



**ASHLAND COUNTY LAW LIBRARY ASSOCIATION  
ASHLAND COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2002-2001**



**Auditor of State  
Betty Montgomery**



**ASHLAND COUNTY LAW LIBRARY ASSOCIATION  
ASHLAND COUNTY**

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## Auditor of State Betty Montgomery

### INDEPENDENT ACCOUNTANTS' REPORT

Ashland County Law Library Association  
Ashland County  
10 East Main Street  
Ashland, Ohio 44805

To the Board of Trustees:

We have audited the accompanying financial statements of the General Fund and Retained Monies Fund of the Ashland County Law Library Association, Ashland County, Ohio, (the Library) as of and for the years ended December 31, 2002 and 2001. 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 audits.

We conducted our audits 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 audits 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 audits provide 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 the 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 31, 2002 and 2001, 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 3, the Library has included activity associated with the Retained Monies Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated February 5, 2003, 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 audits.

This report is intended solely for the information and use of management, the 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

February 5, 2003

**ASHLAND COUNTY LAW LIBRARY ASSOCIATION  
ASHLAND 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<br/>Fund</u> | <u>Retained<br/>Monies<br/>Fund</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-------------------------|-------------------------------------|---|
| <b>Cash Receipts:</b>  |                         |                                     |   |
| Fine and Forfeitures   | \$288,296               |                                     | \$288,296                               |
| Interest   |                         | \$3,846                             | 3,846                                   |
| Refunds and Reimbursements   |                         | 5,783                               | 5,783                                   |
|  |                         |                                     |   |
| Total Cash Receipts  | 288,296                 | 9,629                               | 297,925                                 |
| <b>Cash Disbursements:</b>   |                         |                                     |   |
| Books and Supplies   | 224,856                 |                                     | 224,856                                 |
| Refunds to Relative Income Sources   | 57,833                  |                                     | 57,833                                  |
| Payroll  | 8,776                   |                                     | 8,776                                   |
| Postage  | 37                      |                                     | 37                                      |
| Equipment  | 16,612                  |                                     | 16,612                                  |
| Utilities  | 1,572                   |                                     | 1,572                                   |
| Dues   | 400                     |                                     | 400                                     |
| Miscellaneous  |                         | 60                                  | 60                                      |
| Insurance  | 614                     |                                     | 614                                     |
|  |                         |                                     |   |
| Total Cash Disbursements   | 310,700                 | 60                                  | 310,760                                 |
|  |                         |                                     |   |
| Total Cash Receipts (Under)/Over Cash Disbursements  | (22,404)                | 9,569                               | (12,835)                                |
| <b>Other Financing Receipts:</b>   |                         |                                     |   |
| Refunds from Vendors   | 5,299                   |                                     | 5,299                                   |
|  |                         |                                     |   |
| (Deficiency)/Excess of Cash Receipts and Other Financing<br>Receipts Over (Under) Cash Disbursements | (17,105)                | 9,569                               | (7,536)                                 |
|  |                         |                                     |   |
| Public Fund Cash Balances, January 1   | 57,833                  | 144,857                             | 202,690                                 |
|  |                         |                                     |   |
| <b>Public Fund Cash Balances, December 31</b>  | <b>\$40,728</b>         | <b>\$154,426</b>                    | <b>\$195,154</b>                        |

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

**ASHLAND COUNTY LAW LIBRARY ASSOCIATION  
ASHLAND COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL PUBLIC FUNDS  
FOR THE YEAR ENDED DECEMBER 31, 2001**

