



**Auditor of State
Betty Montgomery**

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

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**Auditor of State
Betty Montgomery**

INDEPENDENT ACCOUNTANTS' REPORT

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, Lucas County, (the Law Association) as of and for the years ended December 31, 2003 and 2002. 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, 2003 and 2002, 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 October 28, 2004 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.

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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

Betty Montgomery
Auditor of State

October 28, 2004

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2003

	General Fund
Cash Receipts:	
Fine and Forfeitures	\$ 409,642
Miscellaneous Receipts	2,871
	412,513
Cash Disbursements:	
Law Library - books	296,926
Law Library - periodicals	7,726
CD-ROM	649
On line resources	80,005
Audio/video	675
Office administration	15,332
Bindery	2,193
Professional expenses	712
Capital outlay	6,472
Miscellaneous	1,823
	412,513
Total Cash Receipts Over Cash Disbursements	-
Public Fund Cash Balances, January 1	-
Public Fund Cash Balances, December 31	\$ -

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 CASH BALANCES
ALL PUBLIC FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2002

	General Fund
Cash Receipts:	
Fine and Forfeitures	\$ 448,985
Miscellaneous Receipts	10,755
	459,740
Cash Disbursements:	
Law Library - books	328,451
Law Library - periodicals	7,405
CD-ROM	4,607
On line resources	83,589
Audio/video	699
Taxes	3,796
Office administration	15,468
Bindery	2,233
Professional expenses	1,891
Capital outlay	10,341
Miscellaneous	1,260
	459,740
Total Cash Receipts Over Cash Disbursements	-
Public Fund Cash Balances, January 1	-
Public Fund Cash Balances, December 31	\$ -

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, 2003 AND 2002**

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 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 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 Library 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.

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)

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. 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.

D. 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, 2003 and 2002.

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2003 AND 2002
(Continued)**

3. RISK MANAGEMENT

Commercial Insurance

The 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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**Auditor of State
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT 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, Lucas County, (the Law Association) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated October 28, 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 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 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 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.

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.



Betty Montgomery
Auditor of State

October 28, 2004

**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS
FISCAL YEAR END DECEMBER 31, 2003**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <i>Explain:</i>
2001-001	ORC § 117.28 public money illegally expended	Yes	



**Auditor of State
Betty Montgomery**

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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
NOVEMBER 18, 2004**