



**LORAIN LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 2001 & 2000



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**LORAIN LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Board of Trustees
Lorain Law Library Association
Lorain County
226 Middle Avenue
Elyria, Ohio 44035

We have audited the accompanying financial statements of the Lorain Law Library Association, Lorain County, Ohio, (the Library) as of and for the years ended December 31, 2001 and December 31, 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the combined fund cash balances and reserve for encumbrances of the Lorain Law Library Association, Lorain County, Ohio, as of December 31, 2001 and December 31, 2000, and its combined 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 June 4, 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 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.

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Jim Petro
Auditor of State

June 4, 2002

**LORAIN LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2001**

	Governmental Fund Type
	General
Cash Receipts:	
Intergovernmental	\$547,294
Patrons, Fines and Fees	11,454
Interest	21,945
Other Revenue	294
	580,987
Cash Disbursements:	
Current:	
Books, Tapes and CD-ROM	300,741
Salaries and Benefits	47,201
Supplies and Equipment	37,611
Insurance	1,659
Purchase and Contract Services	18,043
Utilities	7,226
Westlaw	10,051
Travel, Dues and Meeting	6,211
Miscellaneous	1,510
	430,253
Total Cash Disbursements	430,253
Total Receipts Over/(Under) Disbursements	150,734
Other Financing Receipts and (Disbursements):	
10% of Excess Retained by Law Library:	(1,438)
Refunds	(12,941)
	(14,379)
Total Other Financing Receipts/(Disbursements)	(14,379)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	136,355
Fund Cash Balances, January 1	484,145
Fund Cash Balances, December 31	\$620,500
Reserve for Encumbrances, December 31	\$71,000

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

**LORAIN LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

**COMBINED STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
GOVERNMENTAL FUND TYPE
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>Governmental Fund Type</u>
	<u>General</u>
Cash Receipts:	
Intergovernmental	\$576,994
Patrons, Fines and Fees	4,293
Interest	26,476
Other Revenue	1,163
	<hr/>
Total Cash Receipts	608,926
	<hr/>
Cash Disbursements:	
Current:	
Books, Tapes and CD-ROM	323,204
Salaries and Benefits	35,201
Supplies and Equipment	113,755
Insurance	1,496
Purchase and Contract Services	2,284
Utilities	5,239
Westlaw	3,150
Travel, Dues and Meeting	3,134
Miscellaneous	5,890
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Total Cash Disbursements	493,353
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Total Receipts Over/(Under) Disbursements	115,573
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Other Financing Receipts and (Disbursements):	
10% of Excess Retained by Law Library:	(2,672)
Refunds	(18,084)
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Total Other Financing Receipts/(Disbursements)	(20,756)
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Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	94,817
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Fund Cash Balances, January 1	389,328
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Fund Cash Balances, December 31	\$484,145
	<hr/> <hr/>
Reserve for Encumbrances, December 31	\$73,200
	<hr/> <hr/>

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

**LORAIN LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Lorain Law Library Association, Lorain 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 is governed by a five-member Board of Trustees which is elected by the members of the Law Library Association. The Library was formed for the purpose of providing a legal research and resource base to members.

The Library's management believes these financial statements present the public funds activities for which the Library is financially accountable. The Library is also accountable for private funding which is not included in the accompanying financial statements.

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 included in fund cash balances. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

U.S. Treasury Bills 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 only one fund.

The General Fund is the general operating fund. The General Fund balance is available to the Library for any purpose provided it is expended according to the general laws of Ohio.

E. Budgetary Process

The Library is not subject to Ohio budgetary law as it is not a taxing unit.

F. Property, Plant and Equipment

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

**LORAIN LAW LIBRARY ASSOCIATION
LORAIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

G. Accumulated Leave

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused vacation leave. Unpaid vacation leave is not reflected as a liability under the Library's basis of accounting.

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 was as follows:

	<u>2001</u>	<u>2000</u>
Demand deposits	\$451,040	\$322,777
U.S. Treasury Bills	169,460	161,368
Total deposits and investments	<u>\$620,500</u>	<u>\$484,145</u>

Deposits: Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by the financial institution's public entity deposit pool.

Investments: U.S. Treasury Bills are held in book-entry form by the Federal Reserve, in the name of the Library's financial institution. The financial institution maintains records identifying the Library as owner of these securities.

3. RETIREMENT SYSTEM

The Library's employees belong to the Public Employees Retirement System (PERS) of Ohio. PERS is a cost-sharing, multiple-employer plan. The 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 December 31, 2001 and December 31, 2000, 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.

4. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

- Property and general liability;
- Inland Marine; and
- Crime.



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

Board of Trustees
Lorain Law Library Association
Lorain County
226 Middle Avenue
Elyria, Ohio 44035

We have audited the accompanying financial statements of the Lorain Law Library Association, Lorain County, Ohio, (the Library) as of and for the years ended December 31, 2001 and December 31, 2000, and have issued our report thereon dated June 4, 2002. 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 certain immaterial instances of noncompliance that we have reported to management of the Library in a separate letter dated June 4, 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 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 Library in a separate letter dated June 4, 2002.

Lorain Law Library Association
Lorain County
Report on Compliance and on Internal Control
Required by *Government Auditing Standards*
Page 2

This report is intended solely for the information and use of the audit committee, management, and 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, appearing to read "Jim Petro". The signature is stylized with a large, looping initial "J" and a cursive "Petro".

Jim Petro
Auditor of State

June 4, 2002



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LORAIN LAW LIBRARY ASSOCIATION

LORAIN 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
JULY 18, 2002**