



**Auditor of State  
Betty Montgomery**



**LAW LIBRARY ASSOCIATION  
SHELBY COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Law Library Association  
Shelby County  
Courtview Center, Suite 300  
100 South Main Street  
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund and retained monies fund of the Shelby County Law Library Association, (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.

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.

As discussed in Note 2, the Library has included activity associated with the Retained Monies Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 2, 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  
Shelby County  
Independent Accountants' Report  
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This report is intended solely for the information and use of the 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

June 2, 2004

**LAW LIBRARY ASSOCIATION  
SHELBY 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	\$155,964		\$155,964
Interest	186		186
Miscellaneous Receipts	70		70
	<u>156,220</u>		<u>156,220</u>
<b>Cash Disbursements:</b>			
Supplies and Materials	65,723		65,723
Refunds to Relative Income Sources - See Note 3	21,314		21,314
Capital Outlay	11,399		11,399
Other Expenses	603		603
	<u>99,039</u>		<u>99,039</u>
Total Cash Receipts Over/(Under) Cash Disbursements	57,181		57,181
<b>Other Financing Receipts/(Disbursements):</b>			
Remittance to Retained Funds	<u>(2,368)</u>	<u>\$2,368</u>	
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	54,813	2,368	57,181
Public Fund Cash Balances, January 1	<u>23,683</u>	<u>0</u>	<u>23,683</u>
<b>Public Fund Cash Balances, December 31</b>	<b><u><u>\$78,496</u></u></b>	<b><u><u>\$2,368</u></u></b>	<b><u><u>\$80,864</u></u></b>

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

**LAW LIBRARY ASSOCIATION  
SHELBY COUNTY**

**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>
<b>Cash Receipts:</b>			
Fine and Forfeitures	\$107,520		\$107,520
Interest	150		150
Miscellaneous Receipts	12		12
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	107,682		107,682
<b>Cash Disbursements:</b>			
Supplies and Materials	92,782		92,782
Capital Outlay	805		805
Other Expenses	1,967		1,967
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	95,554		95,554
Total Cash Receipts Over/(Under) Cash Disbursements	12,128		12,128
Public Fund Cash Balances, January 1 - See Note 2	11,555		11,555
	<hr/>	<hr/>	<hr/>
<b>Public Fund Cash Balances, December 31</b>	<b><u>\$23,683</u></b>	<b><u>\$0</u></b>	<b><u>\$23,683</u></b>

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



**LAW LIBRARY ASSOCIATION  
SHELBY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Shelby County Law Library (the Library) is directed by a board of five trustees who are elected annually by members of the Shelby 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 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 Shelby 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 may hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Shelby 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 law libraries are considered private monies. Private monies include: membership dues, overdue book charges and photocopying charges. Fees collected for the use of books and copies remain private even though the books and copiers may have been purchased with public funds. The Shelby County Law Library does not have any private funds.

**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:

**LAW LIBRARY ASSOCIATION  
SHELBY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 3 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. ACCOUNTING CHANGE**

Prior to January 1, 2002, the retained monies funds were not disclosed by the Library. Effective January 1, 2002, the Library determined the balances relating to their Retained Monies Fund by providing bank account statements to support the beginning balance.

**3. 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 2003 and 2002.

**LAW LIBRARY ASSOCIATION  
SHELBY COUNTY**

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

**3. CALCULATION OF REFUND TO RELATIVE INCOME SOURCES AND AMOUNT RETAINED  
(Continued)**

<b>Balance at December 31, 2001 Refunded and Retained During Calendar Year 2002</b>	
Balance at December 31, 2001	\$11,555
Refunded to Relative Sources during 2002	0
Retained Funds Amount during 2002	0

<b>Balance at December 31, 2002 Refunded and Retained During Calendar Year 2003</b>	
Balance at December 31, 2002	\$23,683
Refunded to Relative Sources during 2003	21,314
Retained Funds Amount during 2003	2,368

**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	\$80,864	\$23,683

**Deposits:** Deposits are insured by the Federal Depository Insurance Corporation.

**5. RISK MANAGEMENT**

**Commercial Insurance**

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

- Valuable papers and records coverage;
- Equipment; and
- Errors and omissions.

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**Auditor of State  
Betty Montgomery**

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

Law Library Association  
Shelby County  
Courtview Center, Suite 300  
100 South Main Street  
Sidney, Ohio 45365

To the Board of Trustees:

We have audited the accompanying financial statements of the Shelby County Law Library Association, (the Library), as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated June 2, 2004, wherein we noted the Library has included the retained monies fund for the first time. 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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2003-001.

**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 June 2, 2004.

Law Library Association  
Shelby 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 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

June 2, 2004

**LAW LIBRARY ASSOCIATION  
SHELBY COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2003 AND 2002**

**FINDINGS RELATED TO THE FINANCIAL STATEMENTS  
REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS**

**FINDING NUMBER 2003-001**

**Finding for Recovery Repaid Under Audit:**

**Purchase of Bookcases**

On December 31, 2003, the Shelby County Law Library Association purchased bookcases valued at \$7,624. Public monies received by law library associations under RC 3373.50-53 may be expended only for the purposes as detailed in RC 3375.54.

In addition, according to Ohio Rev. Code Section 3375.49, the board of county commissioners shall provide the law library association, at the expense of the County, suitable rooms with sufficient and suitable bookcases. The law library association may not expend public funds on items that are required to be provided by the County.

In accordance with the forgoing facts, and pursuant to Ohio Rev. Code Section 117.28, a Finding for Recovery for public money illegally expended is hereby issued against Librarian Duane Goettemoeller and Secretary-Treasurer Daniel Bensman and the Utica National Insurance Company, his bonding company, jointly and severally, and in favor of the Shelby County Law Library Association, in the amount of \$7,624.

The Shelby County Commissioners authorized payment to the Library on May 27, 2004, for the bookcases purchased by the Library on December 31, 2003. Shelby County check number 84648 in the amount of \$7,624 was received by the Library on May 28, 2004, fully reimbursing the Library for the bookcases. The finding is considered to be repaid under audit.

LAW LIBRARY ASSOCIATION  
SHELBY COUNTY

SCHEDULE OF PRIOR AUDIT FINDINGS  
FISCAL YEAR END DECEMBER 31, 2003

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>
2001-30275-001	Expenditures Exceeding Resources	Yes	





**Auditor of State  
Betty Montgomery**

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**SHELBY COUNTY LAW LIBRARY ASSOCIATION**

**SHELBY 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 29, 2004**