



**LAW LIBRARY ASSOCIATION
HARDIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2000 and 1999



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

LAW LIBRARY ASSOCIATION
HARDIN COUNTY

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REPORT OF INDEPENDENT ACCOUNTANTS

Law Library Association
Hardin County
1 Courthouse Square
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Hardin County, Ohio, (the Library) as of and for the years ended December 31, 2000 and 1999. These financial statements are the responsibility of the Law 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 generally accepted auditing standards 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 Law 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 balance of the Law Library Association, Hardin County, as of December 31, 2000 and 1999, 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 February 12, 2001, on our consideration of the Law Library's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts. 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 this audit.

Law Library Association
Hardin County
Report of Independent Accountants
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This report is intended solely for the information and use of 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.

Jim Petro
Auditor of State

February 12, 2001

**LAW LIBRARY ASSOCIATION
HARDIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND CHANGE IN FUND
CASH BALANCES
FOR THE YEARS ENDED DECEMBER 31, 2000 AND 1999**

	2000	1999
Cash Receipts:		
Intergovernmental	\$88,944	\$85,998
Interest	1,932	1,284
Miscellaneous		9,361
Total Cash Receipts	90,876	96,643
Cash Disbursements:		
Legal Publications and Subscriptions	54,132	55,605
Computer Software and Services	7,435	
Salaries		1,715
Office Supplies	57	107
Office Services and Utilities	732	1,087
Equipment	2,250	320
Audit Cost		1,581
Miscellaneous		128
Distribution	23,193	20,700
Total Cash Disbursements	87,799	81,243
Total Receipts Over/(Under) Disbursements	3,077	15,400
Fund Cash Balance, January 1(January 1, 1999 restated - Note 3)	61,926	46,526
Fund Cash Balance, December 31	\$65,003	\$61,926

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

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**LAW LIBRARY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000 and 1999**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Law Library Association, Hardin County, (the Library) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Library is directed by an eight-member Board of Trustees. Services provided by the Library include the purchase and maintenance of legal publications and material for the judicial actions executed by the County.

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

The checking, savings, and money market mutual accounts are valued at cost.

D. Fund Accounting

The Law Library uses fund accounting and classifies its fund into the following type:

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. 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.

2. RESTATEMENT OF PRIOR YEAR ENDING FUND CASH BALANCE

The ending fund cash balance at December 31, 1998, was understated by \$12,316. This misstatement was the result of recording the 1998 redistribution, which was made during January 1999, in the 1998 financial statements.

**LAW LIBRARY ASSOCIATION
HARDIN COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2000-1999
(Continued)**

2. RESTATEMENT OF PRIOR YEAR ENDING FUND CASH BALANCE (Continued)

The effect of this change on the General Fund cash balance at December 31, 1998, as previously reported is as follows:

Fund Cash Balance, December 31, 1998, as Previously Reported	\$34,210
Adjustment	<u>12,316</u>
Restated Fund Cash Balance, January 1, 1999	<u><u>\$46,526</u></u>

3. EQUITY IN POOLED CASH AND INVESTMENTS

The carrying amount of cash and investments at December 31 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	(\$1,503)	\$4,357
Savings and Money Market	<u>66,506</u>	<u>57,569</u>
Total Deposits	<u>\$65,003</u>	<u>\$61,926</u>

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

4. RECEIPTS OF THE LAW LIBRARY

The Library's primary source of revenue is derived from a percentage of fines, as determined by the Ohio Revised Code.

5. RISK MANAGEMENT

The Law Library has obtained commercial insurance through a private carrier for commercial dishonesty coverage. The contents and property of the Law Library are not insured.



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

Law Library Association
Hardin County
1 Courthouse Square
Kenton, Ohio 43326

To the Board of Trustees:

We have audited the financial statements of the Law Library Association, Hardin County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated February 12, 2001. We conducted our audit in accordance with generally accepted auditing standards 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 2000-60233-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Law Library in a separate letter dated February 12, 2001.

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 management of the Law Library in a separate letter dated February 12, 2001.

Law Library Association
Hardin County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Governmental Auditing Standards*
Page 2

This report is intended for the information and use of management, Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

Jim Petro
Auditor of State

February 12, 2001

**LAW LIBRARY ASSOCIATION
HARDIN COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2000 and 1999**

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

Finding Number	2000-60233-001
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Finding for Recovery

Ohio Rev. Code Section 3375.48 states that the judges of the court of common pleas of any county in which there is a law library association which furnishes to all members of the Ohio general assembly, the county officers and judges of the several courts of the county admission to its library and the use of its books free of charge, upon the appointment by the board of trustees of such association of a person to act as librarian thereof, or of a person to act as librarian and not more than two additional persons to act as assistant law librarians thereof, shall fix the compensation of such persons which shall be paid from the county treasury.

During the months of January 1999 to May 1999, the judges of the court of common pleas had not fixed the compensation of the law librarian. The compensation paid the law librarian was from the law library funds rather than from the county treasury. During this time, the law library compensated the law librarian in the amount of \$1,715.06 (including medicare and PERS); however, \$1,034.99 of this amount has previously been repaid by the County treasury into the Law Library treasury. A total of \$680.07 is still required to be reimbursed from the County treasury to the Law Library for compensation paid to the law librarian.

Based upon the foregoing facts and pursuant to Ohio Rev. Code Section 117.28, a finding for recovery is hereby issued against the Hardin County treasury, in the amount of \$680.07, and in favor of the Law Library. The finding was repaid by the County on March 7, 2001, as evidenced by County Warrant #20602.

LAW LIBRARY ASSOCIATION
HARDIN COUNTY

FOR THE FISCAL YEARS ENDED DECEMBER 31, 2000 AND 1999
SCHEDULE OF PRIOR AUDIT FINDINGS

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
1998-60233-001	ORC Section 3375.48 Finding against country treasury	No	The full amount of the finding in prior report was repaid, however, additional finding made in this report.



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HARDIN COUNTY LAW LIBRARY ASSOCIATION

HARDIN 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
MARCH 22, 2001**