



**TOLEDO LAW ASSOCIATION
LUCAS COUNTY**

REGULAR AUDIT

FOR THE YEARS ENDED DECEMBER 31, 1999-1998



JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

**TOLEDO LAW ASSOCIATION
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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 Toledo Law Association, Lucas County, Ohio, (the Law Association) as of and for the years ended December 31, 1999 and 1998. 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 audits 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 audits 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash balances of the Law Association as of December 31, 1999 and 1998, 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 May 25, 2000 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.

This report is intended solely for the information and use of management, the 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

May 25, 2000

**TOLEDO LAW ASSOCIATION
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1999**

	General
Cash receipts:	
Intergovernmental	\$385,500
Miscellaneous receipts	10,140
Total cash receipts	395,640
Cash disbursements:	
Law Library - books	330,730
Law Library - periodicals	7,954
CD-ROM	1,379
On line resources	12,937
Audio/video	315
Taxes	6,116
Workers compensation	330
Office administration	10,661
Binary	1,785
Professional expenses	1,392
Capital outlay	20,574
Miscellaneous	1,467
Total cash disbursements	395,640
Total cash receipts over cash disbursements	_____
Cash balances, January 1	_____
Cash balances, December 31	_____

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

**TOLEDO LAW ASSOCIATION
STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND
CHANGES IN CASH BALANCES - GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 1998**

	General
Cash receipts:	
Intergovernmental	\$390,342
Miscellaneous receipts	10,419
Total cash receipts	400,761
Cash disbursements:	
Law Library - books	338,759
Law Library - periodicals	8,198
CD-ROM	16,113
On line resources	2,878
Audio/video	585
Taxes	5,919
Workers compensation	178
Office administration	15,319
Binary	1,474
Professional expenses	1,502
Capital outlay	8,508
Miscellaneous	1,328
Total cash disbursements	400,761
Total cash receipts over cash disbursements	_____
Cash balances, January 1	_____
Cash balances, December 31	_____

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

**TOLEDO LAW ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998**

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Entity

Toledo Law Association, Lucas County, (the Law Association) is a not-for-profit corporation organized under the laws of Ohio in 1870 for the purpose of providing legal research materials to the legal community. For many years the Law Association has served as the county law library for Lucas County, pursuant to Ohio Revised Code Section 3375.48 et seq., and today provides legal research services to judges and government officials of the United States, State of Ohio, Lucas County, and the municipalities within Lucas County. The Law Association is governed by a Board of Trustees. The Board is composed of eight members elected by the Association's shareholders, the Second Vice-President and Third Vice-President of the Toledo Bar association, and the Law Librarian serves as Secretary to the Board.

The Law Association's management believes these financial statements present all activities for which the Law Association 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

All Law Association funds are maintained as demand deposits.

D. Fund Accounting

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 property, plant and equipment are recorded as capital outlay disbursements when paid. These items are not reflected as assets on the accompanying financial statements.

F. 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 basis of accounting used by the Law Association.

**TOLEDO LAW ASSOCIATION
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 1999 AND 1998
(Continued)**

2. EQUITY IN CASH

The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of cash and investments was \$0 as of December 31, 1999 and 1998.

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

3. 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 Law Association's PERS members contributed 8.5% of their gross salaries. The Law Association contributed an amount equal to 13.55% of participants' gross salaries. The Law Association has paid all contributions required through December 31, 1999.

4. RISK MANAGEMENT

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

- Comprehensive property and general liability
- Errors and omissions



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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, Lucas County, Ohio, (the Law Association) as of and for the years ended December 31, 1999 and 1998, and have issued our report thereon dated May 25, 2000. We conducted our audits 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 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 audits 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 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 May 25, 2000.

This report is intended for the information and use of management and the 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 fluid and cursive, with a large loop at the end.

Jim Petro
Auditor of State

May 25, 2000



STATE OF OHIO
OFFICE OF THE AUDITOR

JIM PETRO, AUDITOR OF STATE

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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
JUNE 27, 2000**