



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**COLUMBUS LAW LIBRARY ASSOCIATION
FRANKLIN COUNTY**

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STATE OF OHIO
OFFICE OF THE AUDITOR

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REPORT OF INDEPENDENT ACCOUNTANTS

Columbus Law Library Association
Franklin County
369 South High Street
Columbus, Ohio 43215

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbus Law Library Association, Franklin 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 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 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 audit provides 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 balances and reserves for encumbrances, of the Library 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.

As discussed in Note 2, the Library has included activity associated with the Retained Monies Fund.

In accordance with *Government Auditing Standards*, we have also issued our report dated October 11, 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 audit.

This report is intended solely for the information and use of the audit committee, management, 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", written in a cursive style.

JIM PETRO
Auditor of State

October 11, 2002

**COLUMBUS LAW LIBRARY ASSOCIATION
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$ 1,331,161	\$0	\$ 1,331,161
Interest	22,884	0	22,884
Miscellaneous Receipts	21,604	0	21,604
	<hr/>	<hr/>	<hr/>
Total Cash Receipts	1,375,649	0	1,375,649
	<hr/>	<hr/>	<hr/>
Cash Disbursements:			
Personnel	349,262	0	349,262
Publications	811,127	0	811,127
Equipment	107,640	0	107,640
Supplies and Materials	54,493	0	54,493
Miscellaneous	21,085	0	21,085
	<hr/>	<hr/>	<hr/>
Total Cash Disbursements	1,343,607	0	1,343,607
	<hr/>	<hr/>	<hr/>
Total Cash Receipts Over/(Under) Cash Disbursements	32,042	0	32,042
	<hr/>	<hr/>	<hr/>
Other Financing Receipts/(Disbursements):			
Private Monies Remitted to Retained Funds	(28,379)	28,379	0
	<hr/>	<hr/>	<hr/>
Total Other Financing Receipts/(Disbursements)	(28,379)	28,379	0
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	3,663	28,379	32,042
	<hr/>	<hr/>	<hr/>
Public Fund Cash Balances, January 1 - See Note 2	17,934	564,543	582,477
	<hr/>	<hr/>	<hr/>
Public Fund Cash Balances, December 31	\$21,597	\$592,922	\$614,519
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>
Reserves for Encumbrances, December 31	\$21,597	\$0	\$21,597
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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

**COLUMBUS LAW LIBRARY ASSOCIATION
FRANKLIN COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN FUND CASH BALANCES
ALL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2000**

	<u>General Fund</u>	<u>Retained Monies Fund</u>	<u>Totals (Memorandum Only)</u>
Cash Receipts:			
Fine and Forfeitures	\$1,004,121	\$0	\$1,004,121
Interest	36,111	0	36,111
Miscellaneous Receipts	23,448	0	23,448
Total Cash Receipts	<u>1,063,680</u>	<u>0</u>	<u>1,063,680</u>
Cash Disbursements:			
Personnel	297,970	0	297,970
Publications	551,221	0	551,221
Equipment	74,106	0	74,106
Supplies and Materials	40,365	0	40,365
Miscellaneous	40,087	0	40,087
Total Cash Disbursements	<u>1,003,749</u>	<u>0</u>	<u>1,003,749</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>59,931</u>	<u>0</u>	<u>59,931</u>
Other Financing Receipts/(Disbursements):			
Private Monies Remitted to Retained Funds	(41,997)	41,997	0
Total Other Financing Receipts/(Disbursements)	<u>(41,997)</u>	<u>41,997</u>	<u>0</u>
Excess (Deficiency) of Cash Receipts and Other Financing Receipts Over (Under) Cash Disbursements and Other Financing Disbursements	17,934	41,997	59,931
Public Fund Cash Balances, January 1 - See Note 2	<u>0</u>	<u>522,546</u>	<u>522,546</u>
Public Fund Cash Balances, December 31	<u>\$17,934</u>	<u>\$564,543</u>	<u>\$582,477</u>
Reserves for Encumbrances, December 31	<u>\$17,934</u>	<u>\$0</u>	<u>\$17,934</u>

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

**COLUMBUS LAW LIBRARY ASSOCIATION
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Franklin County Law Library (the Library) is directed by a board of ten trustees who are elected by members of the Board of Governors Bar Association. 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 Franklin 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 hires a librarian. The Judges of the Court of Common Pleas of Franklin County fix the compensation of the librarian 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 should be paid from the county treasury. If the conditions above are not met, then the salary of the librarian should be paid by the Library.

