

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

EXAMINATION REPORT
OF
BATESVILLE MEMORIAL PUBLIC LIBRARY
RIPLEY COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/29/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information.....	5
Examination Results and Comments:	
Annual Reports	6
Official Bonds.....	6
Deferred Compensation Plan	6
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Michael Kruse	01-01-04 to 12-31-06
Treasurer	Peter Mack	01-01-04 to 12-31-06
President of the Board	Ronald Simons	01-01-04 to 12-31-06



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BATESVILLE MEMORIAL PUBLIC LIBRARY, RIPLEY COUNTY, INDIANA

We have examined the financial information presented herein of the Batesville Memorial Public Library (Library), for the period of January 1, 2004 to December 31, 2005. 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 present fairly, in all material respects, the financial information of the Library for the years ended December 31, 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

December 11, 2006

BATESVILLE MEMORIAL 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 185,638	\$ 740,010	\$ 633,408	\$ 292,240
Gift	6,383	56	1,592	4,847
Rainy Day	-	30,265	-	30,265
Mary Stewart Center for Entrepreneurship	4,560	1,035	20	5,575
Library Improvement Reserve	124,258	46,394	50,000	120,652
Fiduciary Fund:				
PLAC	52	702	728	26
Totals	<u>\$ 320,891</u>	<u>\$ 818,462</u>	<u>\$ 685,748</u>	<u>\$ 453,605</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 292,240	\$ 799,102	\$ 714,728	\$ 376,614
Gift	4,847	334	2,139	3,042
Rainy Day	30,265	304	-	30,569
Mary Stewart Center for Entrepreneurship	5,575	1,042	753	5,864
Library Improvement Reserve	120,652	108,388	67,133	161,907
Fiduciary Fund:				
PLAC	26	896	838	84
Totals	<u>\$ 453,605</u>	<u>\$ 910,066</u>	<u>\$ 785,591</u>	<u>\$ 578,080</u>

The accompanying notes are an integral part of the schedules.

BATESVILLE MEMORIAL PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural 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.

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.

BATESVILLE MEMORIAL PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORTS

The annual reports for 2004 and 2005 were not correct. The detail of receipts and disbursements provided in parts 2 and 3 (receipt report-actual receipts by fund and disbursement report by fund) did not agree with the receipts and disbursements reported in part 1, Statement of Receipts, Disbursements, Cash Balances and Investment Balances.

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)

OFFICIAL BONDS

As reported in the prior two reports, B15617 and B23585, the official bonds for the Treasurer, covering the one year terms for the period February 5, 1998 to February 5, 2006, were 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. . . ."

DEFERRED COMPENSATION PLAN

As stated in the previous two reports, B15617 and B23585, effective January 1, 1999, the Library established a Savings Incentive Match Plan for Employees of Small Employers (SIMPLE Plan). This plan is subject to limits and provisions under Section 408(p) of the Internal Revenue Code rather than Section 457. The Library is making a matching contribution equal to the eligible employee's salary reduction contribution.

Indiana Code 5-10-1.1-1 states in part: ". . . any political subdivision may: . . .

- (3) contribute amounts before January 1, 1995, and continue or begin to contribute amounts after January 1, 1995 to a nonqualified deferred compensation plan on behalf of eligible employees, subject to any limits and provisions under Section 457 of the Internal Revenue Code."

BATESVILLE MEMORIAL PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 11, 2006, with Peter Mack, Treasurer; Ronald Simons, President of the Board; Michael Kruse, Director; Karen Oesterling, Business Manager; and Candy Bessler, Tech Services.