

B36839

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

EXAMINATION REPORT  
OF  
LINDEN-MADISON TOWNSHIP PUBLIC LIBRARY  
MONTGOMERY COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
05/10/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Kathie Watkins	01-01-07 to 12-31-10
Treasurer	Kara Edie	01-01-07 to 12-31-10
President of the Board	Richard Ward J. Thomas Utley	01-01-07 to 12-31-08 01-01-09 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LINDEN-MADISON TOWNSHIP  
PUBLIC LIBRARY, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of the Linden-Madison Township Public Library (Library), for the period of January 1, 2007 to December 31, 2009. 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, 2008, and 2009, 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

February 8, 2010

LINDEN-MADISON 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, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 47,839	\$ 62,819	\$ 93,212	\$ 17,446
Gift	24,276	3,396	-	27,672
Levy Excess	-	1,500	-	1,500
Library Improvement Reserve	228,380	21,454	37,088	212,746
Lease Rental	-	63,398	80,000	(16,602)
Construction	587,605	15,912	603,517	-
Construction Escrow	10,539	74,182	84,721	-
Fiduciary Fund:				
Payroll Withholdings	-	10,031	10,031	-
Totals	<u>\$ 898,639</u>	<u>\$ 252,692</u>	<u>\$ 908,569</u>	<u>\$ 242,762</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 17,446	\$ 117,887	\$ 97,870	\$ 37,463
Gift	27,672	1,147	1,218	27,601
Levy Excess	1,500	-	-	1,500
Library Improvement Reserve	212,746	11,322	61,608	162,460
Lease Rental	(16,602)	124,000	76,000	31,398
Fiduciary Fund:				
Payroll Withholdings	-	10,942	10,942	-
Totals	<u>\$ 242,762</u>	<u>\$ 265,298</u>	<u>\$ 247,638</u>	<u>\$ 260,422</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 37,463	\$ 104,149	\$ 98,644	\$ 42,968
Gift	27,601	50	742	26,909
Rainy Day	-	1,782	-	1,782
Levy Excess	1,500	-	-	1,500
Library Improvement Reserve	162,460	32,477	30,135	164,802
Lease Rental	31,398	65,910	76,000	21,308
Fiduciary Fund:				
Payroll Withholdings	-	11,093	11,093	-
Totals	<u>\$ 260,422</u>	<u>\$ 215,461</u>	<u>\$ 216,614</u>	<u>\$ 259,269</u>

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

LINDEN-MADISON 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 reading, internet, audio-visual, and enrichment services to its patrons. The Library also has a large number of other programs, such as adult and children education programs, community programs and inter-library borrowing.

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. However, due to property tax reassessment, the taxes in 2007 were due July 20 and November 13; the taxes in 2008 were due September 9 and November 10; and the taxes in 2009 were due July 31 and November 10.

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.

LINDEN-MADISON TOWNSHIP PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

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 Expansion	\$ 1,345,000	\$ 73,000

LINDEN-MADISON TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2010, with Kathie Watkins, Director; and Kara Edie, Treasurer. Our examination disclosed no material items that warrant comment at this time.