



**Auditor of State
Betty Montgomery**

WILLIAMS COUNTY LAW LIBRARY ASSOCIATION

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**Auditor of State
Betty Montgomery**

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

To the Board of Trustees:

As you are aware, the Auditor of State's Office (AOS) must modify the *Independent Accountants' Report* we provide on your financial statements due to a February 2, 2005 interpretation from the American Institute of Certified Public Accountants (AICPA). While AOS does not legally require your government to prepare financial statements pursuant to Generally Accepted Accounting Principles (GAAP), the AICPA interpretation requires auditors to formally acknowledge that you did not prepare your financial statements in accordance with GAAP. Our Report includes an opinion relating to GAAP presentation and measurement requirements, but does not imply the amounts the statements present are misstated under the non-GAAP basis you follow. The AOS report also includes an opinion on the financial statements you prepared using the cash basis and financial statement format the AOS permits.

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

Betty Montgomery
Auditor of State

June 23, 2005

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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 Williams County Law Library Association (the Library) as of and for the years ended December 31, 2004 and 2003. 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 the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure 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 our audit provides a reasonable basis for our opinion.

As described more fully in Note 1, the Library has prepared these financial statements using accounting practices the Auditor of State prescribes or permits. These practices differ from accounting principles generally accepted in the United States of America (GAAP). Although we cannot reasonably determine the effects on the financial statements of the variances between these regulatory accounting practices and GAAP, we presume they are material.

Revisions to GAAP would require the Library to reformat its financial statement presentation and make other changes effective for the year ended December 31, 2004. Instead of the combined funds the accompanying financial statements present for 2004 (and 2003), the revisions require presenting entity wide statements and also to present its larger (i.e. major) funds separately for 2004. While the Library does not follow GAAP, generally accepted auditing standards requires us to include the following paragraph if the statements do not substantially conform to the new GAAP presentation requirements. The Auditor of State permits, but does not require governments to reformat their statements. The Library

has elected not to reformat its statements. Since this Library does not use GAAP to measure financial statement amounts, the following paragraph does not imply the amounts reported are materially misstated under the accounting basis the Auditor of State permits. Our opinion on the fair presentation of the amounts reported pursuant to its non-GAAP basis is in the second following paragraph.

In our opinion, because of the effects of the matter discussed in the preceding two paragraphs, the financial statements referred to above for the year ended December 31, 2004 do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position of the Library as of December 31, 2004, or its changes in financial position for the year then ended.

Also, in our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances of Williams County Law Library Association, as of December 31, 2004 and 2003, and its combined cash receipts and disbursements for the years then ended on the accounting basis Note 1 describes.

The aforementioned revision to generally accepted accounting principles also requires the Library to include Management's Discussion and Analysis for the year ended December 31, 2004. The Library has not presented Management's Discussion and Analysis, which accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the financial statements.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2005, 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 grant agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in assessing the results of our audit.



Betty Montgomery
Auditor of State

June 23, 2005

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, 2004

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$134,423		\$134,423
Miscellaneous Receipts	983		983
Total Cash Receipts	135,406		135,406
Cash Disbursements:			
Books and Supplements	35,996		35,996
Computer Services	70,394		70,394
Computer Equipment	2,200		2,200
Copier Maintenance and Supplies	187		187
Utilities	281		281
Miscellaneous	3,407		3,407
Supplies and Postage	384		384
Refunds to Relative Income Sources - See Note 3	53,960		53,960
Total Cash Disbursements	166,809		166,809
Total Cash Receipts Over/ (Under) Cash Disbursements	(31,403)		(31,403)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(5,996)	\$5,996	
Excess of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(37,399)	5,996	(31,403)
Fund Cash Balances, January 1	61,415	38,777	100,192
Fund Cash Balances, December 31	\$24,016	\$44,773	\$68,789

