

AKRON LAW LIBRARY ASSOCIATION
FINANCIAL STATEMENTS
YEARS ENDED DECEMBER 31, 2003 AND 2002

This audit report is subject to review and acceptance by the Auditor of State's office, and the requirements of ORC 117.25 are not met until the Auditor of State certifies this report. This process takes approximately two weeks and reports are subject to change if the Auditor of State determines that modification of a report is necessary to comply with required accounting or auditing standards.



**Auditor of State
Betty Montgomery**

Board of Trustees
Akron Law Library Association
209 South High Street - 4th Floor
Akron, Ohio 44308-1675

We have reviewed the Independent Auditor's Report of the Akron Law Library Association, Summit County, prepared by Brott Mardis & Co., for the audit period January 1, 2002 to December 31, 2003. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Akron Law Library Association is responsible for compliance with these laws and regulations.

A handwritten signature in cursive script that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

July 13, 2004

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**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

TABLE OF CONTENTS

<u>TITLE</u>	<u>PAGE</u>
INDEPENDENT AUDITOR'S REPORT	1-2
FINANCIAL STATEMENTS	
Statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances – General Fund For the Years Ended December 31, 2003 and 2002	3
Notes to the Financial Statements	4-6
SUPPLEMENTAL DATA	
REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	7-8

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BROTT MARDIS & CO.

Certified Public Accountants

106 South Main St., Suite 1306, Akron, Ohio 44308-1418
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INDEPENDENT AUDITOR'S REPORT

Akron Law Library Association
Summit County
209 South High Street – 4th Floor
Summit County Courthouse
Akron, Ohio 44308-1675

To the Board of Trustees:

We have audited the accompanying statement of cash receipts, cash disbursements and changes in fund cash balances – all governmental fund types of the Akron Law Library Association, Summit County, Ohio, as of and for the years ended December 31, 2003 and 2002. 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 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 audits provide a reasonable basis for our opinion.

As we 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Library's general fund as of December 31, 2003 and 2002, and its cash receipts and disbursements for the year then ended on the basis of accounting described in Note 1.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 25, 2004 on our consideration of the Library's internal control over financial reporting and our test 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 officials authorized to receive this report under Section 117.26, Ohio Revised Code, and federal awarding agencies, and is not intended to be and should not be used by anyone other than these specified parties.

Boett Mardis & Co.
Certified Public Accountants
May 25, 2004

AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY

STATEMENTS OF CASH RECEIPTS, CASH DISBURSEMENTS,
AND CHANGES IN FUND CASH BALANCES
GENERAL FUND

FOR THE YEARS ENDED DECEMBER 31, 2003 AND 2002

	General Fund	
	2003	2002
Cash Receipts:		
Traffic fines	\$ 542,727	\$ 480,690
Photocopy Income	-	14,490
Computer Income	-	176
Miscellaneous Income	48	2,509
Private Funds	4,680	24,762
	<hr/>	<hr/>
Total cash receipts	547,455	522,627
Cash Disbursements:		
Salaries and benefits	99,556	110,007
Binding	1,808	2,356
Continuations	400,776	323,723
Books	8,364	16,180
Telephone	654	595
Photocopy services and supplies	-	8,592
Computer services and supplies	2,349	23,531
Library and office supplies	7,768	8,906
Postage	2,110	1,488
Life and medical insurance expense	19,046	18,645
Conference expense	509	359
Liability insurance	3,399	3,326
Petty cash fund expense	-	29
Miscellaneous expense	2,050	4,853
	<hr/>	<hr/>
Total cash disbursements	548,389	522,590
Total Cash Receipts (Under) Over Cash Disbursements	(934)	37
General Fund Cash Balances, January 1	<hr/> 5,166	<hr/> 5,129
General Fund Cash Balances, December 31	<hr/> \$ 4,232	<hr/> \$ 5,166

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

**AKRON LAW LIBRARY ASSOCIATION
SUMMIT COUNTY**

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2003 AND 2002

1. **SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

A. **Description of the Entity**

The Akron Law Library Association, Summit County, (the Library) is directed by a board of eleven trustees who are elected annually by its membership. The Library provides reference material and other sources of multi-media to its members.

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 law books; 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 Summit County Council is required by ORC Section 3375.49 to provide adequate facilities for the Library. The County is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees may hire a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Summit 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 salaries 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 County pays the librarian and assistant salaries.

The Library's management believes these financial statements present 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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES(Continued)

A. Description of the Entity (Continued)

Fees collected for the use of books and copiers should remain private, even though the books and copiers may have been purchased with public funds. The Library's current policy is to record fees collected in connection with copier and computer usage consistent with State guidelines. Private monies can be disbursed at the discretion of the Library. With the exception of the user charges above, the accompanying financial statements do not present private monies.

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 receipt and disbursement basis of accounting. Receipts are recognized when received in cash rather than when earned, and disbursements are recognized when paid rather than when incurred.

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

C. Cash

All Library cash is maintained in demand deposit accounts.

D. Fund Accounting

The Library uses fund accounting. 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.

Retained monies are monies retained by the Library under Ohio Revised Code Section 3375.56, which are to be maintained in a separate fund. At the end of each calendar year the Library is permitted under law to retain up to 10% of their unencumbered balance. At December 31, 2003 and 2002, the Library had no retained monies.

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

F. Unpaid Vacation and Sick Leave

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

2. CASH

The Library maintains general operating and payroll checking accounts. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash at December 31 follows:

	<u>2003</u>	<u>2002</u>
Total deposits	\$4,232	\$5,166

Deposits are insured by the Federal Depository Insurance Corporation.

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. 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. 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, 2003.

4. RISK MANAGEMENT

The Library has obtained commercial insurance for the following risks:

- General liability
- Director and Officer's liability
- Crime coverage
- Employee benefits liability

5. RELATED PARTY TRANSACTIONS

During the years ended December 31, 2003 and 2002, the "Private Fund" transferred \$4,680 and \$24,762, respectively, to the Library's General Fund to supplement public funds received.

6. LEASE

The Akron Law Library Association leased a digital copy machine under an operating lease, which required monthly payments of \$618.74 through July 31, 2006. During the year ended 2003, the Board of Trustees approved the transfer of this lease to the Private Fund. Lease expense was \$7,425 for the year ended December 31, 2002.

SUPPLEMENTAL DATA

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BROTT MARDIS & CO.

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REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE
WITH *GOVERNMENT AUDITING STANDARDS*

Akron Law Library Association
Summit County
209 South High Street – 4th Floor
Summit County Courthouse
Akron, Ohio 44308-1675

To the Board of Trustees:

We have audited the financial statements of the Akron Law Library Association (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated May 25, 2004, wherein we indicated the financial statements only include the general fund. 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 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*.

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.

This report is intended solely for the information and use of management, the Board of Trustees, federal awarding agencies and pass-through entities, and is not intended to be and should not be used by anyone other than these specified parties.

Blott Mardis & Co
Certified Public Accountants
May 25, 2004



**Auditor of State
Betty Montgomery**

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AKRON LAW LIBRARY ASSOCIATION

SUMMIT 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 27 2004**