

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

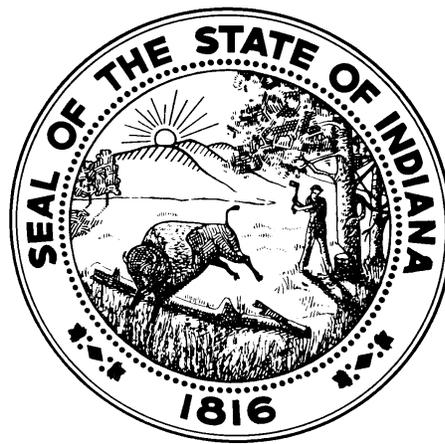
EXAMINATION REPORT

OF

BROWNSTOWN PUBLIC LIBRARY

JACKSON COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
06/18/2008

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------|---|--|
| Director | Sherri L. May | 01-01-06 to 12-31-08 |
| Treasurer | Eve Middendorf | 09-01-05 to 08-31-08 |
| President of the Board | Dr. Loren W. Noblitt Charles McCormick | 09-01-05 to 08-31-07 09-01-07 to 08-31-08 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BROWNSTOWN PUBLIC LIBRARY, JACKSON COUNTY, INDIANA

We have examined the financial information presented herein of the Brownstown 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 Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 1, 2008

BROWNSTOWN 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 | \$ 181,709 | \$ 336,995 | \$ 343,719 | \$ 174,985 |
| Gift | 440 | 2,303 | 2,400 | 343 |
| Rainy Day | 33,642 | 14,623 | - | 48,265 |
| Bond and Interest Redemption | 16,193 | 36,326 | 32,828 | 19,691 |
| Library Improvement Reserve | 70,647 | 11,373 | - | 82,020 |
| Levy Excess | - | 1,903 | - | 1,903 |
| State Technology Grant | - | 3,600 | 300 | 3,300 |
| Fiduciary Fund: | | | | |
| Payroll Withholdings | - | 39,945 | 39,945 | - |
| Totals | <u>\$ 302,631</u> | <u>\$ 447,068</u> | <u>\$ 419,192</u> | <u>\$ 330,507</u> |

| | Cash and Investments 01-01-07 | Receipts | Disbursements | Cash and Investments 12-31-07 |
|------------------------------|-------------------------------------|-------------------|-------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 174,985 | \$ 281,809 | \$ 371,636 | \$ 85,158 |
| Gift | 343 | 1,457 | 1,561 | 239 |
| Rainy Day | 48,265 | 29,382 | 16,136 | 61,511 |
| Bond and Interest Redemption | 19,691 | 29,569 | 41,247 | 8,013 |
| Library Improvement Reserve | 82,020 | 10,427 | - | 92,447 |
| Levy Excess | 1,903 | - | 1,903 | - |
| State Technology Grant | 3,300 | 3,600 | 3,600 | 3,300 |
| Fiduciary Funds | | | | |
| Payroll Withholdings | - | 43,409 | 43,409 | - |
| Totals | <u>\$ 330,507</u> | <u>\$ 399,653</u> | <u>\$ 479,492</u> | <u>\$ 250,668</u> |

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

BROWNSTOWN PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library operates under an appointed governing board and 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.

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.

BROWNSTOWN PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Governmental activities: | |
| Capital assets, not being depreciated: | |
| Land | \$ 50,000 |
| Buildings | 604,461 |
| Improvements other than buildings | 22,011 |
| Machinery and equipment | <u>647,456</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 1,323,928</u> |

BROWNSTOWN 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: | | |
| Bonds payable: | | |
| General obligation bonds: | | |
| 1993 Public Library District Library Bonds | \$ 165,000 | \$ 39,334 |

BROWNSTOWN PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on May 1, 2008 with Eve Middendorf, Treasurer; and Sherri L. May, Director. Our examination disclosed no material items that warrant comment at this time.