

B37342

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

EXAMINATION REPORT
OF
THE DUNKIRK PUBLIC LIBRARY
JAY COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
08/11/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Ailesia Franklin	01-01-07 to 12-31-10
Treasurer	Susan McCombs	01-01-07 to 09-01-08
	Vacant	09-02-08 to 10-12-08
	Devon Lykins	10-13-08 to 12-31-08
	Marsha Fuller	01-01-09 to 12-31-10
President of the Library Board	Roy Sneed	01-01-08 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE DUNKIRK PUBLIC LIBRARY, JAY COUNTY, INDIANA

We have examined the financial information presented herein of the Dunkirk 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 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

June 2, 2010

THE DUNKIRK 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	\$ 50,788	\$ 157,984	\$ 161,027	\$ 47,745
Gift	-	2,801	2,723	78
State Technology Grant	2,700	2,700	2,700	2,700
Tractor Engine Tour	-	86	86	-
Teen Reading Fund	172	-	97	75
Museum Gift Fund	106	2,150	15	2,241
Summer Reading	-	1,890	1,890	-
Library Improvement Reserve	21,659	26,142	22,901	24,900
Fiduciary Fund:				
Payroll Withholdings	-	16,653	16,653	-
Totals	<u>\$ 75,425</u>	<u>\$ 210,406</u>	<u>\$ 208,092</u>	<u>\$ 77,739</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 47,745	\$ 148,321	\$ 146,587	\$ 49,479
Gift	78	510	507	81
State Technology Grant	2,700	2,700	2,700	2,700
TRL Fund	75	296	221	150
Museum Gift Fund	2,241	1,627	926	2,942
Summer Reading	-	2,475	2,353	122
Rainy Day Fund	-	910	-	910
Library Improvement Reserve	24,900	8,229	5,133	27,996
Fiduciary Fund:				
Payroll Withholdings	-	16,653	16,653	-
Totals	<u>\$ 77,739</u>	<u>\$ 181,721</u>	<u>\$ 175,080</u>	<u>\$ 84,380</u>

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

THE DUNKIRK 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, 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.

THE DUNKIRK PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2009

This Library has no general infrastructure assets.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 10,000
Buildings	260,000
Machinery and equipment	<u>1,699,945</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,969,945</u>

THE DUNKIRK PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

PENALTIES, INTEREST, AND OTHER CHARGES

As noted in prior Report B33663, penalties were paid for exceeding the credit limits. Penalties totaling \$34 and \$102 were paid during 2008 and 2009, respectively. The Director paid \$68 in 2009 towards the penalties and \$68 in 2010 for the remainder of the penalties.

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Library did not comply with directives of the Internal Revenue Service by not including payments made to the director to purchase insurance as taxable income on her W-2.

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)

THE DUNKIRK PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 2, 2010, with Ailesia Franklin, Director; Marsha Fuller, Treasurer; and Roy Sneed, President of the Library Board. The officials concurred with our findings.