|  | <u>General<br/>Fund</u> | <u>Retained<br/>Monies<br/>Fund</u> | <u>Totals<br/>(Memorandum<br/>Only)</u> |
|--|-------------------------|-------------------------------------|---|
| <b>Cash Receipts:</b>  |                         |                                     |   |
| Fine and Forfeitures   | \$295,206               |                                     | \$295,206                               |
| Interest   |                         | \$7,043                             | 7,043                                   |
| Refunds and Reimbursements   |                         | 6,175                               | 6,175                                   |
|  | <hr/>                   | <hr/>                               | <hr/>                                   |
| Total Cash Receipts  | 295,206                 | 13,218                              | 308,424                                 |
| <b>Cash Disbursements:</b>   |                         |                                     |   |
| Books and Supplies   | 225,175                 |                                     | 225,175                                 |
| Refunds to Relative Income Sources   | 61,751                  |                                     | 61,751                                  |
| Payroll  | 7,614                   |                                     | 7,614                                   |
| Audit Fees   | 2,000                   |                                     | 2,000                                   |
| Equipment  | 1,701                   |                                     | 1,701                                   |
| Utilities  | 1,506                   |                                     | 1,506                                   |
| Dues   | 250                     |                                     | 250                                     |
| Miscellaneous  |                         | 100                                 | 100                                     |
| Insurance  | 775                     |                                     | 775                                     |
|  | <hr/>                   | <hr/>                               | <hr/>                                   |
| Total Cash Disbursements   | 300,772                 | 100                                 | 300,872                                 |
| Total Cash Receipts Over/(Under) Cash Disbursements  | <hr/> (5,566)           | <hr/> 13,118                        | <hr/> 7,552                             |
| <b>Other Financing Receipts:</b>   |                         |                                     |   |
| Refunds from Vendors   | 1,648                   |                                     | 1,648                                   |
|  | <hr/>                   | <hr/>                               | <hr/>                                   |
| (Deficiency)/Excess of Cash Receipts and Other Financing<br>Receipts Over (Under) Cash Disbursements | (3,918)                 | 13,118                              | 9,200                                   |
| Public Fund Cash Balances, January 1   | 61,751                  | 131,739                             | 193,490                                 |
|  | <hr/>                   | <hr/>                               | <hr/>                                   |
| <b>Public Fund Cash Balances, December 31</b>  | <b><u>\$57,833</u></b>  | <b><u>\$144,857</u></b>             | <b><u>\$202,690</u></b>                 |

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

**ASHLAND COUNTY LAW LIBRARY ASSOCIATION  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Ashland County Law Library Association (the Library) is directed by a Board of 5 Trustees who are appointed by members of the Ashland 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 Ashland 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 elect a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Ashland County fix the compensation of the librarian and up to two assistant librarians pursuant to ORC Section 3375.48. Because the Library does not provide free access to all county officers and the judges of the several courts, the salary of the librarian and any assistants is paid by the County and then the Library reimburses the County.

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 accompanying financial statements do not present 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.

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

**C. Cash**

All funds of the Library are held in an interest bearing checking account, savings account, or certificates of deposits. The Library has no investments.

**ASHLAND COUNTY LAW LIBRARY ASSOCIATION  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**D. Fund Accounting**

The Library uses fund accounting to segregate cash that is restricted as to use. The Library classifies its funds into the following types:

**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.

**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 10 percent of their unencumbered balance. See Note 3 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 to 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 90 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. EQUITY IN POOLED CASH**

The Library maintains a cash pool used by its fund. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash at December 31 follows:

|                         | 2002      | 2001      |
|-------------------------|-----------|-----------|
| Demand deposits         | \$86,513  | \$94,921  |
| Certificates of deposit | 108,641   | 107,769   |
| Total deposits          | \$195,154 | \$202,690 |

Deposits are insured by the Federal Depository Insurance Corporation.

**ASHLAND COUNTY LAW LIBRARY ASSOCIATION  
ASHLAND COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

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

In any year that revenues exceed disbursements, the Library refunds at least 90 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 2001.

| <b>Balance at December 31, 2001<br/>Refunded and Retained During Calendar Year 2002</b> |          |
|---|----------|
| Balance at December 31, 2001  | \$57,833 |
| Refunded to Relative Sources during 2002, including the Retained Monies Fund            | 57,833   |
| Retained Funds Amount during 2002   | 5,783    |

| <b>Balance at December 31, 2000<br/>Refunded and Retained During Calendar Year 2001</b> |          |
|---|----------|
| Balance at December 31, 2000  | \$61,751 |
| Refunded to Relative Sources during 2001, including the Retained Monies Fund            | 61,751   |
| Retained Funds Amount during 2001   | 6,175    |

**4. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Commercial property and general liability;
- Public official bond.

**5. FACILITIES**

The Library has free use of office facilities provided by Ashland County.

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**Auditor of State  
Betty Montgomery**

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

Ashland County Law Library Association  
Ashland County  
10 East Main Street  
Ashland, Ohio 44805

To the Board of Trustees:

We have audited the accompanying financial statements of the Ashland County Law Library Association, Ashland County, Ohio, (the Library) as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated February 5, 2003, wherein we indicated the financial statements only include the General Fund and Retained Monies Fund. We conducted our audits 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 audits 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 a certain immaterial instance of noncompliance that we have reported to the management of the Library in a separate letter dated February 5, 2003.

**Internal Control Over Financial Reporting**

In planning and performing our audits, 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 Library in a separate letter dated February 5, 2003.

Ashland County Law Library Association  
Ashland 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 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

February 5, 2003



**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

**ASHLAND COUNTY LAW LIBRARY ASSOCIATION**

**ASHLAND 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 27, 2003**