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, 2003

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$170,040		\$170,040
Miscellaneous Receipts	1,460		1,460
Total Cash Receipts	171,500		171,500
Cash Disbursements:			
Books and Supplements	41,056		41,056
Computer Services	64,055		64,055
Copier Maintenance and Supplies	175		175
Utilities	331		331
Miscellaneous	2,006		2,006
Supplies and Postage	382		382
Refunds to Relative Income Sources - See Note 3	84,251		84,251
Bookkeeping	2,080		2,080
Total Cash Disbursements	194,336		194,336
Total Cash Receipts Over/ (Under) Cash Disbursements	(22,836)		(22,836)
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(9,361)	9,361	
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	(32,197)	9,361	(22,836)
Fund Cash Balances, January 1	93,612	29,416	123,028
Fund Cash Balances, December 31	\$61,415	\$38,777	\$100,192

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, 2004 AND 2003

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) 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 Williams 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 elects a librarian. The Judges of the Court of Common Pleas of Williams County fix the compensation of the librarian 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 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, 2004 AND 2003
(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 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 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 2004 and 2003.

Unencumbered Balance at December 31, 2003 Refunded and Retained During Calendar Year 2004	
Unencumbered Balance at December 31, 2003	\$61,415
Refunded to Relative Sources during 2004	53,960
2003 Refunds not Distributed	1,459
Retained Funds Amount during 2004	\$5,996

WILLIAMS COUNTY LAW LIBRARY ASSOCIATION

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004 AND 2003
(Continued)**

Unencumbered Balance at December 31, 2002	
<u>Refunded and Retained During Calendar Year 2003</u>	
Unencumbered Balance at December 31, 2002	\$93,612
Refunded to Relative Sources during 2003	<u>84,251</u>
Retained Funds Amount during 2003	<u><u>\$9,361</u></u>

3. 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>2004</u>	<u>2003</u>
Demand deposits	\$40,654	\$72,057
Certificates of deposit	<u>28,135</u>	<u>28,135</u>
Total deposits	<u><u>\$ 68,789</u></u>	<u><u>\$ 100,192</u></u>

Deposits are insured by the Federal Depository Insurance Corporation

4. 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.

5. RESTATEMENT OF FUND BALANCES

The beginning balance of the Society's General Fund and Retained Fund has been restated to properly report undistributed refunds due to relative income sources at January 1, 2003:

The effects of the restatement are shown below:

General Fund balance of as previously reported, December 31, 2002	\$0
Reimbursements due to other Governments	<u>93,612</u>
General Fund balance as restated at January 1, 2003	<u><u>\$93,612</u></u>

Retained Fund balance of as previously reported, December 31, 2002	\$123,028
Reimbursements due to other Governments	<u>(93,612)</u>
Retained Fund balance as restated at January 1, 2003	<u><u>\$29,416</u></u>

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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS
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 financial statements of Williams County Law Library Association (the Library) as of and for the years ended December 31, 2004 and 2003, and have issued our report thereon dated June 23, 2005 wherein we noted that the Library prepared its financial statements using accounting practices the Auditor of State established rather than accounting principles generally accepted in the United States of America. 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Library's internal control over financial reporting to determine our auditing procedures to express our opinion on the financial statements and not to opine on the internal control over financial reporting. Our consideration of the internal control would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 caused by error or fraud in amounts material to the financial statements we audited may occur and not be timely detected by employees when performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider material weaknesses. In a separate letter to the Library's management dated June 23, 2005, we reported other matters involving internal control over financial reporting we did not deem reportable conditions.

Compliance and Other Matters

As part of reasonably assuring whether the Library's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could directly and materially affect the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an

Williams County Law Library Association
Independent Accountants' Report on Internal Control Over
Financial Reporting and on Compliance and Other Matters
Required by *Government Auditing Standards*
Page 2

objective of our audit and, accordingly, we do not express an opinion. The results of our tests disclosed no instances of noncompliance or other matters we must report under *Government Auditing Standards*. In a separate letter to the Library's management dated June 23, 2005, we reported a matter related to noncompliance we deemed immaterial.

We intend this report solely for the information and use of management and the Board of Trustees and is not intended for 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 23, 2005



**Auditor of State
Betty Montgomery**

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WILLIAMS COUNTY 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
AUGUST 4, 2005**