

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

EXAMINATION REPORT
OF
SPICELAND/SPICELAND TOWNSHIP PUBLIC LIBRARY
HENRY COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
01/03/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Brenda Baldauf	01-01-08 to 12-31-10
Treasurer	Sandra Wright	01-01-08 to 12-31-10
President of the Board	Lori Thomas Scott Bouslog Beth Carr	01-01-08 to 12-31-08 01-01-09 to 10-05-10 10-06-10 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SPICELAND/SPICELAND TOWNSHIP
PUBLIC LIBRARY, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of the Spiceland/Spiceland 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.

STATE BOARD OF ACCOUNTS

November 24, 2010

SPICELAND/SPICELAND TOWNSHIP PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL 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:				
Operating	\$ 6,494	\$ 24,314	\$ 21,158	\$ 9,650
Gift	30,240	-	665	29,575
Innex Brookshire Donation	16,694	606	-	17,300
LIRF	1,991	-	-	1,991
	<u>55,419</u>	<u>24,920</u>	<u>21,823</u>	<u>58,516</u>
Totals	<u>\$ 55,419</u>	<u>\$ 24,920</u>	<u>\$ 21,823</u>	<u>\$ 58,516</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Operating	\$ 9,650	\$ 28,141	\$ 24,431	\$ 13,360
Gift	29,575	61	36	29,600
Innex Brookshire Donation	17,300	359	-	17,659
LIRF	1,991	3,500	-	5,491
	<u>58,516</u>	<u>32,061</u>	<u>24,467</u>	<u>66,110</u>
Totals	<u>\$ 58,516</u>	<u>\$ 32,061</u>	<u>\$ 24,467</u>	<u>\$ 66,110</u>

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

SPICELAND/SPICELAND 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.

SPICELAND/SPICELAND TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

No capital asset records were presented for examination.

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

PAYROLL TAXES

A review of payroll taxes revealed that the Library overpaid the Indiana Department of Revenue in 2008 by \$55.06.

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)

SUPPORTING DOCUMENTATION

Some payments were observed which did not contain adequate supporting documentation, such as payments being made from statements, invoices not being properly itemized on one disbursement without any supporting documentation. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

SPICELAND/SPICELAND TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

SALES TAX

Sales tax totaling \$83.19 was paid on some purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

DEPOSITS

In some instances, receipts were deposited later than the next business day.

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 BOND

The official bond for Sandra Wright for the period July 11, 2009 to July 11, 2010 had not been recorded in the Henry County Recorder's office.

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)

SPICELAND/SPICELAND TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 24, 2010, with Beth Carr, President of the Board; Sandra Wright, Treasurer; and Dawn Mogg, Bookkeeper. The officials concurred with our findings.