

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

EXAMINATION REPORT

OF

KENTLAND-JEFFERSON TOWNSHIP PUBLIC LIBRARY

NEWTON COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
07/23/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Roberta Dewing	01-01-08 to 12-31-10
Treasurer	Tom Zabel	01-01-08 to 12-31-10
President of the Board	John Cassidy Jenny Washburn	01-01-08 to 12-31-09 01-01-10 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE KENTLAND-JEFFERSON TOWNSHIP
PUBLIC LIBRARY, NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of the Kentland-Jefferson Township Public Library (Library), for the period of January 1, 2008 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, 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

June 23, 2010

KENTLAND-JEFFERSON 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 122,846	\$ 172,731	\$ 180,649	\$ 114,928
Gift	58,162	7,506	51,398	14,270
Rainy Day	7,807	6,606	-	14,413
Bond and Interest Redemption	-	-	-	-
Library Improvement Reserve	38,819	10,000	-	48,819
Construction	-	852,718	328,662	524,056
Construction Gift	-	136,895	4,264	132,631
Fiduciary Fund:				
Payroll Withholdings	-	14,728	14,728	-
Totals	<u>\$ 227,634</u>	<u>\$ 1,201,184</u>	<u>\$ 579,701</u>	<u>\$ 849,117</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 114,928	\$ 187,827	\$ 178,531	\$ 124,224
Gift	14,270	808	1,557	13,521
Rainy Day	14,413	1,886	-	16,299
Bond and Interest Redemption	-	83,676	41,124	42,552
Library Improvement Reserve	48,819	10,000	-	58,819
Construction	524,056	22,000	546,056	-
Construction Gift	132,631	48,165	111,813	68,983
Fiduciary Fund:				
Payroll Withholdings	-	14,853	14,853	-
Totals	<u>\$ 849,117</u>	<u>\$ 369,215</u>	<u>\$ 893,934</u>	<u>\$ 324,398</u>

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

KENTLAND-JEFFERSON 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: public safety, health and social 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 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.

KENTLAND-JEFFERSON TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

KENTLAND-JEFFERSON 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:		
Bonds payable:		
General obligation bonds:		
2008 Library Addition and Renovation	\$ 850,000	\$ 79,538
Total governmental activities debt	<u>\$ 850,000</u>	<u>\$ 79,538</u>

KENTLAND-JEFFERSON TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Library is not maintaining capital asset records. A similar comment was issued in prior Report B32074.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. 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)

APPROPRIATIONS

The following expenditures were in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Bond and Interest	2009	<u>\$ 41,124</u>

IC 6-1.1-18-4 states, in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

PAYROLL DEDUCTIONS

Payment was made to the Treasurer in 2008 and 2009 without payroll deductions for taxes.

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)

SERVICE AND TIME RECORDS

The Bookkeeper was paid an hourly rate in 2009 and no time cards were presented for audit to indicate hours worked. The Bookkeeper prepares and signs checks and no approval is made for time.

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)

KENTLAND-JEFFERSON TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 23, 2010, with Roberta Dewing, Director; Tom Zabel, Treasurer; Charles Haldeman, Vice President of the Board; and Pamela Heyde, Bookkeeper. The officials concurred with our findings.