



**Auditor of State
Betty Montgomery**

**FULTON LAW LIBRARY ASSOCIATION
FULTON COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Fulton Law Library Association
Fulton County
210 South Fulton Street
Wauseon, Ohio 43567-3301

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and the retained monies fund of the Fulton Law Library Association, Fulton County, (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 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 2003 and 2002, and its 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 August 27, 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 for the information and use of management and 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

August 27, 2004

**FULTON LAW LIBRARY ASSOCIATION
FULTON COUNTY**

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

	General Fund	Retained Monies Fund	Totals (Memorandum Only)
Cash Receipts:			
Fine and Forfeitures	\$ 168,164		\$ 168,164
Interest	190		190
Total Cash Receipts	168,354		168,354
Cash Disbursements:			
Salaries	1,346		1,346
Supplies and Materials	134,391		134,391
Refunds to Relative Income Sources (See Note 3)	11,081		11,081
Insurance	782		782
Audit Cost	211		211
Total Cash Disbursements	147,811		147,811
Total Cash Receipts Over Cash Disbursements	20,543		20,543
Other Financing Receipts/(Disbursements):			
Remittance to Retained Funds	(1,231)		(1,231)
Refunds from Vendors	16,989		16,989
Remittance from General Fund		\$ 1,231	1,231
Total Other Financing Receipts/(Disbursements)	15,758	1,231	16,989
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	36,301	1,231	37,532
Public Fund Cash Balances, January 1	12,312		12,312
Public Fund Cash Balances, December 31	\$ 48,613	\$ 1,231	\$ 49,844

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**FULTON LAW LIBRARY ASSOCIATION
FULTON 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:			
Fine and Forfeitures	\$ 181,172		\$ 181,172
Interest	157		157
	181,329		181,329
Cash Disbursements:			
Salaries	688		688
Supplies and Materials	167,381		167,381
Insurance	769		769
Audit Cost	2,326		2,326
Miscellaneous	3		3
	171,167		171,167
Total Cash Receipts Over Cash Disbursements	10,162		10,162
Other Financing Receipts:			
Refunds from Vendors	2,177		2,177
	2,177		2,177
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	12,339		12,339
Public Fund Cash Balances, January 1	(27)		(27)
Public Fund Cash Balances, December 31	\$ 12,312		\$ 12,312

THE NOTES TO THE FINANCIAL STATEMENTS ARE AN INTEGRAL PART OF THIS STATEMENT.

**FULTON LAW LIBRARY ASSOCIATION
FULTON COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Fulton Law Library Association (the Library) is directed by a board of four (three voting and one non-voting) trustees. The Judge of the General Division of the Court of Common Pleas of Fulton County, Ohio shall be a permanent Trustee during his or her term of office. The Judge of the Probate - Juvenile Divisions of Court of the Court of Common Pleas of Fulton County, Ohio shall be the non-voting member of the Board of Trustees. The other two voting members are appointed by the President of the Fulton County Bar Association and shall serve until death, resignation or replacement by the Fulton County Bar Association. The Library provides free access for Judges and Magistrates of the District Court of the United States for the Northern District of Ohio; United States District Attorney and members of his staff; Bankruptcy Judges; District Director of Internal Revenue, Judges of the Court of Appeals and Court of Common Pleas of Fulton County, Ohio; Judges of the County Courts of Fulton County, Ohio; all Fulton County, Ohio officers, and all officers of Townships, Villages and Cities in Fulton County, Ohio. Free access is also provided to students regularly enrolled in the Law School of the University of Toledo.

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 Fulton County Board of Commissioners is 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 hired a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Fulton County fix the compensation of the librarian and up to two assistant librarians 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 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.

**FULTON LAW LIBRARY ASSOCIATION
FULTON COUNTY**

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

The Library's management believes these financial statements present all public 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

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.

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.

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 foot note 2 for additional information.

**FULTON LAW LIBRARY ASSOCIATION
FULTON COUNTY**

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

Balance at December 31, 2002	
Refunded and Retained During Calendar Year 2003	
Balance at December 31, 2002	\$ 12,312
Refunded to Relative Sources during 2003	11,081
Retained Funds Amount during 2003	<u>\$ 1,231</u>

**FULTON LAW LIBRARY ASSOCIATION
FULTON COUNTY**

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

	Balance at December 31, 2001
	<u>Refunded and Retained During Calendar Year 2002</u>
Balance at December 31, 2001	\$ (27)
Refunded to Relative Sources during 2002	<u>-</u>
Retained Funds Amount during 2002	<u><u>\$ -</u></u>

3. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash 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	<u>\$ 49,844</u>	<u>\$ 12,312</u>

4. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Commercial property;
- Commercial inland marine;
- General liability;
- Business auto;
- Commercial crime coverage and
- Employee dishonesty.



**Auditor of State
Betty Montgomery**

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

Fulton Law Library Association
Fulton County
210 South Fulton Street
Wauseon, Ohio 43567-3301

To the Board of Trustees:

We have audited the accompanying financial statements of the Fulton Law Library Association, Fulton County, (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated August 27, 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 tested its compliance with certain provisions of laws, regulations, contracts, and grants, 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 objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance we must report 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 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 does not require inclusion in this report, that we have reported to the Library's management in a separate letter dated August 27, 2004.

This report is intended for the information and use of the 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

August 27, 2004



**Auditor of State
Betty Montgomery**

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FULTON LAW LIBRARY ASSOCIATION

FULTON 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
SEPTEMBER 14, 2004**