

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

EXAMINATION REPORT
OF
KNIGHTSTOWN PUBLIC LIBRARY
HENRY COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

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
Examination Results and Comments:	
Certified Report Not Filed	6
Capital Asset Records	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary Miller	01-01-06 to 12-31-08
Treasurer	William Bergmann	01-01-06 to 12-31-08
President of the Board	Ross Miller	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE KNIGHTSTOWN PUBLIC LIBRARY, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of the Knightstown 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

December 2, 2008

KNIGHTSTOWN 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:				
Operating	\$ 16,593	\$ 88,026	\$ 80,012	\$ 24,606
Gift	3,211	2,414	2,344	3,282
Library Improvement Reserve	47,966	10,359	19,527	38,798
Apartment	3,454	-	3,454	-
Fiduciary Funds:				
Trust	6,500	-	-	6,500
PLAC	-	124	124	-
Totals	<u>\$ 77,724</u>	<u>\$ 100,923</u>	<u>\$ 105,461</u>	<u>\$ 73,186</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
Operating	\$ 24,606	\$ 83,203	\$ 76,992	\$ 30,817
Gift	3,282	3,001	2,176	4,107
Library Improvement Reserve	38,798	11,678	14,994	35,482
Fiduciary Funds:				
Trust	6,500	-	-	6,500
PLAC	-	120	90	30
Totals	<u>\$ 73,186</u>	<u>\$ 98,002</u>	<u>\$ 94,252</u>	<u>\$ 76,936</u>

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

KNIGHTSTOWN 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.

KNIGHTSTOWN PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

CERTIFIED REPORT NOT FILED

The Library did not file a certified report of compensation of officers and employees (Form 100-R or its equivalent) with the State Board of Accounts for the year 2006.

Indiana Code 5-11-13-1 states in part: "Every state, county, city, town, township, or school official . . . shall during the month of January of each year prepare, make, and sign a written or printed certified report, correctly and completely showing the names and addresses of each and all officers, employees, and agents . . . and the respective duties and compensation of each, and shall forthwith file said report in the office of the state examiner of the state board of accounts."

CAPITAL ASSET RECORDS

As stated in the prior Report B27986, information presented for examination did not indicate an inventory or record of capital assets had been completed.

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)

KNIGHTSTOWN PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 2, 2008, with Mary Jo Purtee, Vice President of the Board; Mary Miller, Director; and Dawn Mogg, Bookkeeper. The officials concurred with our findings.