

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

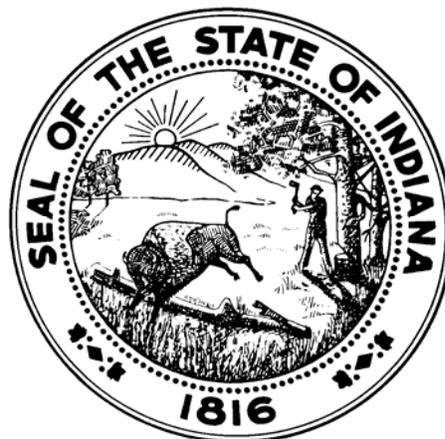
EXAMINATION REPORT

OF

BERNE PUBLIC LIBRARY

ADAMS COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/26/2006

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
Exit Conference.....	6

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marvel B. Zuercher	01-01-04 to 12-31-06
Treasurer	Naomi Lehman	11-01-03 to 10-31-06
President of the Board	Richard Gorrell	11-01-03 to 10-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BERNE PUBLIC LIBRARY, ADAMS COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Berne 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 29, 2006

BERNE 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:				
General	\$ 111,044	\$ 348,294	\$ 313,343	\$ 145,995
Gift	1,848	5,747	3,314	4,281
Rainy Day	36,000	34,460	19,963	50,497
Lease Rental	(42,297)	224,542	120,000	62,245
Library Improvement Reserve	66,674	3,796	3,661	66,809
Fiduciary Funds:				
Payroll Withholdings	-	38,110	38,110	-
PLAC	-	26	26	-
Totals	<u>\$ 173,269</u>	<u>\$ 654,975</u>	<u>\$ 498,417</u>	<u>\$ 329,827</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 145,995	\$ 283,407	\$ 305,746	\$ 123,656
Gift	4,281	5,345	3,721	5,905
Rainy Day	50,497	31,000	18,951	62,546
Levy Excess	-	1,978	-	1,978
Lease Rental	62,245	114,261	120,935	55,571
Library Improvement Reserve	66,809	-	-	66,809
Fiduciary Funds:				
Payroll Withholdings	-	39,263	39,263	-
PLAC	-	84	84	-
Totals	<u>\$ 329,827</u>	<u>\$ 475,338</u>	<u>\$ 488,700</u>	<u>\$ 316,465</u>

The accompanying notes are an integral part of the schedules.

BERNE PUBLIC LIBRARY
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture and recreation 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.

Note 6. Long-Term Debt

The Library has entered into a capital lease for a library building. The outstanding principal at December 31, 2005, was \$760,000.

BERNE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2006, with Marvel B. Zuercher, Director. Our examination disclosed no material items that warrant comment at this time.