

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

EXAMINATION REPORT  
OF  
SHOALS PUBLIC LIBRARY  
MARTIN COUNTY, INDIANA  
January 1, 2007 to December 31, 2010



**FILED**  
03/11/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Linda G. Jones	01-01-07 to 12-31-11
Treasurer	Mason Read Marilyn Read	01-01-07 to 12-31-08 01-01-09 to 12-31-11
President of the Board	John Heckard Wanda Harding	01-01-07 to 04-30-09 05-01-09 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF SHOALS PUBLIC LIBRARY, MARTIN COUNTY, INDIANA

We have examined the financial information presented herein of Shoals Public Library (Library), for the period of January 1, 2007 to December 31, 2010. 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, 2009 and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 8, 2011

SHOALS 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, 2009 And 2010

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 21,928	\$ 48,336	\$ 33,008	\$ 37,256
Rainy Day	383	443	-	826
Technology Grant	325	-	-	325
Cinergy/PSI Grant	1,071	-	-	1,071
Gift - Unrestricted	4,053	1,097	500	4,650
Catfish Festival and Lions Club Donation	1,428	-	732	696
Shoals Lions Club	-	2,000	2,000	-
Ralph Harding Memorial	-	520	150	370
Memory Book	656	-	656	-
MCCF Donation	366	831	-	1,197
Young Adult Books	540	-	540	-
Computer Grant	1,488	525	-	2,013
Psi Iota Xi Grant	-	750	369	381
St. Vincent de Paul	525	5,000	5,287	238
Gates Grant	255	-	139	116
Levy Excess	1,052	-	-	1,052
Library Improvement Reserve	4,597	-	-	4,597
Fiduciary Funds:				
Payroll Withholdings	294	1,683	1,709	268
PLAC	-	496	436	60
Totals	<u>\$ 38,961</u>	<u>\$ 61,681</u>	<u>\$ 45,526</u>	<u>\$ 55,116</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 37,256	\$ 47,228	\$ 39,137	\$ 45,347
Rainy Day	826	820	1,646	-
Technology Grant	325	-	205	120
Cinergy/PSI Grant	1,071	-	1,071	-
Gift - Unrestricted	4,650	-	471	4,179
Catfish Festival and Lions Club Donation	696	-	-	696
Ralph Harding Memorial	370	24	164	230
Wireless Internet	-	75	70	5
MCCF Donation	1,197	500	-	1,697
Methodist Men	-	100	100	-
Computer Grant	2,013	-	-	2,013
Psi Iota Xi Grant	381	2,750	854	2,277
St. Vincent de Paul	238	-	238	-
Internet Connection	-	2,700	-	2,700
Gates Grant	116	-	116	-
Geneology Society	-	500	500	-
Levy Excess	1,052	-	-	1,052
Library Improvement Reserve	4,597	1,169	4,597	1,169
Fiduciary Funds:				
Payroll Withholdings	268	2,194	2,133	329
PLAC	60	60	120	-
Totals	<u>\$ 55,116</u>	<u>\$ 58,120</u>	<u>\$ 51,422</u>	<u>\$ 61,814</u>

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

SHOALS 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, 2009 And 2010  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 45,347	\$ 33,468	\$ 37,540	\$ 41,275
Rainy Day	-	307	-	307
Technology Grant	120	-	-	120
Gift - Unrestricted	4,179	2,916	3,599	3,496
Catfish Festival and Lions Club Donation	696	-	-	696
Ralph Harding Memorial	230	-	13	217
Wireless Internet	5	-	-	5
MCCF Donation	1,697	-	678	1,019
Computer Grant	2,013	1,321	1,321	2,013
Psi Iota Xi Grant	2,277	-	-	2,277
Internet Connection	2,700	2,700	2,700	2,700
Gates Grant	-	1,000	-	1,000
Levy Excess	1,052	-	-	1,052
Library Improvement Reserve	1,169	500	550	1,119
Fiduciary Fund:				
Payroll Withholdings	329	2,303	2,286	346
Totals	<u>\$ 61,814</u>	<u>\$ 44,515</u>	<u>\$ 48,687</u>	<u>\$ 57,642</u>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 41,275	\$ 49,268	\$ 38,371	\$ 52,172
Rainy Day	307	781	-	1,088
Technology Grant	120	-	-	120
Gift - Unrestricted	3,496	683	1,228	2,951
Catfish Festival and Lions Club Donation	696	-	-	696
Ralph Harding Memorial	217	-	-	217
Wireless Internet	5	-	-	5
MCCF Donation	1,019	-	-	1,019
Computer Grant	2,013	-	305	1,708
Psi Iota Xi Grant	2,277	-	-	2,277
Internet Connection	2,700	1,160	2,100	1,760
Surf Control Renewal	-	1,207	1,207	-
Geneology Society	1,000	-	-	1,000
Levy Excess	1,052	57	-	1,109
Library Improvement Reserve	1,119	-	-	1,119
Fiduciary Funds:				
Payroll Withholdings	346	3,070	3,066	350
PLAC	-	50	50	-
Totals	<u>\$ 57,642</u>	<u>\$ 56,276</u>	<u>\$ 46,327</u>	<u>\$ 67,591</u>

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

SHOALS 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 service: culture and recreation.

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.

SHOALS PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

As stated in prior reports, the Library did not maintain capital asset records.

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)

SHOALS PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on February 8, 2011, with Linda G. Jones, Director.  
The official concurred with our finding.