



**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001-2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Akron Law Library Association
Summit County
209 South High Street – 4th Floor
Summit County Courthouse
Akron, Ohio 44308-1675

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund of the Akron Law Library Association, Summit County, Ohio, (the Library) as of and for the years ended December 31, 2001 and 2000. 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 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 as of December 31, 2001 and 2000, 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 October 16, 2002 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 audit committee, 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

October 16, 2002

**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

**STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
GENERAL FUND
FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000**

	General Fund	
	2001	2000
Cash Receipts:		
Traffic fines	\$468,594	\$483,266
Photocopy income	20,095	22,698
Computer income	238	1,441
Miscellaneous income	2,502	10,704
Private Funds	54,275	61,128
	545,704	579,237
Cash Disbursements:		
Salaries and Benefits	131,244	113,481
Binding	2,286	2,023
Continuations	310,536	389,025
Books	14,433	20,854
Telephone	969	1,066
Photocopy services and supplies	12,083	10,447
Computer services and supplies	38,771	5,941
Library and office supplies	9,578	3,468
Postage	3,028	2,938
Life and medical insurance	16,365	15,104
Equipment services	0	7,314
Conference expense	3,009	1,913
Liability insurance	3,144	2,946
Petty cash fund expense	26	84
Miscellaneous	343	2,604
	545,815	579,208
Total Cash Receipts Over (Under) Cash Disbursements	(111)	29
General Fund Cash Balances, January 1	5,240	5,211
General Fund Cash Balances, December 31	\$5,129	\$5,240

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

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**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Akron Law Library Association, Summit County, (the Library) is directed by a board of eleven trustees who are elected annually by its membership. The Library provides reference material and other sources of multi-media to its members.

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 Summit County Council is required by ORC Section 3375.49 to provide adequate facilities for the Library. The County 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 Summit 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 salaries 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 County pays the librarian and assistant salaries.

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 should remain private, even though the books and copiers may have been purchased with public funds. The Library's current policy is to record fees collected in connection with copier and computer usage as public monies. Library management has indicated that this policy will be revised to be consistent with State guidelines effective January 1, 2003. Private monies can be disbursed at the discretion of the Library. With the exception of the user charges above, 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.

**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Cash and Investments

All cash is maintained in demand deposit accounts

D. Fund Accounting

The Library uses fund accounting. The General Fund is the general operating fund, which accounts for all public financial resources. The Library has no resources that are restricted by law or contract.

Retained monies are monies retained by the Library under Ohio Revised Code Section 3375.56, which are to be maintained in a separate fund. At the end of each calendar year the Library is permitted under law to retain up to 10% of their unencumbered balance. At December 31, 2001 and 2000, the Library had no retained monies.

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.

2. CASH

The Library maintains general operating and payroll checking accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	<u>2001</u>	<u>2000</u>
Total deposits	\$5,129	\$5,240

Deposits are insured by the Federal Depository Insurance Corporation.

3. RETIREMENT SYSTEM

The Public Employees Retirement System of Ohio (PERS) is a state operated, cost-sharing, multiple employer public employee retirement system. PERS provides retirement benefits to vested employees who are eligible to retire based upon years of service. PERS also provides survivor and disability benefits to vested employees.

Contribution rates are prescribed by the Ohio Revised Code. For 2001 and 2000 the Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participants' gross salaries for 2001 and from January 1, 2000 through June 30, 2000. PERS temporarily reduced the employer contribution rate to 8.13% effective July 1, 2000 through December 31, 2000. The Library has paid all contributions required through December 31, 2001.

**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2001 AND 2000
(Continued)**

4. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- General liability;
- Director and Officer's liability;
- Crime coverage; and
- Employee benefits liability.

5. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2001 and 2000, the "Private Fund" transferred \$54,275 and \$61,128, respectively, to the Library's General Fund to supplement public funds received.

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

Akron Law Library Association
Summit County
209 South High Street – 4th Floor
Summit County Courthouse
Akron, Ohio 44308-1675

To the Board of Trustees:

We have audited the accompanying financial statements of the Akron Law Library Association (the Library) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated October 16, 2002, wherein we indicated the financial statements only include the general 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 an instance of non-compliance that does not require inclusion in this report, that we have reported to management of the Library in a separate letter dated October 16, 2002.

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 certain 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 October 16, 2002.

Akron Law Library Association
Summit County
Report of Independent Accountants 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, the audit committee and Board of Trustees, and is not intended to be and should not be used by anyone other than these specified parties.

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Jim Petro
Auditor of State

October 16, 2002



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AKRON LAW LIBRARY ASSOCIATION

SUMMIT 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
DECEMBER 10, 2002**