

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

EXAMINATION REPORT
OF
OTTERBEIN-BOLIVAR TOWNSHIP PUBLIC LIBRARY
BENTON COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
02/03/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Anastasia Krutulis Sarah Rainey	01-01-07 to 08-01-08 08-02-08 to 12-31-09
Treasurer	Joline Brummet	01-01-07 to 12-31-09
President of the Board	Wilma Mills Carol Stevenson Heath Lord	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE OTTERBEIN-BOLIVAR TOWNSHIP
PUBLIC LIBRARY, BENTON COUNTY, INDIANA

We have examined the financial information presented herein of the Otterbein-Bolivar 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 Long-Term Debt, 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

December 10, 2009

OTTERBEIN-BOLIVAR TOWNSHIP PUBLIC LIBRARY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL 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	\$ 35,465	\$ 104,316	\$ 97,709	\$ 42,072
Gift	30,023	19,500	26,950	22,573
Rainy Day	8,992	-	-	8,992
Bond Sinking Fund	5,652	-	-	5,652
Construction Donation	20,095	-	-	20,095
Levy Excess	1,582	-	-	1,582
Library Improvement Reserve	28,113	2,873	1,814	29,172
Library Capital Projects	12,430	-	5,752	6,678
Construction	142,340	5,511	13,878	133,973
Building Corporation Fund	84,359	128,624	93,500	119,483
Totals	<u>\$ 369,051</u>	<u>\$ 260,824</u>	<u>\$ 239,603</u>	<u>\$ 390,272</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 42,072	\$ 69,401	\$ 96,258	\$ 15,215
Gift	22,573	14,242	27,074	9,741
Rainy Day	8,992	462	-	9,454
Bond Sinking Fund	5,652	-	-	5,652
Construction Donation	20,095	-	-	20,095
Levy Excess	1,582	1,124	-	2,706
Library Improvement Reserve	29,172	1,004	600	29,576
Library Capital Projects	6,678	-	5,535	1,143
Construction	133,973	8,483	26,920	115,536
Building Corporation Fund	119,483	9,351	98,479	30,355
Totals	<u>\$ 390,272</u>	<u>\$ 104,067</u>	<u>\$ 254,866</u>	<u>\$ 239,473</u>

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

OTTERBEIN-BOLIVAR 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.

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.

OTTERBEIN-BOLIVAR TOWNSHIP PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

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:		
Library Building	\$ 1,647,500	\$ 100,500

OTTERBEIN-BOLIVAR TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

The Library Form series 1, Financial and Appropriation Ledger was not in use. The Library uses the QuickBooks program for their financial recordkeeping. The QuickBooks program has not been approved as an allowable substitute to the prescribed forms.

The Library does not maintain records of their capital assets. General Form 369 should be used to record these assets. The Library does not maintain an inventory of investments. General Form 350 should be used to record investments. A similar comment appeared in prior Report B29800.

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)

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 at least 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)

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not completed during the examination period.

IC 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/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)

OTTERBEIN-BOLIVAR TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2009, with Joline Brummet, Treasurer; and Sarah Rainey, Director. The officials concurred with our findings.