The Library's management believes these financial statements present all funds for which the Library is financially accountable. The accompanying financial statements also include private monies, see note 1D.

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

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.

Certificates of deposit and U.S. Treasury Notes are valued at cost. Money market mutual funds are recorded at share values reported by the mutual fund.

**COLUMBUS LAW LIBRARY ASSOCIATION
FRANKLIN COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

D. Fund Accounting

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

1. 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.

2. Retained Monies Fund

Retained Monies Fund consists of monies retained by the Library under Ohio Revised Code § 3375.56. At the end of each calendar year the Library is permitted under law to retain up to ten percent of their unencumbered balance. See Note 2 for additional information.

3. Private Monies

Some funds the Library receives 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. The Library can disburse private monies at its discretion. Private monies activity is recorded in the General Fund and at year end the balance is remitted to the Retained Monies Fund.

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.

F. 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.

G. Total Columns on Financial Statements

Total columns on the financial statements are captioned (Memorandum Only) to indicate that they are presented only to facilitate financial analysis. Data in these columns do not present financial position, or results of operations in conformity with the basis of accounting described above. Neither is such data comparable to a consolidation. Interfund eliminations have not been made in the aggregation of this data.

**COLUMBUS LAW LIBRARY ASSOCIATION
FRANKLIN COUNTY**

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

2. ACCOUNTING CHANGE

The Library is not able to determine the Retained Monies Fund amount. Therefore, the Retained Monies Fund in the accompanying financial statements includes both retained monies and private monies. The Private Monies balance will be reported with the Retained Monies Fund until the Library is able to support the Retained Monies portion.

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:

	2001	2000
Demand deposits	\$27,320	\$74,814
Savings Accounts	\$85,486	\$38,152
Certificates of deposit	244,306	260,447
Total deposits	357,112	373,413
U.S. Treasury Notes and Securities	127,009	128,690
Equity Funds	42,517	0
Repurchase agreement	87,881	80,374
Total investments	257,407	209,064
Total deposits and investments	\$614,519	\$582,477

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

Investments: U.S. Treasury Notes and Securities are held in book-entry form by the Federal Reserve, in the name of the Library's financial institution and Legg Mason Wood Walker, Incorporated. The financial institution maintains records identifying the Library as owner of these securities.

The Library's financial institution transfers the securities to the Library's agent to collateralize repurchase agreements. The securities are not in the Library's name.

Equity securities are held in book entry form by a financial institution's trust department in the Library's name.

4. 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 Library's PERS members contributed 8.5% of their gross salaries. The Library contributed an amount equal to 13.55% of participant gross salaries. The Library has paid all contributions required through December 31, 2001.

**COLUMBUS LAW LIBRARY ASSOCIATION
FRANKLIN COUNTY**

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

5. RISK MANAGEMENT

Commercial Insurance

The Library has obtained commercial insurance for the following risks:

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

The Library also provides health insurance to full-time employees through a private carrier.



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

Columbus Law Library Association
Franklin County
369 South High Street
Columbus, Ohio 43215

To the Board of Trustees:

We have audited the accompanying financial statements of the Columbus Law Library Association, Franklin 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 October 11, 2002, wherein we noted the Library has included the retained monies fund for the first time. 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. 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 October 11, 2002.

Columbus Law Library Association
Franklin County
Report of Independent Accountants 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 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

October 11, 2002



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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COLUMBUS LAW LIBRARY ASSOCIATION

FRANKLIN 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 12, 2002**