

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

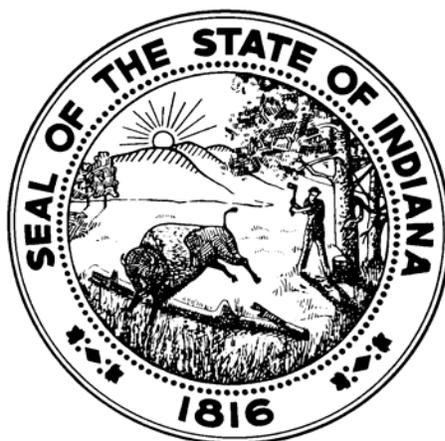
EXAMINATION REPORT

OF

GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY

GRANT COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
05/16/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Nancy Bryant	01-01-05 to 12-31-07
Treasurer	Jane Edwards	01-01-05 to 12-31-07
President of the Board	Terry Fratus Mike Chenoweth	01-01-05 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY, GRANT COUNTY, INDIANA

We have examined the financial information presented herein of Gas City - Mill 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

May 3, 2007

GAS CITY - MILL 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	\$ 363,895	\$ 581,046	\$ 441,271	\$ 503,670
Gift	1,718	402	145	1,975
Lease Rental	78,719	100,138	105,000	73,857
Library Improvement Reserve	173,420	1,080	118	174,382
Fiduciary Funds:				
Payroll Withholdings	187	36,818	34,539	2,466
PLAC	442	1,820	1,730	532
Totals	<u>\$ 618,381</u>	<u>\$ 721,304</u>	<u>\$ 582,803</u>	<u>\$ 756,882</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 503,670	\$ 542,704	\$ 529,544	\$ 516,830
Gift	1,975	449	374	2,050
Lease Rental	73,857	91,288	107,000	58,145
Library Improvement Reserve	174,382	81,456	234,739	21,099
Fiduciary Funds:				
Payroll Withholdings	2,466	39,358	39,228	2,596
PLAC	532	1,268	1,490	310
Totals	<u>\$ 756,882</u>	<u>\$ 756,523</u>	<u>\$ 912,375</u>	<u>\$ 601,030</u>

The accompanying notes are an integral part of the schedules.

GAS CITY - MILL 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 cultural 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.

GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

December 31, 2006

CAPITAL LEASES

The Library has entered into the following capital lease:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Library Building	\$ <u>555,000</u>	\$ <u>65,000</u>

GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. Variances each month were not identified and corrected. A similar comment appeared in prior Report B25453.

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."

CAPITAL ASSET RECORDS

The Library does not record capital asset additions or disposals. A similar comment appeared in prior Report B25453.

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)

ANNUAL REPORTS

Annual reports for years 2005 and 2006 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."

GAS CITY - MILL TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on May 3, 2007, with Nancy Bryant, Director. The official concurred with our findings.