

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

EXAMINATION REPORT

OF

ROANN - PAW PAW TOWNSHIP PUBLIC LIBRARY

WABASH COUNTY, INDIANA

January 1, 2007 to December 31, 2008



**FILED**  
11/24/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Joy A. Harber	01-01-07 to 12-31-09
Treasurer	Amanda L. Randel Sonia R. Poe Ann Tysinger	01-01-07 to 05-31-07 06-01-07 to 07-31-09 08-01-09 to 12-31-09
President of the Board	Amanda L. Randel Sue Bennett (Interim) Max Gaston	01-01-07 to 09-15-07 09-16-07 to 02-20-08 02-21-08 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ROANN - PAW PAW TOWNSHIP  
PUBLIC LIBRARY, WABASH COUNTY, INDIANA

We have examined the financial information presented herein of the Roann - Paw Paw Township Public Library (Library), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, 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. It 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

October 19, 2009

ROANN - PAW PAW 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 22,722	\$ 51,495	\$ 44,615	\$ 29,602
Gift	11,741	-	-	11,741
Grant	4,227	1,000	4,061	1,166
Levy Excess	-	178	-	178
Library Improvement Reserve	21,647	417	-	22,064
Library Capital Projects	18,316	362	-	18,678
<b>Fiduciary Funds:</b>				
Memorials	1,293	400	527	1,166
Contributions	572	2,104	1,694	982
Trust	6,629	131	-	6,760
Payroll Withholdings	343	4,836	3,957	1,222
PLAC	272	660	902	30
<b>Totals</b>	<b>\$ 87,762</b>	<b>\$ 61,583</b>	<b>\$ 55,756</b>	<b>\$ 93,589</b>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 29,602	\$ 48,917	\$ 52,520	\$ 25,999
Gift	11,741	-	-	11,741
Grant	1,166	-	1,000	166
Levy Excess	178	-	178	-
Rainy Day	-	677	88	589
Trust Income	-	259	-	259
Library Improvement Reserve	22,064	4,418	-	26,482
Library Capital Projects	18,678	354	-	19,032
<b>Fiduciary Funds:</b>				
Memorials	1,166	-	-	1,166
Contributions	982	1,756	646	2,092
Trust	6,760	128	259	6,629
Payroll Withholdings	1,222	5,345	5,980	587
PLAC	30	780	660	150
<b>Totals</b>	<b>\$ 93,589</b>	<b>\$ 62,634</b>	<b>\$ 61,331</b>	<b>\$ 94,892</b>

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

ROANN - PAW PAW 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 culture and recreation 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.

ROANN - PAW PAW TOWNSHIP PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2008

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.

General infrastructure assets completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets is not required.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 24,800
Buildings	818,565
Improvements other than buildings	12,210
Machinery and equipment	<u>78,712</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 934,287</u></u>

ROANN - PAW PAW TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The 2007 Library Financial and Appropriation Record and Library Annual Financial Report (LAR-1) presented for examination were inaccurate. Posting errors and math errors were noted in the Library Financial and Appropriation Record in three funds: General, Grant, and Payroll Withholdings. At December 31, 2007, the fund balances exceeded the bank balance by \$206. Receipts, disbursements, and ending balances on the LAR-1 did not agree with the Library Financial and Appropriation Record.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

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)

ANNUAL REPORT

The 2007 Library Annual Financial Report (LAR-1) was not filed until March 31, 2008.

IC 5-11-1-4 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."

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$99.12 and \$57.48 were paid to the Internal Revenue Service and the Indiana Department of Revenue, respectively, during 2008 for periods ending December 31, 2006, and October 31, 2007.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ROANN - PAW PAW TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Library did not issue Form 1099 to the custodian for \$675 paid in 2007. Also during 2007, the Library paid an individual \$800 for mowing, but issued a corresponding Form 1099 for only \$700.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

TIMELY RECORDKEEPING

Property tax distributions were not timely recorded or deposited during the examination period. In one instance, a tax distribution made on June 25, 2008, was not receipted to the records or deposited in the Library bank account until August 1, 2008.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with Indiana Code 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

IC 5-13-6-1 (c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

ROANN - PAW PAW TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on October 19, 2009, with Joy A. Harber, Director.  
The official concurred with our findings.