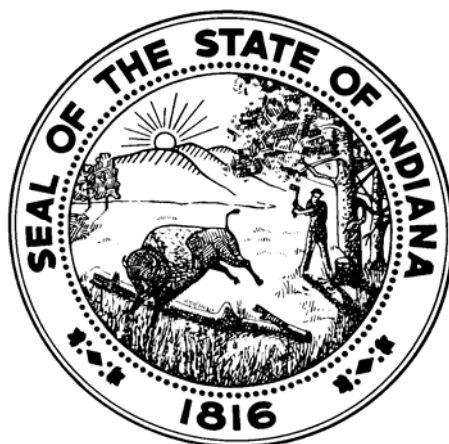


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
CARROLL COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
7/19/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Melissa Bishop	01-01-03 to 12-31-06
Treasurer	Edgar F. Krauss Jennifer Spesard	01-01-03 to 04-14-03 04-15-03 to 12-31-06
President of the Board	Marsha Eckert Charlene Davis	01-01-03 to 05-15-05 06-01-05 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FLORA-MONROE TOWNSHIP
PUBLIC LIBRARY, CARROLL COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Flora-Monroe Township Public Library (Library), for the period of January 1, 2003 to December 31, 2005. The Library's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Library for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 14, 2006

FLORA-MONROE 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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 80,709	\$ 134,575	\$ 187,248	\$ 28,036
Gift	1,804	863	909	1,758
Edith Cook Memorial	283	122	405	-
Reading Programs	626	1,500	2,126	-
Levy Excess	493	262	493	262
Debt Service	52,712	80,528	131,000	2,240
Library Improvement Reserve	120,251	63,597	112,128	71,720
Richter Building	25,455	237	11,876	13,816
Coffee Shop	19	207	214	12
Friends	472	181	653	-
Program Room	-	1,135	1,135	-
Maude Ayers Memorial	19,098	208	-	19,306
Fiduciary Funds:				
Payroll Withholdings	1,644	19,288	18,790	2,142
PLAC	-	26	26	-
Totals	<u>\$ 303,566</u>	<u>\$ 302,729</u>	<u>\$ 467,003</u>	<u>\$ 139,292</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 28,036	\$ 216,295	\$ 238,300	\$ 6,031
Gift	1,758	233	173	1,818
Rainy Day	-	6,049	-	6,049
Edith Cook Memorial	-	210	210	-
Reading Programs	-	1,500	1,500	-
Levy Excess	262	-	262	-
Debt Service	2,240	215,860	211,000	7,100
Library Improvement Reserve	71,720	144,804	101,050	115,474
Richter Building	13,816	81	2,633	11,264
Coffee Shop	12	103	37	78
Food	-	509	266	243
Program Room	-	300	275	25
Maude Ayers Memorial	19,306	121	533	18,894
Fiduciary Fund:	-			
Payroll Withholdings	2,142	20,134	19,230	3,046
Totals	<u>\$ 139,292</u>	<u>\$ 606,199</u>	<u>\$ 575,469</u>	<u>\$ 170,022</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 6,031	\$ 184,279	\$ 178,802	\$ 11,508
Gift	1,818	2,999	1,081	3,736
Rainy Day	6,049	-	-	6,049
Edith Cook Memorial	-	463	320	143
Reading Programs	-	2,258	2,258	-
Debt Service	7,100	133,400	133,000	7,500
Library Improvement Reserve	115,474	1,995	47,907	69,562
Richter Building	11,264	155	-	11,419
Coffee Shop	78	442	300	220
Food	243	268	395	116
Program Room	25	475	500	-
Maude Ayers Memorial	18,894	240	5,011	14,123
Carroll County Community Foundation Grant	-	300	-	300
Fiduciary Funds:				
Payroll Withholdings	3,046	18,730	19,016	2,760
PLAC	-	56	-	56
Totals	<u>\$ 170,022</u>	<u>\$ 346,060</u>	<u>\$ 388,590</u>	<u>\$ 127,492</u>

The accompanying notes are an integral part of the schedules.

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: public safety, health and social 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.

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
NOTES TO SCHEDULES
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. Long-Term Debt

The Library has entered into a capital lease for expansion, renovations and technology upgrades. The outstanding principal at December 31, 2005, was \$1,302,000.

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Library does not have a detailed listing of their capital assets.

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

RECEIPT ISSUANCE

In some instances receipts were not issued or recorded.

Receipts shall be issued and recorded at the time of the transactions; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OFFICIAL BOND

The Treasurer's official bond was not filed in the Office of the County Recorder.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder . . ."

FLORA-MONROE TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2006, with Melissa Bishop, Director. The official concurred with our findings.