

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

EXAMINATION REPORT

OF

KIRKLIN PUBLIC LIBRARY

CLINTON COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/04/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Heidi Turner	01-01-06 to 12-31-08
Treasurer	Andrea Dale McIntire	01-01-06 to 12-31-08
President of the Board	Tammy Campbell	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF KIRKLIN PUBLIC LIBRARY, CLINTON COUNTY, INDIANA

We have examined the financial information presented herein of Kirklin 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

November 3, 2008

KIRKLIN 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	\$ 80,717	\$ 111,481	\$ 123,586	\$ 68,612
Gift	7,047	47	-	7,094
Rainy Day	15,259	6,900	-	22,159
Grant	270	-	-	270
Technology Grant	-	575	-	575
Levy Excess	-	3,802	-	3,802
Bond and Interest Redemption	31,490	71,732	68,976	34,246
Library Improvement Reserve	3,000	3,000	-	6,000
Kirklin High School Restoration	1,403	4	-	1,407
Library Capital Projects	116	-	-	116
Construction	2,218	6	-	2,224
Totals	<u>\$ 141,520</u>	<u>\$ 197,547</u>	<u>\$ 192,562</u>	<u>\$ 146,505</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 68,612	\$ 109,193	\$ 150,649	\$ 27,156
Gift	7,094	1,990	2,730	6,354
Rainy Day	22,159	38,000	30,000	30,159
Grant	270	-	-	270
Technology Grant	575	-	397	178
Levy Excess	3,802	1,401	3,802	1,401
Bond and Interest Redemption	34,246	16,905	66,743	(15,592)
Library Improvement Reserve	6,000	3,000	-	9,000
Kirklin High School Restoration	1,407	4	-	1,411
Library Capital Projects	116	-	116	-
Construction	2,224	5	-	2,229
Totals	<u>\$ 146,505</u>	<u>\$ 170,498</u>	<u>\$ 254,437</u>	<u>\$ 62,566</u>

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

KIRKLIN 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: public safety, health and social 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.

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 15,000
Buildings	982,537
Improvements other than buildings	180,918
Machinery and equipment	<u>5,495</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,183,950</u>

KIRKLIN 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:	\$ 630,000	\$ 63,000
Total governmental activities debt	<u>\$ 630,000</u>	<u>\$ 63,000</u>

KIRKLIN PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCE

The Bond and Interest Fund was overdrawn in 2007.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

KIRKLIN PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 3, 2008, with Heidi Turner, Director. The official concurred with our finding.