



**Auditor of State  
Betty Montgomery**



**MOHAWK COMMUNITY LIBRARY  
WYANDOT COUNTY**

**FOR THE YEARS ENDED DECEMBER 31, 2002 AND DECEMBER 31, 2001**

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**Auditor of State  
Betty Montgomery**

**INDEPENDENT ACCOUNTANTS' REPORT**

Mohawk Community Library  
Wyandot County  
200 South Sycamore Street  
P.O. Box 9  
Sycamore, Ohio 44882

To the Board of Trustees:

We have audited the accompanying financial statements of the Mohawk Community Library, Wyandot County, Ohio, (the Library) as of and for the years ended December 31, 2002, and December 31, 2001. 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 described 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 accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the fund cash balances and reserves for encumbrances of the Mohawk Community Library, Wyandot County, Ohio, as of December 31, 2002, and December 31, 2001, 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 9, 2003, 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.

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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 Section 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

May 9, 2003

**MOHAWK COMMUNITY LIBRARY  
WYANDOT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2002**

	<u>General</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Library and Local Government Support	\$199,044	\$0	\$199,044
Intergovernmental	1,000	0	1,000
Patron Fines and Fees	8,127	0	8,127
Earnings on Investments	2,441	268	2,709
Contributions, Gifts and Donations	2,735	145	2,880
Miscellaneous Receipts	668	0	668
	<u>214,015</u>	<u>413</u>	<u>214,428</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	100,338	0	100,338
Purchased and Contracted Services	33,600	0	33,600
Library Materials and Information	50,213	0	50,213
Supplies	10,000	0	10,000
Other Objects	7,044	0	7,044
Capital Outlay	8,531	0	8,531
	<u>209,726</u>	<u>0</u>	<u>209,726</u>
Total Cash Receipts Over Cash Disbursements	<u>4,289</u>	<u>413</u>	<u>4,702</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	823	823
Transfers-Out	(823)	0	(823)
	<u>(823)</u>	<u>823</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over Cash Disbursements and Other Financing Disbursements	3,466	1,236	4,702
Fund Cash Balances, January 1	66,570	55,192	121,762
<b>Fund Cash Balances, December 31</b>	<b><u>\$70,036</u></b>	<b><u>\$56,428</u></b>	<b><u>\$126,464</u></b>
Reserves for Encumbrances, December 31	<u>\$8,111</u>	<u>\$0</u>	<u>\$8,111</u>

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

**MOHAWK COMMUNITY LIBRARY  
WYANDOT COUNTY**

**STATEMENT OF CASH RECEIPTS, CASH DISBURSEMENTS, AND  
CHANGES IN FUND CASH BALANCES  
ALL GOVERNMENTAL FUND TYPES  
FOR THE YEAR ENDED DECEMBER 31, 2001**

	<u>General</u>	<u>Capital Projects</u>	<u>Totals (Memorandum Only)</u>
<b>Cash Receipts:</b>			
Library and Local Government Support	\$215,870	\$0	\$215,870
Intergovernmental	594	0	594
Patron Fines and Fees	7,220	0	7,220
Earnings on Investments	3,746	719	4,465
Contributions, Gifts and Donations	8,710	654	9,364
Miscellaneous Receipts	570	0	570
	<u>236,710</u>	<u>1,373</u>	<u>238,083</u>
<b>Cash Disbursements:</b>			
Current:			
Salaries and Benefits	93,437	0	93,437
Purchased and Contracted Services	36,589	0	36,589
Supplies	7,357	0	7,357
Library Materials and Information	46,315	0	46,315
Other Objects	3,399	0	3,399
Capital Outlay	49,388	0	49,388
	<u>236,485</u>	<u>0</u>	<u>236,485</u>
Total Cash Receipts Over Cash Disbursements	<u>225</u>	<u>1,373</u>	<u>1,598</u>
<b>Other Financing Receipts/(Disbursements):</b>			
Transfers-In	0	3,819	3,819
Transfers-Out	(3,819)	0	(3,819)
	<u>(3,819)</u>	<u>3,819</u>	<u>0</u>
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(3,594)	5,192	1,598
Fund Cash Balances, January 1	<u>70,164</u>	<u>50,000</u>	<u>120,164</u>
<b>Fund Cash Balances, December 31</b>	<b><u>\$66,570</u></b>	<b><u>\$55,192</u></b>	<b><u>\$121,762</u></b>
Reserves for Encumbrances, December 31	<u>\$1,764</u>	<u>\$0</u>	<u>\$1,764</u>

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



**MOHAWK COMMUNITY LIBRARY  
WYANDOT COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. Description of the Entity**

The Mohawk Community Library, Wyandot County, Ohio, (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 the local board of education. The Library provides the community 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. Budgetary presentations report budgetary expenditures when a commitment is made (i.e., when an encumbrance is approved).

These statements include adequate disclosure of material matters, as prescribed or permitted by the Auditor of State.

