



**Auditor of State  
Betty Montgomery**



**DAYTON LAW LIBRARY ASSOCIATION  
MONTGOMERY COUNTY**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Dayton Law Library Association  
Montgomery County  
Montgomery County Courts Building  
41 North Perry Street  
P.O. Box 972  
Dayton, Ohio 45422-2490

To the Board of Trustees:

We have audited the accompanying financial statements of the general (fines) fund of the Dayton Law Library Association, Montgomery County, Ohio, (the Library), as of and for the years ended December 31, 2003 and 2002. 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. Also, the financial statements present only the general (fines) fund and are not intended to present fairly the financial position and results of operations of the Library 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 Library's general (fines) fund as of December 31, 2003 and 2002, 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 July 20, 2004, 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.

Dayton Law Library Association  
Montgomery County  
Independent Accountants' Report  
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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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 20, 2004

**DAYTON LAW LIBRARY ASSOCIATION  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
PUBLIC FUND  
FOR THE YEAR ENDED DECEMBER 31, 2003**

	<b>General Fund</b>
<b>Cash Receipts:</b>	
Fine and Forfeitures	\$657,927
Interest	997
Miscellaneous Receipts	4,277
Total Cash Receipts	663,201
<b>Cash Disbursements:</b>	
Supplies and Materials	666,813
Salaries and Benefits	148,397
Other Disbursements	44,342
Total Cash Disbursements	859,552
Total Cash Receipts (Under) Cash Disbursements	(196,351)
<b>Other Financing Receipts:</b>	
Loans from the Association Fund	200,000
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	3,649
Public Fund Cash Balance, January 1	8,348
<b>Public Fund Cash Balance, December 31</b>	<b>\$11,997</b>

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

**DAYTON LAW LIBRARY ASSOCIATION  
MONTGOMERY COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGE IN FUND CASH BALANCE  
PUBLIC FUND  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General Fund</u>
<b>Cash Receipts:</b>	
Fine and Forfeitures	\$703,136
Interest	564
Miscellaneous Receipts	<u>13,402</u>
Total Cash Receipts	<u>717,102</u>
<b>Cash Disbursements:</b>	
Supplies and Materials	701,947
Salaries and Benefits	130,878
Other Disbursements	<u>56,702</u>
Total Cash Disbursements	<u>889,527</u>
Total Cash Receipts (Under) Cash Disbursements	<u>(172,425)</u>
<b>Other Financing Receipts:</b>	
Loans from the Association	<u>175,000</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements	2,575
Public Fund Cash Balance, January 1	<u>5,773</u>
<b>Public Fund Cash Balance, December 31</b>	<u><u><b>\$8,348</b></u></u>

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



**DAYTON LAW LIBRARY ASSOCIATION  
MONTGOMERY COUNTY**

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Dayton Law Library Association (the Library) is directed by a board of seven trustees who are elected every two years by members of the Law Library 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 Montgomery 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 and staff. The Judges of the Court of Common Pleas of Montgomery County fix the compensation of the librarian and up to two assistant librarians 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 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 Library.

The Library's management believes these financial statements present all public funds for which the Library is financially accountable. Some funds received by the Library are considered private monies. Private monies include: membership dues, 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 Library. 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.

**C. Cash and Investments**

The Library maintains an interest bearing checking account.

**DAYTON LAW LIBRARY ASSOCIATION  
MONTGOMERY COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2003 AND 2002  
(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 type:

**1. General (Fines) Fund**

The General (Fines) 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 Library maintains a cash pool used by all funds. The Ohio Revised Code prescribes allowable deposits and investments. The carrying amount of the cash at December 31 is as follows:

	<u>2003</u>	<u>2002</u>
Demand Deposits	\$11,997	\$8,348

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

**3. RISK MANAGEMENT**

**Commercial Insurance**

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

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

**4. CONTINGENT LIABILITIES**

The Library is the plaintiff in a lawsuit. Although the outcome of this suit is not presently determinable, counsel believes that the resolution of this matter will not materially affect the Library's financial condition.

**DAYTON LAW LIBRARY ASSOCIATION  
MONTGOMERY COUNTY**

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

**5. LOANS FROM THE ASSOCIATION FUND**

The Dayton Law Library Association is an exempted organization under provisions of 501(c) (3) of the Internal Revenue Code. The Dayton Law Library Association receives membership dues and financial gifts from its members and supporters. These monies are the private funds of the Dayton Law Library Association, not the public monies. These monies are recorded in the Association Fund. Upon approval of the Board of Trustees of the Dayton Law Library Association, which is elected by its membership, the Association Fund periodically loans monies to the Fines Fund (the statutory fund) to assist the Dayton Law Library Association in meeting its statutory requirements. The loans from the Association Fund are expected to be repaid.

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**Auditor of State  
Betty Montgomery**

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

Dayton Law Library Association  
Montgomery County  
Montgomery County Courts Building  
41 North Perry Street  
P.O. Box 972  
Dayton, Ohio 45422-2490

To the Board of Trustees:

We have audited the accompanying financial statements of the Dayton Law Librarian Association, Montgomery County, (the Library) as of and for the years ended December 31, 2003 and 2002, and have issued our report thereon dated July 20, 2004, wherein we indicated the financial statements only include the general (fines) 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 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.

Dayton Law Library Association  
Montgomery County  
Independent Accountants' Report 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 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 that reads "Betty Montgomery". The signature is written in a cursive, flowing style.

**Betty Montgomery**  
Auditor of State

July 20, 2004



**Auditor of State  
Betty Montgomery**

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**DAYTON LAW LIBRARY ASSOCIATION**

**MONTGOMERY 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  
AUGUST 10, 2004**