

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

EXAMINATION REPORT
OF
KNIGHTSTOWN PUBLIC LIBRARY
HENRY COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/20/2006

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:	
Official Bond	6
Capital Asset Records	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marjorie Wilkenson Judy Coomer Mary Miller	01-01-04 to 09-19-04 09-20-04 to 09-30-05 10-01-05 to 12-31-06
Treasurer	Kathy Adkins Ross Miller William Bergmann	01-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06
President of the Board	Lois Brooks Ross Miller	01-01-04 to 12-31-05 01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE KNIGHTSTOWN PUBLIC LIBRARY, HENRY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Knightstown Public Library (Library), for the period of January 1, 2004 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, 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

August 1, 2006

KNIGHTSTOWN 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Operating	\$ 42,399	\$ 93,126	\$ 81,723	\$ 53,802
Gift	99	4,986	2,831	2,254
Library Improvement Reserve	-	3,000	-	3,000
Library Grant Fund	-	25,860	25,860	-
Apartment	9,607	1,500	5,687	5,420
Fiduciary Funds:				
Trust	6,654	104	-	6,758
PLAC	-	442	390	52
Totals	<u>\$ 58,759</u>	<u>\$ 129,018</u>	<u>\$ 116,491</u>	<u>\$ 71,286</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Operating	\$ 53,802	\$ 115,843	\$ 153,052	\$ 16,593
Gift	2,254	6,534	5,577	3,211
Library Improvement Reserve	3,000	81,936	36,970	47,966
Apartment	5,420	-	1,966	3,454
Fiduciary Funds:				
Trust	6,758	-	258	6,500
PLAC	52	112	164	-
Totals	<u>\$ 71,286</u>	<u>\$ 204,425</u>	<u>\$ 197,987</u>	<u>\$ 77,724</u>

The accompanying notes are an integral part of the schedules.

KNIGHTSTOWN 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. 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.

KNIGHTSTOWN PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

As stated in the prior Report B23927, the following official bonds were not filed in the Office of the County Recorder:

Kathy Adkins for 2004-2005

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 . . ."

CAPITAL ASSET RECORDS

As stated in the prior Report B23937, information presented for examination did not indicate an inventory or record of fixed assets had been completed.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Asset Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Townships, Chapter 13)

KNIGHTSTOWN PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 1, 2006, with Mary Miller, Director; William Bergman, Treasurer; and Dawn Mogg, Bookkeeper. The officials concurred with our findings.