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

EXAMINATION REPORT
OF
JONESBORO PUBLIC LIBRARY
GRANT COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
11/01/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Carol J. Jones	01-01-07 to 12-31-10
Treasurer	Scott Herring	01-01-07 to 11-26-07
	Vacant	11-27-07 to 12-16-07
	Midge E. Sanders (Interim)	12-17-07 to 12-31-07
	Norma L. Foster	01-01-08 to 12-31-10
President of the Library Board	Cathy Simpson	01-01-07 to 11-26-07
	Vacant	11-27-07 to 12-16-07
	Midge E. Sanders	12-17-07 to 12-31-09
	Stacy A. Hosier	01-01-10 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE JONESBORO PUBLIC LIBRARY, GRANT COUNTY, INDIANA

We have examined the financial information presented herein of the Jonesboro 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.

STATE BOARD OF ACCOUNTS

August 5, 2010

JONESBORO 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	\$ 38,512	\$ 49,748	\$ 56,898	\$ 31,362
Gift	348	1,017	231	1,134
Levy Excess	1,309	-	1,309	-
Library Improvement Reserve	8,561	296	-	8,857
Parking Lot Donation	554	-	554	-
Fiduciary Fund:				
PLAC	-	421	421	-
Totals	<u>\$ 49,284</u>	<u>\$ 51,482</u>	<u>\$ 59,413</u>	<u>\$ 41,353</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 31,362	\$ 50,694	\$ 55,417	\$ 26,639
Gift	1,134	261	-	1,395
Library Improvement Reserve	8,857	424	-	9,281
Fiduciary Fund:				
PLAC	-	270	270	-
Totals	<u>\$ 41,353</u>	<u>\$ 51,649</u>	<u>\$ 55,687</u>	<u>\$ 37,315</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 26,639	\$ 47,998	\$ 51,042	\$ 23,595
Gift	1,395	-	-	1,395
Library Improvement Reserve	9,281	149	-	9,430
Fiduciary Fund:				
PLAC	-	360	360	-
Totals	<u>\$ 37,315</u>	<u>\$ 48,507</u>	<u>\$ 51,402</u>	<u>\$ 34,420</u>

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

JONESBORO PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural 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.

JONESBORO PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

LIBRARY ANNUAL REPORTS

The Library Annual Reports filed for 2007, 2008, and 2009 were not accurate. Beginning cash balances did not agree with prior year ending cash balances and receipts and disbursements were incorrectly reported for some funds.

Public libraries are required to file an annual report with the State Board of Accounts pursuant to Indiana Code 5-11-1-44 not later than sixty (60) days after the end of the fiscal year. (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)

CAPITAL ASSET RECORDS

The Library records capital asset additions, but disposals are not being recorded. When the Library disposes of a capital asset, the cost of the asset should also be recorded in the records as a deletion. The capital asset records included items dating back to 1941 and items of immaterial amounts.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset 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)

The Library does not have an asset capitalization policy.

The governing body should establish a capitalization policy that sets a dollar amount as a threshold to be used in determining which items will be recorded. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 10)

JONESBORO PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 5, 2010, with Carol J. Jones, Director; Norma L. Foster, Treasurer; and Stacy A. Hosier, President of the Library Board.