

STATE BOARD OF ACCOUNTS
302 West Washington Street
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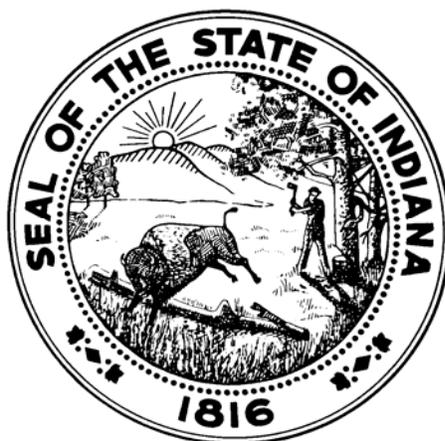
EXAMINATION REPORT

OF

CAMDEN-JACKSON TOWNSHIP PUBLIC LIBRARY

CARROLL COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
7/21/06

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5
Examination Results and Comments:	
Condition of Records	6
Overdrawn Fund Balances	6
Annual Report.....	7
Penalties, Interest and Other Charges	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Shirley Schock	01-01-03 to 12-31-06
Treasurer	Camilla Downing	01-01-03 to 12-31-06
President of the Board	Diane Wertz	01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CAMDEN-JACKSON TOWNSHIP
PUBLIC LIBRARY, CARROLL COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Camden-Jackson Township Public Library (Library), for the period of January 1, 2003 to December 31, 2005. The Library's management is responsible for the schedules. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the schedule of receipts, disbursements, and cash and investment balances and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Library for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 12, 2006

CAMDEN-JACKSON TOWNSHIP PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 17,116	\$ 25,349	\$ 31,828	\$ 10,637
Gift	15,051	508	2,534	13,025
Library Improvement Reserve	1,043	-	-	1,043
Library Capital Projects	-	3,649	3,154	495
Totals	<u>\$ 33,210</u>	<u>\$ 29,506</u>	<u>\$ 37,516</u>	<u>\$ 25,200</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 10,637	\$ 53,009	\$ 49,642	\$ 14,004
Gift	13,025	527	1,060	12,492
Library Improvement Reserve	1,043	502	-	1,545
Library Capital Projects	495	8,195	11,181	(2,491)
Totals	<u>\$ 25,200</u>	<u>\$ 62,233</u>	<u>\$ 61,883</u>	<u>\$ 25,550</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 14,004	\$ 40,458	\$ 37,399	\$ 17,063
Gift	12,492	5,982	1,171	17,303
Library Improvement Reserve	1,545	503	-	2,048
Library Capital Projects	(2,491)	5,045	682	1,872
Totals	<u>\$ 25,550</u>	<u>\$ 51,988</u>	<u>\$ 39,252</u>	<u>\$ 38,286</u>

The accompanying notes are an integral part of the schedules.

CAMDEN-JACKSON TOWNSHIP PUBLIC LIBRARY
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

CAMDEN-JACKSON TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping that were cited in the prior Audit Report B21700, were again present during our period of audit:

- (1) Record balances were not reconciled to depository balances during the audit period.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories.

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

- (3) The Library Financial and Appropriation Record was not mathematically correct.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OVERDRAWN FUND BALANCES

The Library Capital Projects fund was overdrawn in 2004.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CAMDEN-JACKSON TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ANNUAL REPORT

The annual reports for 2003, 2004, and 2005 were not presented for audit.

Indiana Code 5-3-1-4 states, in part: "(a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year . . . (b) The following shall prepare, verify and file the reports required under subsection (a) not later than sixty (60) days after the end of each year . . . (2) A public library."

PENALTIES, INTEREST AND OTHER CHARGES

Penalties and interest totaling \$19.66 were paid to the Indiana Department of Revenue on June 3, 2003, for the period December 31, 2002.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CAMDEN-JACKSON TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 12, 2006, with Shirley Schock, Director. The official concurred with our findings.