sources - See Note 3	66,314		66,314
Bookkeeping	1,990		1,990
	<hr/>		<hr/>
Total Cash Disbursements	127,552		127,552
	<hr/>		<hr/>
Total Cash Receipts Over Cash Disbursements	10,837		10,837
	<hr/>		<hr/>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(7,368)	\$7,368	
	<hr/>		<hr/>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	3,469	7,368	10,837
	<hr/>		<hr/>
Fund Cash Balances, January 1 - See Note 2		109,079	109,079
	<hr/>		<hr/>
<b>Fund Cash Balances, December 31</b>	<b>\$3,469</b>	<b>\$116,447</b>	<b>\$119,916</b>
	<hr/> <hr/>		<hr/> <hr/>

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



# WILLIAMS COUNTY LAW LIBRARY ASSOCIATION

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

### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. Description of the Entity

The Williams County Law Library Association (the Library) is directed by a board of three trustees who are elected by members of the Williams County Bar Association (the 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) §§ 3375.50 to .53, inclusive. The Library is permitted to expend funds under ORC § 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 Williams County Commissioners are required by ORC § 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 elects a librarian. The Judges of the Court of Common Pleas of Williams County fix the compensation of the librarian pursuant to ORC § 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 funds for which the Library is financially accountable.

#### 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

Certificates of deposit are valued at cost.

#### 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:

**WILLIAMS COUNTY LAW LIBRARY ASSOCIATION**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(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 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 by the Library. Effective January 1, 2001, the Library determined the amounts relating to their Retained Monies Fund by providing financial statements to support the balance.

**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 2002 and 2001.

**WILLIAMS COUNTY LAW LIBRARY ASSOCIATION**

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

Balance at December 31, 2001	
<u>Refunded and Retained During Calendar Year 2002</u>	
Balance at December 31, 2001	\$74,729
Refunded to Relative Sources during 2002	<u>67,256</u>
Retained Funds Amount during 2002	<u><u>\$7,473</u></u>

Balance at December 31, 2000	
<u>Refunded and Retained During Calendar Year 2001</u>	
Balance at December 31, 2000	\$73,682
Refunded to Relative Sources during 2001	<u>66,314</u>
Retained Funds Amount during 2001	<u><u>\$7,368</u></u>

**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:

	<u>2002</u>	<u>2001</u>
Demand deposits	\$94,893	\$91,781
Certificates of deposit	<u>28,135</u>	<u>28,135</u>
Total deposits	<u><u>\$123,028</u></u>	<u><u>\$119,916</u></u>

Deposits are insured by the Federal Depository Insurance Corporation

**5. RISK MANAGEMENT**

The Williams County Board of Commissioners is required to provide space in the courthouse for the Law Library. The County Commissioners maintain the applicable property and liability insurance. The Law Library maintains a surety bond for the Board Treasurer.

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**Auditor of State  
Betty Montgomery**

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

Williams County Law Library Association  
One Courthouse Square  
Bryan, Ohio 43506-1790

To the Board of Trustees:

We have audited the accompanying financial statements of the Williams County Law Library Association (the Library) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated June 12, 2003, wherein we noted the Library has included the retained monies fund for the first time. 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.

**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 audits 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 a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated June 12, 2003.

**Internal Control over Financial Reporting**

In planning and performing our audits, 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 June 12, 2003.

This report is intended solely for the information and use of 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

June 12, 2003



**Auditor of State  
Betty Montgomery**

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**LAW LIBRARY ASSOCIATION**

**WILLIAMS 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  
JULY 15, 2003**