

B37705

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

EXAMINATION REPORT

OF

PIERCETON-WASHINGTON TOWNSHIP PUBLIC LIBRARY

KOSCIUSKO COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED
10/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Pamela Myers	01-01-07 to 12-31-10
Treasurer	Nancy Stoddard	01-01-07 to 12-31-10
President of the Board	Mary Joan Plew	01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PIERCETON-WASHINGTON
TOWNSHIP PUBLIC LIBRARY, KOSCIUSKO COUNTY, INDIANA

We have examined the financial information presented herein of the Pierceton-Washington 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 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. The Schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the Schedule.

STATE BOARD OF ACCOUNTS

August 12, 2010

PIERCETON-WASHINGTON 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	\$ 100,363	\$ 83,928	\$ 73,734	\$ 110,557
Library Improvement Reserve	210,900	3,023	10,000	203,923
Fiduciary Funds:				
Endowment	245	2,006	6	2,245
Payroll Withholdings	-	4,656	4,656	-
PLAC	-	1,722	1,031	691
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 311,508</u>	<u>\$ 95,335</u>	<u>\$ 89,427</u>	<u>\$ 317,416</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 110,557	\$ 93,551	\$ 78,662	\$ 125,446
Library Improvement Reserve	203,923	12,813	30,000	186,736
Fiduciary Funds:				
Endowment	2,245	940		3,185
Payroll Withholdings	-	4,577	4,577	-
PLAC	691	1,560	2,251	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 317,416</u>	<u>\$ 113,441</u>	<u>\$ 115,490</u>	<u>\$ 315,367</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 125,446	\$ 102,677	\$ 71,512	\$ 156,611
Rainy Day	-	346	-	346
Library Improvement Reserve	186,736	3,902	-	190,638
Fiduciary Funds:				
Endowment	3,185	4,054		7,239
Payroll Withholdings	-	4,711	4,711	-
PLAC	-	1,560	1,560	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 315,367</u>	<u>\$ 117,250</u>	<u>\$ 77,783</u>	<u>\$ 354,834</u>

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

PIERCETON-WASHINGTON 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, 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 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.

PIERCETON-WASHINGTON TOWNSHIP PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As of December 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 750
Buildings	803,500
Machinery and equipment	<u>44,100</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 848,350</u></u>

PIERCETON-WASHINGTON TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

LIBRARY FINANCIAL AND APPROPRIATION RECORD

The Library Financial and Appropriation Record does not track appropriation balances. For the years 2007, 2008, and 2009 no appropriation balances are calculated or shown. For the year 2009, no beginning budget appropriation was posted to the Record.

The Library Financial and Appropriation Record should be posted as follows. Original Appropriations. The original appropriation for each item as shown by Library Budget Form 4 should be entered on Line 1 of the Library Financial and Appropriation Record.

The Library Operating Fund Appropriation Columns as shown on the Financial and Appropriation Record are used in making the distribution of disbursements and charging the same to the proper appropriation.

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 3)

RECEIPT ISSUANCE

The information presented for our examination indicates receipts were not issued. A similar exception was included in the prior examination report, file number B30906.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

COMPENSATION AND BENEFITS

No salary resolution was approved by the Board. A similar exception was included in the prior examination report, file number B30906.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 8)

PIERCETON-WASHINGTON TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

ANNUAL FINANCIAL REPORT

The annual financial report is not accurate. The report shows only a general operating fund. There are several other funds of the Library.

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)

CONDITION OF RECORDS

Financial records presented for our examination were not accurate. Interest earned on fund investments was not receipted to the funds. Some disbursements posted to the fund control column, were not posted to the appropriations' columns and disbursements shown in the control were not compared to the appropriations' columns' disbursements to find and correct these errors. The ledger was not totaled each month for several months.

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)

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)

PIERCETON-WASHINGTON TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2010, with Pamela Myers, Director; and with Nancy Stoddard, Treasurer. The officials concurred with our findings.