

B38006

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

EXAMINATION REPORT  
OF

MIDDLETOWN-FALL CREEK TOWNSHIP  
PUBLIC LIBRARY  
HENRY COUNTY, INDIANA

January 1, 2008 to December 31, 2009



**FILED**  
12/08/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Teresa Dennis	01-01-08 to 12-31-10
Treasurer	Jana Whitesel Paula A. Ramsey	01-01-08 to 04-30-09 05-01-09 to 12-31-10
President of the Board	Paul Shockley June Slick (Interim) Maynard Powell	01-01-08 to 10-12-08 10-13-08 to 12-31-08 01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MIDDLETOWN-FALL CREEK  
TOWNSHIP PUBLIC LIBRARY, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of the Middletown-Fall Creek 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

September 30, 2010

MIDDLETOWN-FALL CREEK 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	\$ 73,418	\$ 124,631	\$ 146,091	\$ 51,958
Gift	15,581	8,836	4,622	19,795
Grant	1,246	10,398	7,782	3,862
Levy Excess	151	-	-	151
Bond and Interest Redemption	26,716	62,029	11,550	77,195
Library Improvement Reserve	48,656	24,989	25,675	47,970
Construction	78,837	-	78,837	-
Building	50,481	1,581	2,006	50,056
Fiduciary Funds:				
Payroll Withholdings	9	1,556	1,556	9
PLAC	-	750	750	-
Totals	<u>\$ 295,095</u>	<u>\$ 234,770</u>	<u>\$ 278,869</u>	<u>\$ 250,996</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 51,958	\$ 134,601	\$ 135,560	\$ 50,999
Gift	19,795	24,246	25,596	18,445
Grant	3,862	5,087	4,263	4,686
Levy Excess	151	-	-	151
Bond and Interest Redemption	77,195	1,591	11,550	67,236
Library Improvement Reserve	47,970	1,527	-	49,497
Building	50,056	1,500	1,388	50,168
Fiduciary Funds:				
Payroll Withholdings	9	-	-	9
PLAC	-	420	420	-
Totals	<u>\$ 250,996</u>	<u>\$ 168,972</u>	<u>\$ 178,777</u>	<u>\$ 241,191</u>

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

MIDDLETOWN-FALL CREEK 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.

MIDDLETOWN-FALL CREEK 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:	\$ 210,000	\$ 25,775
Total governmental activities debt	<u>\$ 210,000</u>	<u>\$ 25,775</u>

MIDDLETOWN-FALL CREEK TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

PRESCRIBED FORMS

As similarly discussed in prior Report B33737, the following deficiencies were identified with the Daily Record of Desk Collections:

- (1) An alternate form "Cash Receipts" was not an approved form.
- (2) Cash Receipt form in use did not include cash balance at the beginning of the day or end of day. As a result, we could not determine the amount of cash change on hand.
- (3) Desk collections are being deposited only once per week.
- (4) Amounts of fines/fees, rentals, copies and book sales are reported monthly as fines and fees.
- (5) Not all PLAC card sales are posted to the "Cash Receipt" Report.
- (6) Form 3 (Daily Record of Desk Collections) is only being used to summarize the weekly totals.

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)

IC 5-13-6-1 (c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

OFFICIAL BONDS

The official bonds for Paula A. Ramsey, Treasurer, were not filed in the Office of the County Recorder.

IC 36-12-2-22(g) requires the Treasurer's bond to be deposited in the office of the County Recorder. Other library employee bonds shall also be filed in the office of the County Recorder. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

MIDDLETOWN-FALL CREEK TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2010, with Paula A. Ramsey, Treasurer, and Teresa Dennis, Director.