

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT

OF

BROOKSTON-PRAIRIE TOWNSHIP PUBLIC LIBRARY

WHITE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
05/15/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Nancy H. Hartman	01-01-05 to 03-08-05
	Kathryn S. Gerber	05-02-05 to 01-31-06
	Kelly Stanchfield	02-01-06 to 08-11-06
	Tamara E. Jones	09-18-06 to 12-31-06
	Marilyn Blessing	02-12-07 to 12-31-07
Treasurer	Blanche E. Wall	01-01-05 to 12-31-07
President of the Board	Lelan McReynolds	01-01-05 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BROOKSTON-PRAIRIE TOWNSHIP  
PUBLIC LIBRARY, WHITE COUNTY, INDIANA

We have examined the financial information presented herein of the Brookston-Prairie Township Public Library (Library), for the period of January 1, 2005 to December 31, 2006. The Library's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

April 3, 2007

BROOKSTON-PRAIRIE 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 53,112	\$ 128,396	\$ 146,174	\$ 35,334
Unrestricted Gifts and Bequests	58,626	1,184	3,024	56,786
Restricted Gifts and Bequests	500	6,809	5,414	1,895
Memorials	796	177	796	177
Rainy Day	22,241	-	-	22,241
Levy Excess	775	-	775	-
Bond and Interest Redemption	38,369	86,181	79,000	45,550
Library Improvement Reserve	111,821	11,192	-	123,013
Fiduciary Fund:				
PLAC	-	28	28	-
Totals	<u>\$ 286,240</u>	<u>\$ 233,967</u>	<u>\$ 235,211</u>	<u>\$ 284,996</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 35,334	\$ 117,265	\$ 152,126	\$ 473
Unrestricted Gifts and Bequests	56,786	43,246	17,439	82,593
Restricted Gifts and Bequests	1,895	8,530	7,215	3,210
Memorials	177	-	-	177
Rainy Day	22,241	-	17,278	4,963
Levy Excess	-	2,958	2,958	-
Bond and Interest Redemption	45,550	36,957	79,000	3,507
Library Improvement Reserve	123,013	4,296	24,705	102,604
Fiduciary Fund:				
PLAC	-	31	31	-
Totals	<u>\$ 284,996</u>	<u>\$ 213,283</u>	<u>\$ 300,752</u>	<u>\$ 197,527</u>

The accompanying notes are an integral part of the schedules.

BROOKSTON-PRAIRIE TOWNSHIP PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION

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.

BROOKSTON-PRAIRIE TOWNSHIP PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Expansion and Remodeling	\$ 407,249	\$ 51,467

BROOKSTON-PRAIRIE TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The following prescribed or approved forms were not always in use:

Library Financial and Appropriation Record Form 1  
Receipt Form 352 (started using 12/5/06)  
Capital Asset Record Form 369 (uses form 211 Cities and Towns)

The following forms were in use but were not prescribed or approved:

General Ledger Report  
General Journal Report  
Year to Date Budget Comparison  
Comparative Income Statement  
Balance Sheet

A similar comment was in prior Report B26954.

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)

INVESTMENT MATURITY LIMITATIONS

The governmental unit purchased certain investments which have a stated maturity in excess of two years. A similar comment was in prior Reports B26954 and B22390.

Indiana Code 5-13-9-5.6 states: "Investments made under IC 5-13-9 must have a stated final maturity of not more than two years after the date of purchase or entry into a repurchase agreement."

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping were present during our period of audit:

Amounts reported in the Annual report could not be traced to record balances.

A similar comment was in the prior Report B26954.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

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)

BROOKSTON-PRAIRIE TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

CAPITAL ASSET RECORDS

The Library does not maintain capital asset records.

A similar comment was in prior Reports B26954 and B22390.

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)

BROOKSTON-PRAIRIE TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on April 3, 2007, with Blanche E. Wall, Treasurer; and Marilyn Blessing, Director. The officials concurred with our findings.