



**LAW LIBRARY ASSOCIATION  
MONTGOMERY COUNTY**

**REGULAR AUDIT**

**FOR THE YEARS ENDED DECEMBER 31, 1999 AND 1998**



**JIM PETRO  
AUDITOR OF STATE**

STATE OF OHIO



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## REPORT OF INDEPENDENT ACCOUNTANTS

Law Library Association  
Montgomery County  
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 Law Library Association, Montgomery County, (the Library) as of and for the years ended December 31, 1999 and December 31, 1998. 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 fund cash balance and reserves for encumbrances of the Law Library Association, Montgomery County, as of December 31, 1999 and December 31, 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 February 8, 2000 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.

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

February 8, 2000

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

<b>Cash Receipts:</b>	
Fines	\$651,876
Miscellaneous Receipts	<u>12,540</u>
Total Cash Receipts	<u>664,416</u>
 <b>Cash Disbursements:</b>	
Legal Publications	625,786
Salaries and Benefits	152,983
Other Disbursements	52,483
Total Cash Disbursements	<u>831,252</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>(166,836)</u>
 <b>Other Financing Receipts/(Disbursements):</b>	
Loans from the Association Fund	175,000
Total Other Financing Receipts/(Disbursements)	<u>175,000</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	8,164
Fund Cash Balance, January 1, 1999	<u>9,958</u>
<b>Fund Cash Balance, December 31, 1999</b>	<u><u>\$18,122</u></u>

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

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCE  
FOR THE YEAR ENDED DECEMBER 31, 1998**

<b>Cash Receipts:</b>	
Fines	\$874,363
Miscellaneous Receipts	<u>18,676</u>
Total Cash Receipts	<u>893,039</u>
 <b>Cash Disbursements:</b>	
Legal Publications	538,288
Salaries and Benefits	148,419
Other Disbursements	<u>63,818</u>
Total Cash Disbursements	<u>750,525</u>
Total Cash Receipts Over/(Under) Cash Disbursements	<u>142,514</u>
 <b>Other Financing Receipts/(Disbursements):</b>	
Loans from the Association Fund	100,000
Repayment of Loans from the Association Fund	<u>(240,000)</u>
Total Other Financing Receipts/(Disbursements)	<u>(140,000)</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	2,514
Fund Cash Balance, January 1, 1998	<u>7,444</u>
<b>Fund Cash Balance, December 31, 1998</b>	<u><u>\$9,958</u></u>

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

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

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Law Library Association, Montgomery 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 a seven-member Board of Trustees appointed by Board of Trustees. The Law Library provides its members with various educational and literary resources.

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**

Investments are restricted by provision of the Ohio Revised Code. Interest earned is recognized and recorded when received.

**D. Fund Accounting**

The Library uses fund accounting to segregate the public monies in the Fine Fund from the private monies in the Association Fund. The Library requires the use of only one fund to record, classify, and summarize public monies.

**Special Revenue Fund**

.Fines Fund - This fund receives fine receipts, loans from the Association Fund, and miscellaneous receipts. The use of this fund is restricted for the support and operation of the Library and the purchase of law books, services, materials, and equipment that provide legal information or facilitate legal research.

**E. Budgetary Process**

The Law Library is not required to prepare budgetary reports.

**F. 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.

**G. 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.

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 1999 AND 1998  
(CONTINUED)**

**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>1999</u>	<u>1998</u>
Demand deposits	\$18,122	\$9,958
Total deposits	\$18,122	\$9,958

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

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

**4. RISK MANAGEMENT**

The Library has obtained commercial insurance for the following risks:

- Comprehensive property and general liability
- Vehicles
- Errors and omissions

The Library is uninsured for the following risks:

- Comprehensive property and general liability
- Commercial Blanket Bond.

The Library also provides health insurance and dental and vision coverage to full-time employees through a private carrier.

**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 public moneys. These moneys 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 loan moneys to the Fines Fund (the statutory fund) to assist the Dayton Law Library Association meeting its statutory requirements. Should adequate statutory funds be received, the loans from the Association Fund are expected to be repaid.



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

Law Library Association  
Montgomery County  
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 Law Library Association, Montgomery County, (the Library) as of and for the years ended December 31, 1999 and December 31, 1998, and have issued our report thereon dated February 8, 2000. 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, 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*. However, we noted an immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated February 8, 2000.

### Internal Control Over Financial Reporting

In planning and performing our audit, we considered 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. 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 Library in a separate letter dated February 8, 2000.

This report is intended for the information and use of the audit 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

February 8, 2000



STATE OF OHIO  
OFFICE OF THE AUDITOR  

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**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  
APRIL 4, 2000**