



**Auditor of State  
Betty Montgomery**



**SCIOTO LAW LIBRARY ASSOCIATION  
SCIOTO COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Law Library Association  
Scioto County  
602 Seventh Street  
Portsmouth, Ohio 45662

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund of the Law Library Association, Scioto County, Ohio (the Association), as of and for the years ended December 31, 2002 and 2001. These financial statements are the responsibility of the Association'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 Association 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 are not intended to present fairly the financial position and results of operations of the Association 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 Association's general 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.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 15, 2003 on our consideration of the Association'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  
Scioto County  
Independent Accountants' Report  
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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

April 15, 2003

**SCIOTO LAW LIBRARY ASSOCIATION  
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

<b>Cash Receipts:</b>	
County Auditor	\$53,782
Common Pleas Court	1,250
City of Portsmouth	40,011
Portsmouth Municipal Court	11,000
Interest	<u>75</u>
Total Cash Receipts	<u>106,118</u>
<b>Cash Disbursements:</b>	
Salaries	12,191
Materials	85,470
Supplies	1,647
Equipment	8,363
Insurance	<u>934</u>
Total Cash Disbursements	<u>108,605</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(2,487)</u>
<b>Other Financing Receipts/(Disbursements):</b>	
Refunds from Vendors	<u>1,365</u>
Total Other Financing Receipts/(Disbursements)	<u>1,365</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	(1,122)
General Fund Cash Balance, January 1	<u>9,450</u>
<b>General Fund Cash Balance, December 31</b>	<b><u><u>\$8,328</u></u></b>

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

**SCIOTO LAW LIBRARY ASSOCIATION  
SCIOTO COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
GENERAL FUND  
FOR THE YEAR ENDED DECEMBER 31, 2001**

<b>Cash Receipts:</b>	
County Auditor	\$56,142
Common Pleas Court	1,250
City of Portsmouth	57,172
Portsmouth Municipal Court	5,500
Interest	<u>78</u>
 Total Cash Receipts	 <u>120,142</u>
<b>Cash Disbursements:</b>	
Salaries	14,584
Materials	110,542
Supplies	640
Equipment	2,200
Insurance	<u>814</u>
 Total Cash Disbursements	 <u>128,780</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(8,638)</u>
<b>Other Financing Receipts/(Disbursements):</b>	
Refunds from Vendors	<u>17</u>
 Total Other Financing Receipts/(Disbursements)	 <u>17</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	   (8,621)
 General Fund Cash Balance, January 1	  <u>18,071</u>
 <b>General Fund Cash Balance, December 31</b>	  <b><u><u>\$9,450</u></u></b>

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



**SCIOTO LAW LIBRARY ASSOCIATION  
SCIOTO COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Scioto County Law Library Association (the Association), is directed by a board of five trustees who are appointed by members of the Scioto County Bar Association. The Association provides free access for all county officers and the judges of the several courts within the county.

The Association 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 Association is permitted to expend funds under ORC Section 3375.54. The funds of the Association 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 Scioto County Commissioners are required by ORC Section 3375.49 to provide adequate facilities for the Association. The Board of County Commissioners is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires a library custodian which is paid by the Association. The Board of Trustees fixes the compensation of the custodian.

The Association's management believes these financial statements present all public funds for which the Association is financially accountable. Some funds received by the Association 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 Association. 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. General Fund**

The Association accounts for all financial resources in the General Fund.

**SCIOTO LAW LIBRARY ASSOCIATION  
SCIOTO COUNTY**

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

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

**D. 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.

**2. EQUITY IN POOLED CASH**

The Association 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>2002</u>	<u>2001</u>
Demand deposits	<u>\$8,328</u>	<u>\$9,450</u>
Total deposits	<u><u>\$8,328</u></u>	<u><u>\$9,450</u></u>

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

**3. RISK MANAGEMENT**

**Commercial Insurance**

The Association has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;



## **Auditor of State Betty Montgomery**

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

Law Library Association  
Scioto County  
602 Seventh Street  
Portsmouth, Ohio 45662

To the Members of the Board:

We have audited the accompanying financial statements of the Law Library Association, Scioto County, Ohio (the Association), as of and for the years ended December 31, 2002 and 2001, and have issued our report thereon dated April 15, 2003, wherein we indicated the financial statements only include the general fund. We conducted our audit in accordance with the 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 Association'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*.

#### **Internal Control Over Financial Reporting**

In planning and performing our audit, we considered the Association'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. However, we noted a certain matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Association's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. The reportable condition is described in the accompanying Schedule of Findings as item 2002-60773-001.

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 statement being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we do not believe the reportable condition described above is a material weakness. We also 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 Association in a separate letter dated April 15, 2003.

This report is intended 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

April 15, 2003

**SCIOTO LAW LIBRARY ASSOCIATION  
SCIOTO COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2002 AND 2001**

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

**FINDING NUMBER 2002-60773-001**

**Reportable Condition**

The Law Library Association should only make purchase commitments for an amount not to exceed current resources.

We have noted the Association has made purchase commitments in excess of the ending fund balance in 2001 and 2002. Outstanding purchase commitments exceeded the fund balance by \$34,021 (360%) in 2001 and \$5,243 (63%) in 2002.

We recommend the Association closely monitor budget to actual disbursements and take due care not to commit to purchases in excess of current resources.

**SCIOTO LAW LIBRARY ASSOCIATION  
SCIOTO COUNTY**

**CORRECTIVE ACTION PLAN  
DECEMBER 31, 2002**

Finding Number	Planned Corrective Action	Anticipated Completion Date	Responsible Contact Person
2002-60773-001	The Association will not make purchase commitments that exceed their available resources.	June 30, 2003	Kevin Blume - Treasurer



**Auditor of State  
Betty Montgomery**

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**LAW LIBRARY ASSOCIATION**

**SCIOTO 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  
MAY 20, 2003**