



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

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REPORT OF INDEPENDENT ACCOUNTANTS

Toledo Law Association
Lucas County
905 Jackson Street
Toledo, Ohio 43624-1546

To the Board of Trustees:

We have audited the accompanying financial statements of the general fund of the Toledo Law Association (the Law Association) as of and for the years ended December 31, 2001 and 2000. These financial statements are the responsibility of the Law Association'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 Law Association 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. Also, the financial statements present only the general fund and are not intended to present fairly the financial position and results of operations of the Law Association in conformity with the basis of accounting as described in Note 1.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances of the Law Association's general fund as of December 31, 2001 and 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 November 22, 2002 on our consideration of the Law Association'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.

Toledo Law Association
Lucas County
Report of Independent Accountants
Page 2

This report is intended solely for the information and use of 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". The signature is stylized with a large, looping initial "J" and a long, sweeping underline.

Jim Petro
Auditor of State

November 22, 2002

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

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

	General Fund
Cash Receipts:	
Fine and forfeitures	\$390,760
Miscellaneous receipts	3,419
	<hr/>
Total Cash Receipts	394,179
	<hr/>
Cash Disbursements:	
Law Library - books	306,449
Law Library - periodicals	7,926
CD-ROM	5,381
On line resources	41,796
Audio/video	3,554
Taxes	5,296
Office administration	12,684
Binary	1,651
Professional expenses	264
Capital outlay	8,113
Miscellaneous	1,065
	<hr/>
Total Cash Disbursements	394,179
	<hr/>
Total Cash Receipts Over Cash Disbursements	
Public Fund Cash Balances, January 1	<hr/>
Public Fund Cash Balances, December 31	<hr/> <hr/>

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

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

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

	<u>General Fund</u>
Cash Receipts:	
Fine and forfeitures	\$408,683
Miscellaneous receipts	<u>4,595</u>
Total Cash Receipts	<u>413,278</u>
Cash Disbursements:	
Law Library - books	332,333
Law Library - periodicals	8,722
CD-ROM	5,297
On line resources	30,422
Taxes	6,365
Office administration	13,255
Binary	782
Professional expenses	1,607
Capital outlay	13,062
Miscellaneous	<u>1,433</u>
Total Cash Disbursements	<u>413,278</u>
Total Cash Receipts Over Cash Disbursements	
Public Fund Cash Balances, January 1 - See Note 2 (if applicable)	<u> </u>
Public Fund Cash Balances, December 31	<u><u> </u></u>

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

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

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

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

The Toledo Law Association (the Law Association) is directed by a board of eleven trustees who are elected for a three-year term by members of the Lucas County Bar Association. The Law Association provides free access for all county officers and the judges of the several courts within the county.

The Law Association operates by receiving a portion of fine and forfeiture monies from the courts (and any associated interest) under Ohio Revised Code (ORC) §§ 3375.50 to .53, inclusive. The Law Association is permitted to expend funds under ORC § 3375.54. The funds of the Law Association 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 Lucas County Commissioners are required by ORC § 3375.49 to provide adequate facilities for the Law Association. The Board of County Commissioners is required to provide suitable bookcases, heating and lighting for the rooms.

The Board of Trustees hires a librarian and not more than two assistant law librarians. The Judges of the Court of Common Pleas of Lucas County fix the compensation of the librarian and up to two assistant librarians pursuant to ORC § 3375.48. If the Law Association provides free access to all county officers and the judges of the several courts, the salary 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 Law Association.

The Law Association's management believes these financial statements present all public funds for which the Law Association is financially accountable.

Some funds received by the Law Association 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. Private monies can be disbursed at the discretion of the Law Association. 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 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.

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

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

C. Cash and Investments

The Law Association has no investments.

D. Fund Accounting

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

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.

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.

2. EQUITY IN POOLED CASH

The Law Association maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits. The carrying amount of cash was \$0 as of December 31, 2001 and 2000.

3. RISK MANAGEMENT

Commercial Insurance

The Toledo Law Association has obtained commercial insurance for the following risks:

- Comprehensive property and general liability;
- Additional Commercial Umbrella coverage; and
- Director and Officer Liability.



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

Toledo Law Association
Lucas County
905 Jackson Street
Toledo, Ohio 43624-1546

To the Board of Trustees:

We have audited the accompanying financial statements of the Toledo Law Association (the Law Association) as of and for the years ended December 31, 2001 and 2000, and have issued our report thereon dated November 22, 2002, 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 Law Association'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 an instance of noncompliance that is required to be reported under *Government Auditing Standards* which is described in the accompanying schedule of findings as item 2001-60148-001. We also noted an immaterial instance of noncompliance that we have reported to management of the Law Association in a separate letter dated November 22, 2002.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Law Association'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 a matter involving the internal control over financial reporting that does not require inclusion in this report, that we have reported to management of the Law Association in a separate letter dated November 22, 2002.

Toledo Law Association
Lucas 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 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 horizontal line extending to the right.

Jim Petro
Auditor of State

November 22, 2002

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

**SCHEDULE OF FINDINGS
DECEMBER 31, 2001 AND 2000**

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

FINDING NUMBER 2001-60148-001

Finding for Recovery - Repaid Under Audit

Ohio Revised Code § 117.28 requires audit reports to set forth all instances of public money which has been illegally expended.

The Toledo Law Association was billed three times for a documentation fee by a vendor, De Lange Landen. The Law Association paid this fee all three times resulting in an overpayment of \$109.80 to De Lange Landen.

In accordance with the forgoing facts a finding for recovery is hereby returned against De Lange Landen, in the amount of \$109.80, in favor of the Law Association.

De Lange Landen issued a refund check in the amount of \$109.80 to the Toledo Law Association.



STATE OF OHIO
OFFICE OF THE AUDITOR

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TOLEDO LAW ASSOCIATION

LUCAS 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
DECEMBER 23, 2002**