

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT  
OF  
COLFAX-PERRY TOWNSHIP PUBLIC LIBRARY  
CLINTON COUNTY, INDIANA  
January 1, 2003 to December 31, 2005



**FILED**  
08/31/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Judy Hemmerling	01-01-03 to 12-31-06
Treasurer	Amy Heidt	01-01-03 to 12-31-06
President of the Board	Dennis Hoffman Patsy Flowers	01-01-03 to 12-31-05 01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE COLFAX-PERRY TOWNSHIP  
PUBLIC LIBRARY, CLINTON COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Colfax-Perry 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

July 20, 2006

COLFAX-PERRY TOWNSHIP PUBLIC LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY 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	\$ 27,046	\$ 49,955	\$ 76,523	\$ 478
Gift	4,835	474	3,662	1,647
Levy Excess	1,181	387	43	1,525
Capital Projects Levy Excess	-	43	-	43
Library Improvement Reserve	2,554	1,500	-	4,054
Library Capital Projects	2,074	934	3,008	-
Fiduciary Fund:				
Gill Trust	102,468	1,301	21,987	81,782
Totals	<u>\$ 140,158</u>	<u>\$ 54,594</u>	<u>\$ 105,223</u>	<u>\$ 89,529</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 478	\$ 144,694	\$ 109,182	\$ 35,990
Gift	1,647	527	434	1,740
Rainy Day	-	2,724	-	2,724
Levy Excess	1,525	-	-	1,525
Capital Projects Levy Excess	43	-	-	43
Library Improvement Reserve	4,054	1,500	-	5,554
Library Capital Projects	-	7,074	2,456	4,618
Fiduciary Fund:				
Gill Trust	81,782	11,642	32,539	60,885
Totals	<u>\$ 89,529</u>	<u>\$ 168,161</u>	<u>\$ 144,611</u>	<u>\$ 113,079</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 35,990	\$ 76,524	\$ 77,692	\$ 34,822
Gift	1,740	769	1,110	1,399
Lincoln Furniture	-	2,000	-	2,000
Rainy Day	2,724	-	-	2,724
Levy Excess	1,525	-	-	1,525
Capital Projects Levy Excess	43	-	-	43
Library Improvement Reserve	5,554	1,500	-	7,054
Library Capital Projects	4,618	6,665	7,146	4,137
Fiduciary Fund:				
Gill Trust	60,885	32,129	46,117	46,897
Totals	<u>\$ 113,079</u>	<u>\$ 119,587</u>	<u>\$ 132,065</u>	<u>\$ 100,601</u>

The accompanying notes are an integral part of the schedules.

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COLFAX-PERRY 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: 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. The taxes due and payable for 2003 were due and payable by February 13, 2004. The taxes due and payable for 2004 were due and payable by November 10, 2004.

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.

Note 6. Subsequent Event

The Library formed the Colfax Public Library Leasing Corporation on October 14, 2004. The Leasing Corporation was formed to finance the expansion and renovation of the Library. The leasing Corporation issued \$990,000 of First Mortgage Bonds, Series 2005 and this sale was closed on January 10, 2006. The existing structure was sold to the leasing corporation and upon completion of the project the Library will make lease rental payments.

COLFAX-PERRY TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The following expenditures were in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Library Operating - Other Services and Charges	2005	\$ 1,163
Library Operating - Capital Outlay	2005	1,245

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CAPITAL ASSET RECORDS

The Library is not maintaining the capital asset records. The assets reported in the Library annual report were not consistent and balances carried forward were not in agreement. The capital asset records have not been updated since 2002.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OFFICIAL BOND

The official bonds for the Treasurer and Bookkeeper were not filed in the office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

COLFAX-PERRY TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2006, with Judy Hemmerling, Director; and Chantel Lehr, Bookkeeper. The officials concurred with our findings.