



**LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 2000 - 1999**



**JIM PETRO**  
**AUDITOR OF STATE**  

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**STATE OF OHIO**



LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY

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**REPORT OF INDEPENDENT ACCOUNTANTS**

Law Library Association  
Muskingum County  
401 Main Street  
Zanesville, Ohio 43701

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Muskingum County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999. 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 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 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 cash balance of the Law Library Association, Muskingum County, as of December 31, 2000 and 1999, 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 March 15, 2001 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.

**Jim Petro**  
Auditor of State

March 15, 2001

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**LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 2000**

<b>Cash Receipts:</b>	
Fines	\$183,037
Interest	21,142
Miscellaneous Receipts	<u>70</u>
Total Cash Receipts	<u>204,249</u>
<b>Cash Disbursements:</b>	
Contracted Services	9,953
Equipment	16,666
Books and Periodicals	148,026
Supplies	312
Personal Services	7,623
Miscellaneous Disbursements	<u>2,907</u>
Total Cash Disbursements	<u>185,487</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	18,762
Fund Cash Balances, January 1	<u>315,520</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$334,282</u></u></b>

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

**LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 1999**

<b>Cash Receipts:</b>	
Fines	\$185,469
Interest	16,117
Miscellaneous Receipts	<u>7,928</u>
Total Cash Receipts	<u>209,514</u>
<b>Cash Disbursements:</b>	
Contracted Services	1,664
Equipment	27,188
Books and Periodicals	153,404
Supplies	1,086
Personal Services	8,447
Miscellaneous Disbursements	<u>2,636</u>
Total Cash Disbursements	<u>194,425</u>
Excess of Cash Receipts Over/(Under) Cash Disbursements	15,089
Fund Cash Balances, January 1	<u>300,431</u>
<b>Fund Cash Balances, December 31</b>	<b><u><u>\$315,520</u></u></b>

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



**LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Law Library Association, Muskingum County, (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 directed by an appointed five-member Board of Trustees. The Library provides general governmental law library services.

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**

Certificates of deposit are valued at cost.

**D. 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.

**E. 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 Library. The Muskingum County Auditor processes Library employees' payroll and maintains leave records and balances.

**2. CASH AND INVESTMENTS**

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments at December 31 follows:

	<u>2000</u>	<u>1999</u>
Demand deposits	\$0	\$3
Certificates of deposit	<u>334,282</u>	<u>315,517</u>
Total deposits and investments	<u>\$334,282</u>	<u>\$315,520</u>

**LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**2. CASH AND INVESTMENTS (Continued)**

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

**3. RESTRICTED FUNDS**

Pursuant to the Ohio Revised Code, the Law Library Association receives portions of fines collected in the Zanesville Municipal Court and the Muskingum County Courts. Expenditure of these fines is restricted to certain costs of operating the Library and, in accordance with Ohio Rev. Code Section 3375.56, not less than 90% of any unexpended balance of these fines shall be refunded proportionately to the treasurers of the political subdivision from which such balance was received. As disclosed below, cash disbursements of the Library exceeded fines received by the Library and, therefore, there was no unexpended balance subject to refund.

	<u>2000</u>	<u>1999</u>
Total Cash Receipts (Fines)	\$183,037	\$185,469
Cash Disbursements:		
Books and Periodicals	148,026	153,404
Contracted Services	9,953	1,664
Personal Services	7,623	8,447
Miscellaneous	2,907	2,636
Equipment	16,666	27,188
Supplies	312	1,086
Total Cash Disbursements	\$185,487	\$194,425
Balance of Restricted Funds Subject to Refund	\$0	\$0

**4. RETIREMENT SYSTEM**

Muskingum County employees perform service for the Law Library and one employee is reimbursed from Law Library funds. Muskingum County employees belong to the Public Employees Retirement System (PERS) 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.

**LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2000 AND 1999  
(Continued)**

**4. RETIREMENT SYSTEM (Continued)**

Contribution rates are also prescribed by the Ohio Revised Code. The County's PERS members contributed 8.5% of their gross salaries. The County contributed an amount equal to 10.84% and 13.55% for 2000 and 1999, respectively, of participants' gross salaries. The County has paid all contributions required through December 31, 2000.

**5. RISK MANAGEMENT**

The Library is covered by Muskingum County's comprehensive property and general liability coverage. Muskingum County is a member of the CORSA Insurance Pool (the Pool). The Pool assumes the risk of loss up to the limits of Muskingum County's policy. The Pool may assess supplemental premiums. General liability and casualty coverage are provided by the Pool.

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

Law Library Association  
Muskingum County  
401 Main Street  
Zanesville, Ohio 43701

To the Board of Trustees:

We have audited the accompanying financial statements of the Law Library Association, Muskingum County, Ohio (the Library), as of and for the years ended December 31, 2000 and 1999, and have issued our report thereon dated March 15, 2001. We conducted our audit 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 and 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. However, we noted a matter involving the internal control over financial reporting and its operation that we consider to be a reportable condition. Reportable conditions involve matters coming to our attention relating to significant deficiencies in the design or operation of the internal control over financial reporting that, in our judgment, could adversely affect the Library's ability to record, process, summarize and report financial data consistent with the assertions of management in the financial statements. A reportable condition is described in the accompanying Schedule of Findings as item 2000-61060-001.

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. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control that might be reportable conditions and, accordingly, would not necessarily disclose all reportable conditions that are also considered to be material weaknesses. However, we believe the reportable condition described above is not a material weakness.

Law Library Association  
Muskingum 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 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

March 15, 2001

**LAW LIBRARY ASSOCIATION  
MUSKINGUM COUNTY**

**SCHEDULE OF FINDINGS  
DECEMBER 31, 2000 AND 1999**

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

<b>Finding Number</b>	<b>2000-61060-001</b>
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**Interest Revenue Transactions**

For the year ended December 31, 2000, we determined the interest earned on certificates of deposit was not recorded in the financial statements of the Law Library Association. In addition, book balances were not reconciled on a monthly basis to the total of all depository balances, including certificates of deposit and interest earned. As a result, interest earnings and cash balances were understated on the Library's monthly financial statements.

We recommend the Library's fiscal officer record interest earnings in a timely manner and reconcile monthly the book balance to the total of all depository balances, including certificates of deposit. A complete reconciliation could then be presented to management to assist in managing the Library's operations. Adjustments with which the Library's management agree have been made to accurately reflect the Library's financial activity and balances.







STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**LAW LIBRARY ASSOCIATION**

**MUSKINGUM 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 10, 2001**