



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Trumbull Law Library Association
Trumbull County
120 High Street N.W.
Warren, Ohio 44481

To the Board of Trustees:

We have audited the accompanying financial statements of the Trumbull Law Library Association, Trumbull County, Ohio, (the Library) as of and for the years ended December 31, 1998 and 1999. 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 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 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 as of December 31, 1998 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 April 13, 2000 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.

This report is intended solely for the information and use of 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".

Jim Petro
Auditor of State

April 13, 2000

Trumbull Law Library Association

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	<u>General Fund</u>
Cash Receipts:	
Intergovernmental	\$442,638
Earnings on investments	13,327
Receipts from copies	5,083
Dues and contributions	4,400
Lexis fees	33
Overdue book fines	905
Miscellaneous receipts	<u>200</u>
 Total Cash Receipts	 <u>466,586</u>
Cash Disbursements:	
Subscriptions, journals, and books	347,893
Salaries and Benefits	48,743
Purchased and Contracted Services	1,491
Computers, CD Rom, and network	14,962
Book binding	1,302
Cleaning and maintenance	3,532
Supplies and postage	12,398
Insurance and Bonds	4,865
Equipment	4,671
Meetings, dues and training	4,453
Other	<u>345</u>
 Total Cash Disbursements	 <u>444,655</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 <u>21,931</u>
 Excess of Cash Receipts Over/(Under) Cash Disbursements	 21,931
 Fund Cash Balances, January 1	 <u>290,309</u>
 Fund Cash Balances, December 31	 <u><u>\$312,240</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	<u>General Fund</u>
Cash Receipts:	
Intergovernmental	\$390,443
Earnings on investments	16,558
Receipts from copies	5,728
Restitution	6,300
Dues and contributions	4,900
Lexis fees	92
Overdue book fines	741
Miscellaneous receipts	<u>729</u>
 Total Cash Receipts	 <u>425,491</u>
Cash Disbursements:	
Subscriptions, journals, and books	283,644
Salaries and Benefits	46,361
Purchased and Contracted Services	7,717
Computers, CD Rom, and network	14,215
Book binding	1,795
Cleaning and maintenance	1,441
Supplies and postage	10,543
Insurance and Bonds	5,115
Equipment	24,972
Meetings, dues and training	3,206
Other	<u>60</u>
 Total Cash Disbursements	 <u>399,069</u>
 Total Cash Receipts Over/(Under) Cash Disbursements	 <u>26,422</u>
 Excess of Cash Receipts Over/(Under) Cash Disbursements	 26,422
 Fund Cash Balances, January 1	 <u>263,887</u>
 Fund Cash Balances, December 31	 <u><u>\$290,309</u></u>

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

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Trumbull Law Library Association, Trumbull County, (the Library) is an association organized as a non-profit organization. County Law Libraries are subject to state laws pertaining to law libraries (Ohio Revised Code Chapter 3375). The Library operates under the direction of a five member board of trustees. The trustees are elected by the members of the Trumbull County Bar Association every January for a term of one year.

Services provided by the Library include legal arguments such as state statutes from the 50 states and the federal government, legal encyclopedias, court rulings and CD-ROM reference data.

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.

C. Cash and Investments

Certificates of deposit, savings and repurchase agreements are valued at cost.

D. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library maintains a General Fund. The General Fund is the general operating fund. It is used to account for all financial resources except those required by law or contract to be restricted.

E. Property, Plant and Equipment

Acquisitions of property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

F. Unpaid Vacation and Sick Leave

Employees are entitled to cash payments for unused vacation and sick leave in certain circumstances, such as upon leaving employment. Unpaid vacation and sick leave are not reflected as liabilities under the cash basis of accounting used by the Library.

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. 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>1999</u>	<u>1998</u>
Demand deposits	\$46,290	\$30,130
Certificates of deposit	211,505	200,855
Total deposits	<u>257,795</u>	<u>230,985</u>
Repurchase Agreements	54,445	59,324
Total investments	<u>54,445</u>	<u>59,324</u>
Total deposits and investments	<u>\$312,240</u>	<u>\$290,309</u>

Deposits: Deposits are either (1) insured by the Federal Depository Insurance Corporation, or (2) collateralized by securities specifically pledged by the financial institution to the Library.

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 also prescribed by the Ohio Revised Code. 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. The Library has paid all contributions required through December 31, 1999.

4. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Employee Dishonesty
- Errors and omissions



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

Trumbull Law Library Association
Trumbull County
120 High Street N.W.
Warren, Ohio 44481

To the Board of Trustees:

We have audited the accompanying financial statements of the Trumbull Law Library Association, Trumbull County, Ohio (the Library), as of and for the years ended December 31, 1998 and 1999, and have issued our report thereon dated April 13, 2000. 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 no instances of noncompliance that are required to be reported under *Government Auditing Standards*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated April 13, 2000.

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 April 13, 2000.

This report is intended for the information and use of the audit committee, 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, appearing to read "Jim Petro", with a large, stylized flourish at the end.

Jim Petro
Auditor of State

April 13, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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LAW LIBRARY ASSOCIATION

TRUMBULL 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 16, 2000**