**C. Cash and Investments**

Investments are assets. Accordingly, purchases of investments are not recorded as disbursements, and sales of investments are not recorded as receipts. Gains or losses at the time of sale are recorded as receipts or disbursements, respectively.

Certificates of Deposit are valued at cost.

**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 types:

**1. 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.

**2. Capital Projects Fund**

This fund is used to account for receipts that are restricted for the acquisition or construction of major capital projects. The Library had the following capital project fund:

Building and Repair Fund – This fund is used for capital projects at the Library.

**MOHAWK COMMUNITY LIBRARY  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)**

**E. Budgetary Process**

The Board must annually approve appropriation measures and subsequent amendments. Unencumbered appropriations lapse at year end. The Library reserves (encumber) appropriations when commitments are made. Budgetary expenditures (that is, disbursements and encumbrances) may not exceed appropriations at the fund, function, and object level of control.

A summary of 2002 and 2001 budgetary activity appears in Note 3.

**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. Accumulated Leave**

In certain circumstances, such as upon leaving employment, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the basis of accounting the Library uses.

**2. EQUITY IN POOLED CASH AND INVESTMENTS**

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

	2002	2001
Deposits	\$68,913	\$65,924
Certificate of deposit	57,551	55,838
Total deposits	\$126,464	\$121,762

**Deposits:** Deposits are either insured by the Federal Depository Insurance Corporation or collateralized by securities specifically pledged by the financial institution to the Library.

**3. BUDGETARY ACTIVITY**

Budgetary activity for the years ended December 31, 2002 and December 31, 2001 follows:

2002 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$224,623	\$214,015	(\$10,608)
Capital Projects	2,400	1,236	(1,164)
Total	\$227,023	\$215,251	(\$11,772)

**MOHAWK COMMUNITY LIBRARY  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**3. BUDGETARY ACTIVITY (Continued)**

2002 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$290,046	\$218,660	\$71,386
Capital Projects	57,592	0	57,592
Total	\$347,638	\$218,660	\$128,978

2001 Budgeted vs. Actual Receipts			
Fund Type	Budgeted Receipts	Actual Receipts	Variance
General	\$232,072	\$236,710	\$4,638
Capital Projects	2,400	5,192	2,792
Total	\$234,472	\$241,902	\$7,430

2001 Budgeted vs. Actual Budgetary Basis Expenditures			
Fund Type	Appropriation Authority	Budgetary Expenditures	Variance
General	\$299,143	\$242,068	\$57,075
Capital Projects	55,493	0	55,493
Total	\$354,636	\$242,068	\$112,568

**4. LIBRARY AND LOCAL GOVERNMENT SUPPORT**

The primary source of revenue for Ohio public libraries is the State Library and Local Government Support Fund (LLGSF). The LLGSF is allocated to each county based on the county's prior intangibles tax of LLGSF revenues, and its population. The County Budget Commission allocates these funds to the Library based on its needs such as for the construction of new library buildings, improvements, operation, maintenance, or other expenses. The Budget Commission cannot reduce its allocation of these funds to the Library based on any additional revenues the Library receives.

**5. 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 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 for 2001 and 2002. The Library has paid all contributions required through December 31, 2002.

**MOHAWK COMMUNITY LIBRARY  
MARION COUNTY**

**NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2002 AND 2001  
(Continued)**

**6. RISK MANAGEMENT**

**Commercial Insurance**

The Library has obtained commercial insurance for the following risks:

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



## Auditor of State Betty Montgomery

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

Mohawk Community Library  
Wyandot County  
200 South Sycamore Street  
P.O. Box 9  
Sycamore, Ohio 44882

To the Board of Trustees:

We have audited the accompanying financial statements of the Mohawk Community Library, Wyandot County, Ohio, (the Library) as of and for the years ended December 31, 2002, and December 31, 2001, and have issued our report thereon dated May 9, 2003. 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*. However, we noted a certain immaterial instance of noncompliance that we have reported to management of the Library in a separate letter dated May 9, 2003.

#### 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. However, we noted other matters involving the internal control over financial reporting that do not require inclusion in this report, that we have reported to management of the Library in a separate letter dated May 9, 2003.

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

**BETTY MONTGOMERY**  
Auditor of State

May 9, 2003

**MOHAWK COMMUNITY LIBRARY  
WYANDOT COUNTY**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2002 AND 2001**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; <b>Explain:</b>
2000-00288-001	Ohio Administrative Code 117-4-14, failure to certify funds	No	Finding No Longer Valid. Legislation eliminated this requirement.
2000-00288-002	Ohio Administrative Code 117-4-07, expenditures exceeded appropriations	No	Partially Corrected. A management letter citation will be issued for the current audit period.







**Auditor of State  
Betty Montgomery**

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**MOHAWK COMMUNITY LIBRARY**

**WYANDOT 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 26, 2003**