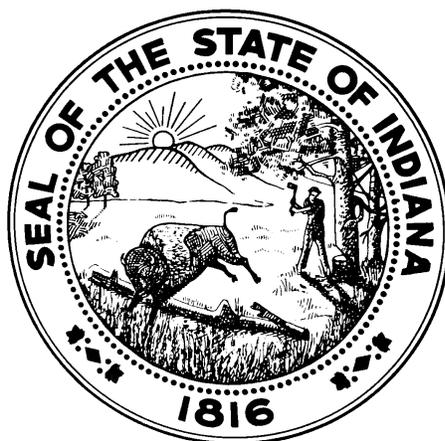


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
OWENSVILLE CARNEGIE PUBLIC LIBRARY
GIBSON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
08/21/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Peggy Callis	01-01-06 to 12-31-08
Treasurer	Patricia A. Hale	01-01-06 to 12-31-08
President of the Board	Peggy Adams Tamara Shackelford	01-01-06 to 12-31-07 01-01-08 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF OWENSVILLE CARNEGIE PUBLIC LIBRARY, GIBSON COUNTY, INDIANA

We have examined the financial information presented herein of Owensville Carnegie 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.

STATE BOARD OF ACCOUNTS

July 8, 2008

OWENSVILLE CARNEGIE PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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	\$ 111,144	\$ 228,559	\$ 196,314	\$ 143,389
Gift	286,962	12,514	66,787	232,689
Library Improvement Reserve	<u>59,205</u>	<u>59,205</u>	<u>59,205</u>	<u>59,205</u>
Totals	<u>\$ 457,311</u>	<u>\$ 300,278</u>	<u>\$ 322,306</u>	<u>\$ 435,283</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 143,389	\$ 237,453	\$ 217,051	\$ 163,791
Gift	232,689	20,177	28,740	224,126
Library Improvement Reserve	<u>59,205</u>	<u>113,410</u>	<u>113,410</u>	<u>59,205</u>
Totals	<u>\$ 435,283</u>	<u>\$ 371,040</u>	<u>\$ 359,201</u>	<u>\$ 447,122</u>

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

OWENSVILLE CARNEGIE 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 service: culture and recreation.

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.

OWENSVILLE CARNEGIE PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping that were cited in prior reports, were present during our examination:

- (1) Record balances were not reconciled properly to depository balances during the two year period.

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."

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and state distributions not posted. Additionally, the outstanding check list was incorrect.

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)

- (3) The annual reports prepared by the Library did not agree to the ledgers.

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)

- (4) Employee earnings records for the year 2006 were not available for examination.

A similar comment was contained in the prior report.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OWENVILLE CARNEGIE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 8, 2008, with Peggy Callis, Director; and Patricia A. Hale, Treasurer. The officials concurred with our finding.