



**Auditor of State
Betty Montgomery**

**LAW LIBRARY ASSOCIATION
AUGLAIZE COUNTY**

TABLE OF CONTENTS

TITLE	PAGE
Independent Accountants' Report.....	1
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance – Public Funds – For the Year Ended December 31, 2003.....	3
Statement of Cash Receipts, Cash Disbursements, and Change in Fund Cash Balance – Public Funds – For the Year Ended December 31, 2002.....	4
Notes to the Financial Statements	5
Independent Accountants' Report on Compliance and on Internal Control Required by <i>Government Auditing Standards</i>	9

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

Law Library Association
Auglaize County
201 South Willipie Street
Wapakoneta, Ohio 45895

To the Library Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Auglaize 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 described 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 and reserves for encumbrances of the Library as of December 31, 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 May 10, 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.

Law Library Association
Auglaize County
Independent Accountants' Report
Page 2

This report is intended solely for the information and use of the audit committee, management, the Board 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 10, 2004

LAW LIBRARY ASSOCIATION
AUGLAIZE COUNTY

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	<u>General Fund</u>
Cash Receipts:	
Fine and Forfeitures	\$92,497
Miscellaneous Revenue	401
Total Cash Receipts	<u>92,899</u>
Cash Disbursements:	
Supplies and Materials	77,851
Contracted Services	14,450
Total Cash Disbursements	<u>92,302</u>
Total Cash Receipts Over/(Under) Cash Disbursements	597
Public Fund Cash Balance, January 1	<u>165</u>
Public Fund Cash Balance, December 31	<u><u>\$762</u></u>
Reserves for Encumbrances, December 31	<u><u>\$762</u></u>

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

**LAW LIBRARY ASSOCIATION
AUGLAIZE COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGE IN FUND CASH BALANCE
PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002**

	General Fund
Cash Receipts:	
Fine and Forfeitures	\$91,295
Total Cash Receipts	91,295
Cash Disbursements:	
Supplies and Materials	63,957
Contracted Services	27,639
Total Cash Disbursements	91,596
Total Cash Receipts Over/(Under) Cash Disbursements	(301)
 Public Fund Cash Balance, January 1	 466
Public Fund Cash Balance, December 31	\$165
Reserves for Encumbrances, December 31	\$334

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

**LAW LIBRARY ASSOCIATION
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Law Library Association of Auglaize County, (the Library) is directed by a board of five trustees who are appointed by members of the Auglaize County Bar Association. The Library provides free access for all county officers and the judges of the several courts within the county. The Board of Trustees has contracted with the Auglaize County Auditor to perform the function of fiscal control. Services provided by the Library include the purchase and maintenance of legal publications and materials for the judicial actions executed by the county.

The Library operates by receiving a portion of fine and forfeiture monies from the courts 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 Auglaize 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 an assistant law librarian. The Judges of the Court of Common Pleas of Auglaize County fix the compensation of the librarian and assistant 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 and assistant 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: 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 Library has no 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. The reserve for encumbrances on the financial statements represents commitments for purchases that the Library has made. Encumbrances are recognized when a commitment is made.

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**LAW LIBRARY ASSOCIATION
AUGLAIZE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Cash and Investments

To improve cash management, all cash received by the Library is deposited with the County Treasurer and pooled in a central bank account. Monies are maintained in this account or temporarily used to purchase interim investments.

D. Fund Accounting

The Library uses fund accounting and classifies its fund as follows:

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.

E. Budgetary Process

The Library is not required to prepare a budget annually; however, the Library prepares an annual budget. Under Ohio Revised Code Section 3375.56, The Library is permitted to encumber funds equal to their commitments outstanding at year-end. Encumbrances outstanding at year end are carried over to the subsequent year. A summary of 2003 and 2002 budgetary activity appears in Note 3.

F. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as 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.

G. 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. The library had expended all resources and therefore, no refunds were required to be made.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The County Treasurer maintains a cash and investments pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The amount of cash and investments held by the County Treasurer for the Law Library at December 31 was as follows:

	<u>2003</u>	<u>2002</u>
Demand Deposits	<u>\$ 762</u>	<u>\$ 165</u>

The Library funds are collateralized under the County treasury collateralization pool.

**LAW LIBRARY ASSOCIATION
AUGLAIZE COUNTY**

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

3. BUDGETARY ACTIVITY

Budgetary activity for the years ending December 31, 2003 and 2002 are as follows:

2003 Projected vs. Actual Receipts		
Projected Receipts	Actual Receipts	Variance
<u>\$110,000</u>	<u>\$92,899</u>	<u>(\$17,101)</u>

2003 Projected vs. Actual Expenditures		
Projected Expenditures	Actual Expenditures	Variance
<u>\$110,164</u>	<u>\$93,064</u>	<u>\$17,100</u>

2002 Projected vs. Actual Receipts		
Projected Receipts	Actual Receipts	Variance
<u>\$120,000</u>	<u>\$91,295</u>	<u>(\$28,705)</u>

2002 Projected vs. Actual Expenditures		
Budgeted Expenditures	Actual Expenditures	Variance
<u>\$120,466</u>	<u>\$91,930</u>	<u>\$28,536</u>

4. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for comprehensive property and general liability and insurance for valuable papers and records.

Real property is insured through the Auglaize County Commissioners.

This page intentionally left blank.



**Auditor of State
Betty Montgomery**

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

Law Library Association
Auglaize County
201 South Willipie Street
Wapakoneta, Ohio 45895

To the Library Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Auglaize County, (the Library), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 10, 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 are required to be reported under *Government Auditing Standards*. However, we noted certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated May 10, 2004.

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 other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to the management of the Library in a separate letter dated May 10, 2004.

Law Library Association
Auglaize County
Independent Accountants' Report 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 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

May 10, 2004



**Auditor of State
Betty Montgomery**

88 East Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140
Telephone 614-466-4514
800-282-0370
Facsimile 614-466-4490

LAW LIBRARY ASSOCIATION

AUGLAIZE 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
JUNE 10, 2004**