

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

EXAMINATION REPORT
OF
PENN TOWNSHIP PUBLIC LIBRARY
JAY COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/21/2009

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OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--------------------------------|------------------------------|--|
| Director | Brenda L. Cash | 01-01-07 to 12-31-09 |
| Treasurer | Gary J. Daniels | 01-01-07 to 12-31-10 |
| President of the Library Board | Sharon Ross Tamara Hanlin | 01-01-07 to 04-30-07 05-01-07 to 12-31-09 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PENN TOWNSHIP PUBLIC LIBRARY, JAY COUNTY, INDIANA

We have examined the financial information presented herein of the Penn 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.

STATE BOARD OF ACCOUNTS

October 28, 2009

PENN 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 |
|----------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 7,832 | \$ 18,049 | \$ 15,445 | \$ 10,436 |
| Donations | - | 4,439 | 3,842 | 597 |
| Fiduciary Fund: | | | | |
| Payroll Withholdings | <u>180</u> | <u>556</u> | <u>592</u> | <u>144</u> |
| Totals | <u>\$ 8,012</u> | <u>\$ 23,044</u> | <u>\$ 19,879</u> | <u>\$ 11,177</u> |

| | Cash and Investments 01-01-08 | Receipts | Disbursements | Cash and Investments 12-31-08 |
|----------------------|-------------------------------------|------------------|------------------|-------------------------------------|
| Governmental Funds: | | | | |
| General | \$ 10,436 | \$ 19,862 | \$ 16,500 | \$ 13,798 |
| Donations | 597 | 550 | 569 | 578 |
| Fiduciary Fund: | | | | |
| Payroll Withholdings | <u>144</u> | <u>602</u> | <u>603</u> | <u>143</u> |
| Totals | <u>\$ 11,177</u> | <u>\$ 21,014</u> | <u>\$ 17,672</u> | <u>\$ 14,519</u> |

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

PENN TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana to provide 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 or highway use taxes are received 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.

PENN TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

LIBRARY ANNUAL FINANCIAL REPORTS

The Library Annual Financial Reports included all balances and transactions as belonging to the Library Operating (General) Fund, even though portions of those amounts belonged to other funds.

Governmental units should file accurate reports required by federal and state agencies. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

BOARD MINUTES

Minutes of the Library Board monthly meetings were unavailable for examination for nine months in 2007 and 2008.

IC 5-14-1.5-4 states in part:

"(b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.
- (3) The general substance of all matters proposed, discussed, or decided.
- (4) A record of all votes take, by individual members if there is a roll call.
- (5) An additional information required under IC 5-1.5-2-2.5 or IC 20-12-63-7."

PENN TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2009, with Brenda L. Cash, Director; Gary J. Daniels, Treasurer; and Tamara Hanlin, President of the Library Board. The officials concurred with our findings.