



**SANDUSKY BAY LAW LIBRARY ASSOCIATION
ERIE COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**SANDUSKY BAY LAW LIBRARY ASSOCIATION
ERIE COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Sandusky Bay Law Library Association
Erie County
323 Columbus Avenue
Sandusky, Ohio 44870-2602

To the Board of Trustees:

We have audited the accompanying financial statements of the Sandusky Bay Law Library Association, Erie County, Ohio, (the Association) as of and for the years ended December 31, 1999 and 1998. 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 audits.

We conducted our audits 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 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Association as of December 31, 1999 and 1998, 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, 2000 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.

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

Jim Petro
Auditor of State

October 16, 2000

**SANDUSKY BAY LAW LIBRARY ASSOCIATION
ERIE COUNTY**

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

	<u>General</u>
Cash Receipts:	
Intergovernmental	\$345,727
Earnings on Investments	16,099
Miscellaneous Receipts	<u>10,991</u>
Total Cash Receipts	<u>372,817</u>
Cash Disbursements:	
Current:	
Salaries and Benefits	49,397
Administration	23,250
Library Services	<u>281,825</u>
Total Cash Disbursements	<u>354,472</u>
Total Cash Receipts Over Cash Disbursements	18,345
Fund Balances, January 1	<u>293,217</u>
Fund Balances, December 31	<u><u>\$311,562</u></u>

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

**SANDUSKY BAY LAW LIBRARY ASSOCIATION
ERIE COUNTY**

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

	<u>General</u>
Cash Receipts:	
Intergovernmental	\$354,187
Earnings on Investments	17,328
Miscellaneous Receipts	<u>12,161</u>
Total Cash Receipts	<u>383,676</u>
Cash Disbursements:	
Current:	
Salaries and Benefits	48,104
Administration	29,711
Library Services	<u>248,633</u>
Total Cash Disbursements	<u>326,448</u>
Total Cash Receipts Over Cash Disbursements	57,228
Fund Balances, January 1	<u>235,989</u>
Fund Balances, December 31	<u><u>\$293,217</u></u>

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

**SANDUSKY BAY LAW LIBRARY ASSOCIATION
ERIE COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Sandusky Bay Law Library Association, Erie County, (the Association) is a body corporate and politic established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Association is an association as defined by § 3375.48 of the Ohio Revised Code. The Association is directed by a seven-member Board of Trustees and furnishes a law library to all of the members of the Ohio general assembly, the county officers and the judges of the several courts in the county.

The Association's management believes these financial statements present all activities for which the Association 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.

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

C. Cash and Investments

Investments are reported as assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Except gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

The investments in federal agency securities are valued at cost. The money market fund is valued at the amount reported by Fifth Third Securities, Incorporated.

D. Fund Accounting

The Association uses fund accounting to segregate cash and investments that are restricted as to use. The Association has only one fund classified as follows:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources.

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.

**SANDUSKY BAY LAW LIBRARY ASSOCIATION
ERIE COUNTY**

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

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 Association.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The carrying amount of cash and investments at December 31 follows:

	<u>1999</u>	<u>1998</u>
Certificates of deposit	<u>\$37,305</u>	<u>\$34,394</u>
Total deposits	<u>37,305</u>	<u>34,394</u>
Money Market Fund	129,382	98,358
Federal Home Loan Mortgage Corporation	25,000	25,000
Federal National Mortgage Association	84,812	100,402
Tennessee Valley Authority	<u>35,063</u>	<u>35,063</u>
Total investments	<u>274,257</u>	<u>258,823</u>
Total deposits and investments	<u><u>\$311,562</u></u>	<u><u>\$293,217</u></u>

Deposits: Deposits are insured by the Federal Depository Insurance Corporation.

Investments: Money market investments are not evidenced by securities that exists in physical or book entry form. Investments in federal agencies or instrumentalities are held by the counterparty or by its trust department but not in the Association's name.

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 Association's PERS members contributed 8.5% of their gross salaries. The Association contributed an amount equal to 13.55% of participants' gross salaries. The Association has paid all contributions required through December 31, 1999.

4. RISK MANAGEMENT

The Association has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Errors and omissions



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

Sandusky Bay Law Library Association
Erie County
323 Columbus Avenue
Sandusky, Ohio 44870-2602

To the Board of Trustees:

We have audited the financial statements of the Sandusky Bay Law Library Association, Erie County, Ohio, (the Association) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated October 16, 2000. We conducted our audits 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 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 audits and, accordingly, we do not express such an opinion. The results of our tests disclosed an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 1999-60522-001. We have also noted certain immaterial instances of noncompliance that we have reported to management of the Association in a separate letter dated October 16, 2000.

Internal Control Over Financial Reporting

In planning and performing our audits, 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. 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 Association in a separate letter dated October 16, 2000.

Sandusky Bay Law Library Association
Erie County
Report of Independent Accountants on Compliance and on
Internal Control Required by *Government Auditing Standards*
Page 2

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

October 16, 2000

**SANDUSKY BAY LAW LIBRARY ASSOCIATION
ERIE COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 1999**

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

FINDING NUMBER 1999-60522-001

Finding for Recovery

On June 18, 1998, the Board of Trustees approved an increase in the salary of Kelly Delvecchio, Administrative Assistant, from \$22,000.00 per year to \$25,000.00 per year retroactive to her hire date. Upon the recalculation of the retroactive pay increase by the Association's bookkeeper, an overpayment of \$300.00 was made to the Administrative Assistant.

In accordance with the foregoing facts, and pursuant to Ohio Revised Code § 117.28, a Finding for Recovery is hereby issued against Kelly Delvecchio, Administrative Assistant for the Sandusky Bay Law Library Association, in the amount of three hundred dollars and no cents (\$300.00), and in favor of the Sandusky Bay Law Library Association's General Fund. The Law Library seeks to correct the situation with deductions of \$150.00 over two pay periods since the error was not the employee's fault.



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SANDUSKY BAY LAW LIBRARY ASSOCIATION

ERIE 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
NOVEMBER 14, 2000**