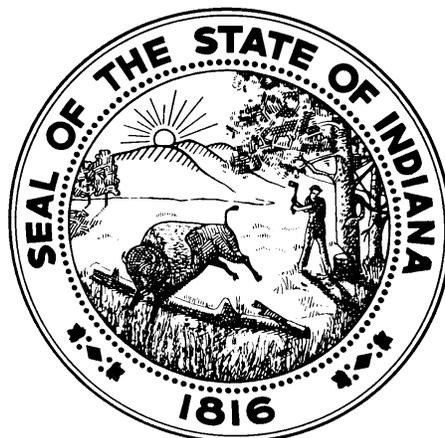


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

SYRACUSE-TURKEY CREEK
TOWNSHIP PUBLIC LIBRARY
KOSCIUSKO COUNTY, INDIANA

January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Rosalyn Jones John Castleman	01-01-06 to 02-26-06 02-27-06 to 12-31-08
Treasurer	Shirley L. Bobeck	01-01-06 to 12-31-08
President of the Board	Randall K. Girod	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SYRACUSE-TURKEY CREEK TOWNSHIP
PUBLIC LIBRARY, KOSCIUSKO COUNTY, INDIANA

We have examined the financial information presented herein of the Syracuse-Turkey Creek 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 12, 2008

SYRACUSE-TURKEY CREEK 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	\$ 52,207	\$ 345,638	\$ 335,220	\$ 62,625
Gift and Bequests	258,290	24,757	7,431	275,616
Technical Grant	867	-	70	797
Levy Excess	-	1,679	1,679	-
Library Improvement Reserve	71,259	3,326	-	74,585
Library Capital Projects	71,979	92,943	77,171	87,751
Fiduciary Fund:				
PLAC	77	620	697	-
Totals	<u>\$ 454,679</u>	<u>\$ 468,963</u>	<u>\$ 422,268</u>	<u>\$ 501,374</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 62,625	\$ 297,503	\$ 333,263	\$ 26,865
Gift and Bequests	275,616	24,192	12,371	287,437
Technical Grant	797	3,741	818	3,720
Library Improvement Reserve	74,585	163	46,000	28,748
Library Capital Projects	87,751	64,037	37,772	114,016
Fiduciary Fund:				
PLAC	-	630	540	90
Totals	<u>\$ 501,374</u>	<u>\$ 390,266</u>	<u>\$ 430,764</u>	<u>\$ 460,876</u>

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

SYRACUSE-TURKEY CREEK 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 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. Property taxes for \$43,222 and \$131,707 were distributed on December 31, 2006 and 2007, respectively, but were not received by the Library until January of the next year.

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.

SYRACUSE-TURKEY CREEK TOWNSHIP PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

As of 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	\$ 37,196
Buildings	1,354,930
Improvements other than buildings	17,863
Machinery and equipment	<u>215,194</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,625,183</u>

SYRACUSE-TURKEY CREEK TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

BANK RECONCILEMENTS

Depository reconcilements were performed by an outside CPA. They were done using receipt and disbursement listings provided from the Library's computerized accounting system. The CPA firm prepared a statement of receipts, disbursements and balances (monthly and year to date), and reconciled the bank accounts to these statements. The fund balances on the Library's computerized ledger did not agree with these statements. The CPA was never given financial reports from the Library's computerized system. The bookkeeper discussed this with the CPA during the audit and they agreed to correct the ledger to agree with the reconcilements.

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."

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

TRANSACTION RECORDING

The Library has a payroll bank account. Gross pay plus the employer's share of FICA were transferred to this account each payday. Transactions for this account were not entered in the computerized ledger of the Library.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ANNUAL REPORT

The Annual Report for 2007 was incomplete. The Statement of Receipts, Disbursements and Cash and Investment Balances did not agree with the ledger or the depository reconciliation. The Receipts section and the Disbursement section were only completed for two funds and did not agree with the ledger. The Cash and Investment and the General Fixed Assets sections were not completed.

Indiana Code 5-3-1-4 states in part:

"(a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. . . . (b) The following shall prepare, verify, and file the reports required under subsection (a) not later than sixty (60) days after the end of each year. . . (2) A public library."

SYRACUSE-TURKEY CREEK TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

RECORD INFORMATION

Beginning in 2007, the Library Financial and Appropriation Record was kept on computerized software. The ledger was not reconciled to the bank account balance. Due to errors on this ledger, the Library was unable to prepare an accurate Annual Report for 2007.

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)

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CERTIFICATION OF ACCOUNTS PAYABLE VOUCHERS

Accounts payable voucher registers and accounts payable vouchers reviewed were not signed by the Library Director.

Indiana Code 36-12-3-16 provides, in part, that: "Each payment of expenses lawfully incurred for library purposes must be supported by a fully itemized invoice or other documentation. The library director must certify to the library board before payment that each claim for payment is true and correct. The certification must be on a form prescribed by the state board of accounts." To satisfy the certification requirements, the library director may either sign each accounts payable voucher individually or sign in the area designated on the Accounts Payable Voucher Register, General Form 364.

LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

The Library did not file a list of employees with the County Treasurer in 2007 and had not filed a list in 2008 as of July 22 as required by Indiana Code 6-1.1-22-14(a).

Indiana Code 6-1.1-22-14(a) states in part:

"On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision . . . shall certify the name and address of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located."

SYRACUSE-TURKEY CREEK TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2008, with John Castleman, Director; Shirley L. Bobeck, Treasurer; and Randall K. Girod, President of the Board. The officials concurred with our findings.