



**Auditor of State
Betty Montgomery**

**CLEVELAND LAW LIBRARY ASSOCIATION
CUYAHOGA COUNTY**

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Auditor of State Betty Montgomery

INDEPENDENT ACCOUNTANTS' REPORT

Board of Trustees
Cleveland Law Library Association
Cuyahoga County
1 W. Lakeside Avenue
Cleveland, Ohio 44113

We have audited the accompanying financial statement of the general fund of the Cleveland Law Library Association, Cuyahoga County, Ohio, (the Library) as of and for the year ended December 31, 2003. This financial statement is the responsibility of the Library's management. Our responsibility is to express an opinion on this financial statement 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 audits to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 statement 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, this financial statement presents only the general fund and is 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 statement referred to above presents fairly, in all material respects, the fund cash balance of the general fund and reserves for encumbrances of the Cleveland Law Library Association, Cuyahoga County, Ohio, as of December 31, 2003, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

As discussed in Note 2, the Library has restated the beginning balance to present only the public funds.

In accordance with *Government Auditing Standards*, we have also issued our report dated April 23, 2004, 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 audit.

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 23, 2004

**CLEVELAND LAW LIBRARY ASSOCIATION
CUYAHOGA COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003**

	General Fund
Cash Receipts:	
Fines and Forfeitures	\$580,196
Total Cash Receipts	580,196
Cash Disbursements:	
Current:	
Books, Tapes and CD-Rom	531,553
Clevnet	25,056
Westlaw	18,652
Periodicals	1,267
Miscellaneous - Binding	3,538
Total Cash Disbursements	580,066
Total Cash Receipts Over/(Under) Cash Disbursements	130
Public Fund Cash Balance, January 1, 2003, (Restated See Note 2)	0
Public Fund Cash Balance, December 31, 2003	\$130
Reserves for Encumbrances, December 31, 2003	\$130

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

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**CLEVELAND LAW LIBRARY ASSOCIATION
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2003**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Cleveland Law Library Association, Cuyahoga County, Ohio, (the Library) is directed by a board of ten trustees who are elected for three year terms. A vacancy in the office of trustee is filled by appointment by the remaining trustees. 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 Cuyahoga 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 hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Cuyahoga 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 salary 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 Library's management believes this financial statement presents 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 statement does not present private monies.

B. Basis of Accounting

This financial statement follows 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. The Reserve for Encumbrances on the financial statement represents commitments for purchases the Library has made. Encumbrances are recognized when a commitment is made.

This statement includes adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**CLEVELAND LAW LIBRARY ASSOCIATION
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2003
(Continued)**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Fund Accounting

The Library uses fund accounting to segregate cash and investments that are restricted as to use. The Library classifies its fund into the following type:

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.

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 statement. Items purchased which are deemed to be equipment are computers, copiers, fax machines, and other items related toward facilitating the use of the equipment.

E. Budgetary Process

The Library is not required to budget annually; however, under Ohio Revised Code Section 3375.56 the Library is permitted to encumber funds equal to their commitments outstanding at year end. Encumbrances outstanding at year end are carried over to the subsequent year.

2. ACCOUNTING CHANGE

Prior to January 1, 2003, the public and private monies were presented as one fund on the financial statement. Effective January 1, 2003, the Library determined the amounts relating to their Public Monies Fund by providing ledgers and bank account information which identified the public funds to support the balance. The Library utilizes a separate bank account to receipt and disburse all public monies. There were no retained monies funds as of December 31, 2002.

	<u>Public & Private Funds</u>
Fund balance as of December 31, 2002	\$ 287,051
Reclassification of Private Funds	<u>(287,051)</u>
Restated balance for Public Funds as of December 31, 2002	<u>\$ 0</u>

**CLEVELAND LAW LIBRARY ASSOCIATION
CUYAHOGA COUNTY**

**NOTES TO THE FINANCIAL STATEMENT
FOR THE YEAR ENDED DECEMBER 31, 2003
(Continued)**

3. 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:

December 31, 2003

Demand Deposits	<u>\$130</u>
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Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

4. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Vehicles; and
- Errors and omissions.

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Auditor of State Betty Montgomery

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

Board of Trustees
Cleveland Law Library Association
Cuyahoga County
1 W. Lakeside Avenue
Cleveland, Ohio 44113

We have audited the accompanying financial statement of the general fund of the Cleveland Law Library Association, Cuyahoga County, Ohio, (the Library) as of and for the year ended December 31, 2003, and have issued our report thereon dated April 23, 2004, wherein we noted Library has restated the beginning balance to present only the public funds. 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.

Compliance

As part of obtaining reasonable assurance about whether the Library's financial statement is 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 Library's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statement 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 statement 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.

Cleveland Law Library Association
Cuyahoga County
Independent Accountants' Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
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This report is intended for the information and use of management, 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 23, 2004



**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

CLEVELAND LAW LIBRARY ASSOCIATION

CUYAHOGA 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
JUNE 1, 2004**