

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

EXAMINATION REPORT  
OF  
WALTON-TIPTON TOWNSHIP PUBLIC LIBRARY  
CASS COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
05/15/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information: Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5
Supplementary Information: Schedule of Long-Term Debt .....	6
Examination Result and Comment: Capital Asset Records .....	7
Exit Conference.....	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Gordon T. Southern	01-01-05 to 12-31-08
Treasurer	Christy M. McCloskey	01-01-06 to 12-31-08
President of the Board	Jack Ayers	01-01-06 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WALTON-TIPTON TOWNSHIP PUBLIC LIBRARY, CASS COUNTY, INDIANA

We have examined the financial information presented herein of Walton-Tipton Township Public Library (Library), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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

March 20, 2008

WALTON-TIPTON 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 55,679	\$ 125,049	\$ 130,776	\$ 49,952
Gift	1,641	1,403	351	2,693
Rainy Day	6,582	-	-	6,582
McTaggart	935	-	575	360
Carl Wilson	-	5,000	-	5,000
E-Rate Grant	-	5,850	1,200	4,650
Wireless Grant	-	500	500	-
Levy Excess	-	2,874	-	2,874
Lease Rental	64,672	108,503	120,560	52,615
Library Improvement Reserve	22,326	33,904	17,187	39,043
Library Capital Projects	2,938	13,227	11,555	4,610
Construction	-	796	796	-
Fiduciary Funds:				
Payroll Withholdings	460	16,346	16,381	425
PLAC	28	279	307	-
Totals	<u>\$ 155,261</u>	<u>\$ 313,731</u>	<u>\$ 300,188</u>	<u>\$ 168,804</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 49,952	\$ 119,784	\$ 112,529	\$ 57,207
Gift	2,693	13,052	1,353	14,392
Rainy Day	6,582	-	6,582	-
McTaggart	360	1,200	850	710
Carl Wilson	5,000	-	1,924	3,076
E-Rate Grant	4,650	3,600	3,900	4,350
Miami/Cass REMC Grant	-	2,381	2,381	-
Levy Excess	2,874	-	2,874	-
Lease Rental	52,615	86,153	94,500	44,268
Library Improvement Reserve	39,043	12,710	19,688	32,065
Library Capital Projects	4,610	13,295	14,405	3,500
Fiduciary Funds:				
Payroll Withholdings	425	17,762	17,700	487
PLAC	-	180	150	30
Totals	<u>\$ 168,804</u>	<u>\$ 270,117</u>	<u>\$ 278,836</u>	<u>\$ 160,085</u>

The accompanying notes are an integral part of the financial information.

WALTON-TIPTON 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: 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.

Note 6. Long-Term Debt

The Library has entered into a capital lease for \$935,000. The outstanding principal at December 31, 2007, was \$740,000.

WALTON-TIPTON TOWNSHIP PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Walton-Tipton Township Library Leasing Corporation		
Lease Rental	\$ <u>740,000</u>	\$ <u>55,000</u>

WALTON-TIPTON TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Library capital asset records are not being kept up to date.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. 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)

WALTON-TIPTON TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on March 20, 2008, with Gordon T. Southern, Director; and Christy M. McCloskey, Treasurer. The officials concurred with our finding.