

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

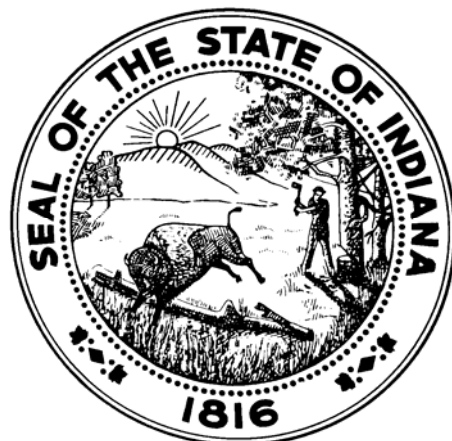
EXAMINATION REPORT

OF

PENN TOWNSHIP PUBLIC LIBRARY

JAY COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
10/20/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Carla Wilson Bonnie Morgan (Interim) Erin Hamilton Brenda Cash	01-01-03 to 07-31-05 08-01-05 to 09-15-05 09-16-05 to 12-31-05 01-01-06 to 12-31-06
Treasurer	Martha E. Geesaman	01-01-03 to 12-31-06
President of the Board	Sharon Ross	01-01-03 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PENN TOWNSHIP PUBLIC LIBRARY, JAY COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Penn 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

September 18, 2006

PENN 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 Fund:				
General	\$ 8,354	\$ 16,967	\$ 17,640	\$ 7,681
Fiduciary Fund:				
Payroll Deductions	<u>172</u>	<u>517</u>	<u>516</u>	<u>173</u>
Totals	<u>\$ 8,526</u>	<u>\$ 17,484</u>	<u>\$ 18,156</u>	<u>\$ 7,854</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Fund:				
General	\$ 7,681	\$ 20,939	\$ 20,718	\$ 7,902
Fiduciary Fund:				
Payroll Deductions	<u>173</u>	<u>667</u>	<u>591</u>	<u>249</u>
Totals	<u>\$ 7,854</u>	<u>\$ 21,606</u>	<u>\$ 21,309</u>	<u>\$ 8,151</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 7,902	\$ 19,241	\$ 19,330	\$ 7,813
Levy Excess	-	301	-	301
Fiduciary Fund:				
Payroll Deductions	<u>249</u>	<u>547</u>	<u>627</u>	<u>169</u>
Totals	<u>\$ 8,151</u>	<u>\$ 20,089</u>	<u>\$ 19,957</u>	<u>\$ 8,283</u>

The accompanying notes are an integral part of the schedules.

PENN 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: 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.

PENN TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

DEPOSIT OF PUBLIC FUNDS

Deposits were generally made only once per month. By statute, the Township Trustee serves as the Treasurer for an 1899 Township Library.

Indiana Code 5-13-6-1(c) states in part: "The public funds collected by township trustees shall be deposited in the designated depository on or before the first and fifteenth day of each month."

DONATIONS

The Library paid all of its collections for fines and fees to the Friends of the Library, also known as the Library Maintenance Board. There was no contract stating that any services were to be provided for these payments.

Payments made or received for contractual services should be supported by a written contract. . . . Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CAPITAL ASSET RECORDS

The Library does not maintain capital asset records.

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. 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)

SUPPORTING DOCUMENTATION

Several payments were observed which did not contain adequate supporting documentation, such as receipts, invoices, and other public records.

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. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

PENN TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2006, with Martha E. Geesaman, Treasurer. The official concurred with our findings.