

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

EXAMINATION REPORT

OF

FRANCESVILLE-SALEM TOWNSHIP PUBLIC LIBRARY

PULASKI COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
10/09/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Helen Vollmer	01-01-06 to 12-31-08
Treasurer	Ronald Kruger	07-01-05 to 06-30-09
President of the Board	Susan Schultz	07-01-05 to 06-30-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FRANCESVILLE-SALEM TOWNSHIP  
PUBLIC LIBRARY, PULASKI COUNTY, INDIANA

We have examined the financial information presented herein of the Francesville-Salem 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 Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts 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

August 28, 2008

FRANCESVILLE-SALEM 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	\$ 18,140	\$ 137,928	\$ 132,972	\$ 23,096
Gift	28,813	25,142	27,182	26,773
Lease Rental Payment	27,617	55,377	55,338	27,656
Levy Excess	-	1,398	-	1,398
Library Improvement Reserve	39,719	13,486	12,600	40,605
Library Capital Projects	-	7,732	6,391	1,341
Doris Petra Scholarship	8,116	231	400	7,947
Totals	<u>\$ 122,405</u>	<u>\$ 241,294</u>	<u>\$ 234,883</u>	<u>\$ 128,816</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 23,096	\$ 155,903	\$ 155,823	\$ 23,176
Gift	26,773	17,905	36,068	8,610
Lease Rental Payment	27,656	41,986	53,090	16,552
Levy Excess	1,398	837	1,398	837
Library Improvement Reserve	40,605	28,122	26,700	42,027
Library Capital Projects	1,341	7,043	1,363	7,021
Doris Petra Scholarship	7,947	311	-	8,258
Fiduciary Fund:				
Payroll Withholdings	-	16,747	16,747	-
Totals	<u>\$ 128,816</u>	<u>\$ 268,854</u>	<u>\$ 291,189</u>	<u>\$ 106,481</u>

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

FRANCESVILLE-SALEM 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.

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.

FRANCESVILLE-SALEM TOWNSHIP 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	\$ 1,300
Buildings	851,793
Improvements other than buildings	16,606
Machinery and equipment	<u>311,381</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 1,181,080</u></u>

FRANCESVILLE-SALEM TOWNSHIP PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The Unit type has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Francesville-Salem Township Public Library	\$ 420,000	\$ 51,000

FRANCESVILLE-SALEM TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

INTEREST ON INVESTMENTS

Interest earned on investments was automatically added to the principal and not recorded in the records, in some instances. A similar comment was noted in the prior Report B26996.

Interest on Investments should not be automatically added into the investment. Instead, interest on investments should be paid to the governmental unit at each maturity date and posted to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

FRANCESVILLE-SALEM TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2008, with Helen Vollmer, Director.  
The official concurred with our finding.