

B37788

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

EXAMINATION REPORT
OF
CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
STEUBEN COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
11/15/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Sonya Dintaman	01-01-07 to 12-31-10
Treasurer	Gary Taylor Theresa Hornbacher	01-01-07 to 12-31-07 01-01-08 to 12-31-10
President of the Library Board	Steven Shatto David Police	01-01-07 to 12-31-09 01-01-10 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF CARNEGIE PUBLIC LIBRARY OF
STEBEN COUNTY, STEUBEN COUNTY, INDIANA

We have examined the financial information presented herein of Carnegie Public Library of Steuben County (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 and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 26, 2010

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
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	\$ 71,110	\$ 597,235	\$ 503,769	\$ 164,576
Gift	336	1,169	-	1,505
Restricted Gift	5,472	4,093	6,614	2,951
Step Ahead	310	-	310	-
Special Projects	265	-	265	-
Bond and Interest Redemption	142,352	135,355	259,456	18,251
Library Improvement Reserve	190,440	4,691	173,215	21,916
Library Capital Projects	152,789	2,298	126,243	28,844
Book Buddies	820	-	77	743
Technology Grant	-	2,700	2,700	-
Fiduciary Funds:				
Payroll Withholdings	195	75,856	76,212	(161)
PLAC	31	180	121	90
Student Deposit	1,120	90	-	1,210
Rent Deposit	550	-	-	550
Totals	\$ 565,790	\$ 823,667	\$ 1,148,982	\$ 240,475

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 164,576	\$ 654,373	\$ 696,744	\$ 122,205
Gift	1,505	356	309	1,552
Restricted Gift	2,951	7,645	9,222	1,374
Bond and Interest Redemption	18,251	254,217	258,456	14,012
Library Improvement Reserve	21,916	162,000	180,000	3,916
Library Capital Projects	28,844	107,248	47,822	88,270
Book Buddies	743	-	-	743
Technology Grant	-	2,700	-	2,700
Fiduciary Funds:				
Payroll Withholdings	(161)	76,298	74,822	1,315
PLAC	90	331	210	211
Student Deposit	1,210	180	150	1,240
Rent Deposit	550	550	-	1,100
Totals	\$ 240,475	\$ 1,265,898	\$ 1,267,735	\$ 238,638

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 122,205	\$ 788,545	\$ 803,276	\$ 107,474
Gift	1,552	-	1,381	171
Restricted Gift	1,374	9,847	9,000	2,221
Bond and Interest Redemption	14,012	392,637	264,954	141,695
Library Improvement Reserve	3,916	311,044	143,004	171,956
Library Capital Projects	88,270	98,561	56,178	130,653
Book Buddies	743	-	-	743
Technology Grant	2,700	6,159	8,859	-
Fiduciary Funds:				
Payroll Withholdings	1,315	74,251	77,549	(1,983)
PLAC	211	270	391	90
Student Deposit	1,240	150	60	1,330
Rent Deposit	1,100	-	-	1,100
Totals	\$ 238,638	\$ 1,681,464	\$ 1,364,652	\$ 555,450

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

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
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.

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 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	\$ 149,565
Buildings	5,007,800
Machinery and equipment	<u>1,306,529</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 6,463,894</u>

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
 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:		
Library Addition and Renovation of 2002	\$ 2,495,000	\$ 131,493
Total governmental activities debt	<u>\$ 2,495,000</u>	<u>\$ 131,493</u>

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
EXAMINATION RESULT AND COMMENT

OVERDRAWN CASH BALANCES

The cash balance of the Payroll Fund was overdrawn by \$161 at December 31, 2007, and \$1,983 at December 31, 2009.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on August 26, 2010, with Sonya Dintaman, Director. The official response has been made a part of this report and may be found on page 10.

Carnegie Public Library of Steuben County

322 South Wayne Street * Angola, IN 46703 * 260-665-3362 * Fax 260-665-8958

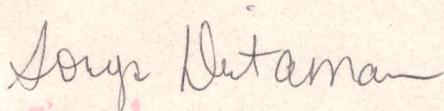
August 25, 2010

State Board of Accounts
302 W. Washington St.
Indianapolis, IN 46204

Re: 2010 Audit comments

During our January 2009 open enrollment for AFLAC, it became apparent that some employees had only been having half of their monthly fee deducted from their paychecks causing our Payroll Fund to have a negative balance. Attached is a spreadsheet showing each employee's current AFLAC balance. We will begin deducting more from employees who have a balance to get the balance to zero by the end of 2010. I will continue the spreadsheet to prevent a similar mistake in the future.

Sincerely,



Sonya Dintaman
Director