



**Auditor of State  
Betty Montgomery**



**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

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# Auditor of State Betty Montgomery

## INDEPENDENT ACCOUNTANTS' REPORT

Columbiana County Law Library Association  
Columbiana County  
32 North Park Ave., 1<sup>st</sup> Floor  
Lisbon, Ohio 44432

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund, and the retained monies fund of the Columbiana County Law Library Association (the Library) as of and for the years ended December 31, 2003 and December 31, 2002. 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 the retained monies fund as of December 31, 2003 and December 31, 2002, 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 May 7, 2004 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 7, 2004

**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$263,467		\$263,467
Interest	99	6,256	6,355
Miscellaneous Receipts		570	570
	<u>263,566</u>	<u>6,826</u>	<u>270,392</u>
<b>Cash Disbursements:</b>			
Supplies and Materials	178,481		178,481
Refunds to Relative Income Sources - See Note 2	96,356		96,356
Equipment	1,040		1,040
Miscellaneous Disbursements	13,162		13,162
	<u>289,039</u>		<u>289,039</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(25,473)</u>	<u>6,826</u>	<u>(18,647)</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(10,706)	10,706	
Transfers-In	22,293	220	22,513
Transfers-Out - See Note 3	(220)	(66,484)	(66,704)
	<u>11,367</u>	<u>(55,558)</u>	<u>(44,191)</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(14,106)	(48,732)	(62,838)
Public Fund Cash Balances, January 1	<u>107,282</u>	<u>453,306</u>	<u>560,588</u>
<b>Public Fund Cash Balances, December 31</b>	<b><u>\$93,176</u></b>	<b><u>\$404,574</u></b>	<b><u>\$497,750</u></b>

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

**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

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

	<b>General Fund</b>	<b>Retained Monies Fund</b>	<b>Totals (Memorandum Only)</b>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$281,525		\$281,525
Interest	220	13,386	13,606
Miscellaneous Receipts	13,651		13,651
<b>Total Cash Receipts</b>	<b>295,396</b>	<b>13,386</b>	<b>308,782</b>
<b>Cash Disbursements:</b>			
Supplies and Materials	176,930		176,930
Refunds to Relative Income Sources - See Note 2	133,927		133,927
Equipment	4,366		4,366
Miscellaneous Disbursements	6,818		6,818
<b>Total Cash Disbursements</b>	<b>322,041</b>		<b>322,041</b>
<b>Total Cash Receipts Over/(Under) Cash Disbursements</b>	<b>(26,645)</b>	<b>13,386</b>	<b>(13,259)</b>
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	(14,881)	14,881	
Transfers-In - See Note 3		42,191	42,191
<b>Total Other Financing Receipts/(Disbursements)</b>	<b>(14,881)</b>	<b>57,072</b>	<b>42,191</b>
<b>Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements</b>	<b>(41,526)</b>	<b>70,458</b>	<b>28,932</b>
<b>Public Fund Cash Balances, January 1 - See Note 1</b>	<b>148,808</b>	<b>382,848</b>	<b>531,656</b>
<b>Public Fund Cash Balances, December 31</b>	<b>\$107,282</b>	<b>\$453,306</b>	<b>\$560,588</b>

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



**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Columbiana County Law Library Association (the Library) was formed in 1910 and is directed by a board of nine trustees who are elected for a three year term by members of the Columbiana 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 law books; 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 Columbiana 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 a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Columbiana County fix the compensation of the librarian and up to two assistant librarians pursuant to ORC Section 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 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 Library.

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: acknowledgement fees, 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.

**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**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.

Demand deposits, savings accounts and 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:

**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.

The following is a restatement to the December 31, 2001 financial statements:

Public Fund Cash Balances, December 31, 2001	\$148,958
Correction of a reporting error	<u>(150)</u>
Restated Public Fund Cash Balances, on December 31, 2001	<u><u>\$148,808</u></u>

**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.

The following are restatements to the December 31, 2001 financial statements:

Public Fund Cash Balances, December 31, 2001	\$350,883
Error in reporting the correct certificate of deposit	(11,002)
Correction to the error - certificate of deposit	10,829
Additional certificate not previously reported	32,323
Error in reporting interest in previous period	<u>(185)</u>
Restated Public Fund Cash Balances, on December 31, 2001	<u><u>\$382,848</u></u>

See footnote 2 for additional information.

**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – (Continued)**

**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 *unencumbered* balance to political subdivisions that provided revenues to the Library. See Footnote 2 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. 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 *unencumbered* 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 2003 and 2002.

<b><i>Unencumbered</i> Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003</b>	
Unencumbered Balance at December 31, 2002	\$ 107,062
Refunded to Relative Sources during 2003	96,356
Retained Funds Amount during 2003	10,706

<b><i>Unencumbered</i> Balance at December 31, 2002-1 Refunded and Retained During Calendar Year 2002</b>	
Unencumbered Balance at December 31, 2002-1	\$ 148,808
Refunded to Relative Sources during 2002	133,927
Retained Funds Amount during 2002	14,881

**3. TRANSFERS IN AND OUT WITHIN THE RETAINED MONIES FUND**

During 2002 the Library closed numerous certificates of deposit. In closing the certificates of deposit they placed \$42,191 of private monies in a Savings Account with Retained Monies. In 2003, the Board removed monies out of the Savings account equal to \$42,191 and transferred them back to private money accounts.

**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

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

**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>2003</u>	<u>2002</u>
Demand deposits	\$93,176	\$107,282
Savings Accounts	\$79,308	\$111,665
Certificates of deposit	<u>325,266</u>	<u>341,640</u>
Total deposits	<u>\$497,750</u>	<u>\$560,587</u>

**Deposits:** During 2002 and 2003 the Library maintained deposits in five financial institutions. The deposits fell into the following categories:

- Deposits insured by the Federal Depository Insurance Corporation equaled \$436,022 and \$515,796 for 2003 and 2002, respectively.
- Deposits collateralized by the financial institution's public entity deposit pool equaled \$61,728 and \$74,711 for 2003 and 2002, respectively.
- During 2002, there was \$37,510 not insured or collateralized due to the deposits being in in five different financial institutions. There was no such problem in 2003.

**5. RISK MANAGEMENT**

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

- Comprehensive property and general liability;
- Valuable papers and Records;
- Data Processing; and
- Errors and omissions.



**Auditor of State  
Betty Montgomery**

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

Columbiana County Law Library Association  
Columbiana County  
32 North Park Ave., 1<sup>st</sup> Floor  
Lisbon, Ohio 44432

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbiana County Law Library Association (the Library) as of and for the years ended December 31, 2003 and December 31, 2002, and have issued our report thereon dated May 7, 2004, wherein we indicated the financial statements only include the general fund and the retained monies 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 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 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.

Columbiana County Law Library Association  
Columbiana 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

May 7, 2004

**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION  
COLUMBIANA COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR END 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; <b><i>Explain:</i></b>
2001-001	Not maintaining adequate records depicting the activity of the Retained Funds	Yes	







**Auditor of State  
Betty Montgomery**

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**COLUMBIANA COUNTY LAW LIBRARY ASSOCIATION**

**COLUMBIANA 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 1, 2004**