

Wayne County Law Library Association
Wayne County, Ohio

Regular Audit

For the Years Ended December 31, 2003 - 2002



**Auditor of State
Betty Montgomery**

Board of Trustees
Wayne County Law Library Association
107 W. Liberty St.
Wooster, OH 44691

We have reviewed the Independent Auditor's Report of the Wayne County Law Library Association, Wayne County, prepared by Knox & Knox CPAs, for the audit period January 1, 2002 through December 31, 2003. 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 Wayne County Law Library Association is responsible for compliance with these laws and regulations.

Betty Montgomery

BETTY MONTGOMERY
Auditor of State

August 19, 2004

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WAYNE COUNTY LAW LIBRARY ASSOCIATION
WAYNE COUNTY, OHIO

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Report of Independent Accountants

Wayne County Law Library Association
Wayne County
Wayne County Courthouse, 3rd Floor
107 West Liberty Street
Wooster, OH 44691-4850

To the Board of Trustees:

We have audited the accompanying financial statements of the Wayne County Law Library Association, Wayne County, Ohio, (the Library) as of and for the years ended December 31, 2003 and 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 retained monies fund as of December 31, 2003 and 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 July 15, 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 *Governmental 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, the Board of Trustees 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.

Knox & Knox

Orrville, Ohio
July 15, 2004

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WAYNE COUNTY LAW LIBRARY ASSOCIATION
WAYNE COUNTY

COMBINED 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>
Cash Receipts:			
Fines and Forfeitures	\$ 257,970		\$257,970
Interest	329	\$2,032	2,361
Miscellaneous Receipts	<u>1,864</u>	<u> </u>	<u>1,864</u>
Total Cash Receipts	<u>260,163</u>	<u>2,032</u>	<u>262,195</u>
Cash Disbursements:			
Supplies and Materials	254,609	1,940	256,549
Refunds to Relative Income Sources	<u>175</u>	<u> </u>	<u>175</u>
Total Cash Disburse- ments	<u>254,784</u>	<u>1,940</u>	<u>256,724</u>
Total Cash Receipts Over/(Under) Cash Disbursements	5,379	92	5,471
Other Financing Receipts/(Dis- bursements):			
Remittance to Retained Funds	<u>< 19 ></u>	<u>19</u>	<u>-0 -</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	5,360	111	5,471
Public Fund Cash Balances, January 1	<u>194</u>	<u>137,282</u>	<u>137,476</u>
Public Fund Cash Balances, December 31	<u>\$ 5,554</u>	<u>\$137,393</u>	<u>\$142,947</u>

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

WAYNE COUNTY LAW LIBRARY ASSOCIATION
WAYNE COUNTY

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

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fines and Forfeitures	\$ 252,587		\$252,587
Interest	224	\$ 3,559	3,783
Miscellaneous Receipts	<u>2,700</u>	<u> </u>	<u>2,700</u>
Total Cash Receipts	<u>255,511</u>	<u>3,559</u>	<u>259,070</u>
Cash Disbursements:			
Supplies and Materials	255,316	1,741	257,057
Refunds to Relative Income Sources	<u>19,616</u>	<u> </u>	<u>19,616</u>
Total Cash Disburse- ments	<u>274,932</u>	<u>1,741</u>	<u>276,673</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<19,421>	1,818	<17,603>
Other Financing Receipts/(Dis- bursements):			
Remittance to Retained Funds	< 2,180>	<u>2,180</u>	<u>-0-</u>
Excess (Deficiency) of Cash Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	<21,601>	3,998	<17,603>
Public Fund Cash Balances, January 1	<u>21,795</u>	<u>133,284</u>	<u>155,079</u>
Public Fund Cash Balances, December 31	<u>\$ 194</u>	<u>\$137,282</u>	<u>\$137,476</u>

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

WAYNE COUNTY LAW LIBRARY ASSOCIATION
WAYNE COUNTY

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002

1. Summary of Significant Accounting Policies

A. Description of the Entity

Wayne County Law Library Association, Wayne County, (the Library) is directed by a board of 3 trustees who are elected for a 3-year term by members of the Wayne 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 consoles to access a system of computerized legal research; microfilm materials and equipment, videotape materials and equipment; audio or visual material and equipment; and other services, materials, and equipment that provide legal information or facilitate legal research.

The Wayne 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 hire a librarian and not more than two assistant law librarians. The judges of the Court of Common Pleas of Wayne 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 assistant 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: 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

Certificates of deposit are valued at cost.

WAYNE COUNTY LAW LIBRARY ASSOCIATION
WAYNE COUNTY

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

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 10 percent of its unencumbered balance. See footnote 2 for additional information.
 - E. Property 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 to 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 90 percent of any remaining 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 90 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 "refunds to relative income sources."

WAYNE COUNTY LAW LIBRARY ASSOCIATION
WAYNE COUNTY

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

2. Calculation of Refund to Relative Income Sources and Amount Retained (Continued)
The following charts present the refunded and retained amounts during 2003 and 2002:

Balance at December 31, 2002
Refunded and Retained During Calendar Year 2003

General Fund Balance at December 31, 2002	\$ 5,554
Refunded to Relative Sources during 2003	175
Retained Funds Amount during 2003	20

Balance at December 31, 2001
Refunded and Retained During Calendar Year 2002

General Fund Balance at December 31, 2001	\$ 21,795
Refunded to Relative Sources during 2002	19,616
Retained Funds Amount during 2002	2,180

3. Equity in Pooled Cash

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

	<u>2003</u>	<u>2002</u>
Demand deposits	\$ 27,011	\$ 22,416
Certificates of deposit	<u>115,936</u>	<u>115,060</u>
Total deposits	<u>\$142,947</u>	<u>\$137,476</u>

Deposits:

Deposits are (1) insured by the Federal Depository Insurance Corporation or (2) collateralized by the financial institution's public entity deposit pool.

4. Risk Management

Commercial Insurance

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

- Comprehensive property and general liability;
- Crime
- Inland Marine

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KNOX & KNOX

Accountants and Consultants

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

Wayne County Law Library Association
Wayne County
Wayne County Courthouse, 3rd Floor
107 West Liberty Street
Wooster, OH 44691-4850

To the Board of Trustees:

We have audited the financial statements of the Wayne County Law Library Association, Wayne County, Ohio (the Library), as of and for the years ended December 31, 2003 and 2002, and have issued our report there on dated July 15, 2004. 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 is 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. 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 July 15, 2004.

Wayne County Law Library Association
Wayne County
Report of Independent Accountants on Compliance and Internal
Control Required by *Government Auditing Standards*
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This report is intended for the information of the audit committee, management, and the Board of Trustees, and should not be used by anyone other than these specified parties.

Knox & Knox

Orrville, Ohio
July 15, 2004



**Auditor of State
Betty Montgomery**

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WAYNE COUNTY LAW LIBRARY ASSOCIATION

WAYNE 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 31, 2004**