



**MEDINA COUNTY LAW LIBRARY ASSOCIATION
MEDINA COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

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REPORT OF INDEPENDENT ACCOUNTANTS

Medina County Law Library Association
Medina County
93 Public Square
Medina, Ohio 44256

To the Board of Trustees:

We have audited the accompanying financial statements of the Medina County Law Library Association, Medina County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998. 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 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 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 balance of the Library 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 April 3, 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 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.

Jim Petro
Auditor of State

April 3, 2000

**STATEMENT OF CASH RECEIPTS, CASH DISBURMENTS, AND CHANGES IN
FUND CASH BALANCE - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
Cash Receipts:		
Fines	\$453,741	\$364,170
Earnings on Investments	1,833	1,313
Refunds and Reimbursements	1,819	2,531
Other	<u>3,772</u>	<u>4,409</u>
 Total Cash Receipts	 <u>461,165</u>	 <u>372,423</u>
Cash Disbursements:		
Current:		
Westlaw Research Services	13,088	15,907
Shipping and handling	0	9,780
Service and Repairs	8,557	4,854
Books	274,029	306,440
Office Supplies	2,666	3,288
Salaries and Benefits	43,287	43,343
Purchased and Contract Services	6,009	5,806
Miscellaneous	8,975	4,845
Intergovernmental Refunds	0	12,430
Capital Outlay	<u>4,667</u>	<u>6,378</u>
 Total Cash Disbursements	 <u>361,278</u>	 <u>413,071</u>
 Total Cash Receipts Over Cash Disbursements	 <u>99,887</u>	 <u>(40,648)</u>
 Fund Cash Balance, January 1	 <u>1,782</u>	 <u>42,430</u>
 Fund Cash Balance, December 31	 <u><u>\$101,669</u></u>	 <u><u>\$1,782</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

Medina County Law Library Association, Medina County, Ohio, (the Library) 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 Library operates under the direction of a five member Board of Trustees who are elected by the members of the Medina County Bar Association. Trustees are elected annually and serve without compensation.

The purpose of the Library is to establish and maintain a law library for members of the Ohio General Assembly, Medina County Officials, judges or officers of municipal corporations as provided by law, members of the Library and other such persons as the Trustees may approve.

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.

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

C. Cash and Investments

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 has the following fund type:

General Fund

The General Fund is the general operating fund. It is used to account for all financial resources. If the General Fund has an operating cash surplus, the Library is required to refund ninety percent of the surplus to the treasurers of the contributing subdivisions. This refund is paid in January and is proportional to the amount contributed.

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.

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (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 basis of accounting used by the Library.

2. EQUITY IN POOLED CASH AND INVESTMENTS

The Library maintains a cash and investment pool. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 was as follows:

	<u>1999</u>	<u>1998</u>
Demand deposits	\$26,669	(\$63,218)
Repurchase agreement	<u>75,000</u>	<u>65,000</u>
Total deposits and investments	<u>\$101,669</u>	<u>\$1,782</u>

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

Investments: Nonparticipating investment contracts such as repurchase agreements are reported at cost.

3. LIBRARY FUNDING

The primary source of revenue of the Library is fines, penalties and forfeited bail from municipal and county courts, including common pleas and probate; and fines, penalties, and forfeited bail from cases involving violations of liquor control laws.

The funding method varies for each of the courts and violations as prescribed by Ohio Revised Code Sections 3375.50 through 3375.53.

4. RETIREMENT SYSTEM

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. This plan provides retirement benefits, including postretirement healthcare, and survivor and disability benefits to participants as prescribed by the Ohio Revised Code.

Contribution rates are also prescribed by the Ohio Revised Code. For 1999 and 1998, members of PERS 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.

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

5. RISK MANAGEMENT

The Library 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**

Medina County Law Library Association
Medina County
93 Public Square
Medina, Ohio 44256

To the Board of Trustees:

We have audited the accompanying financial statements of the Medina County Law Library Association, Medina County, Ohio, (the Library) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated April 3, 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 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 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*.

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.

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

Jim Petro
Auditor of State

April 3, 2000



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MEDINA COUNTY LAW LIBRARY ASSOCIATION

MEDINA 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 2, 2000**