

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

EXAMINATION REPORT

OF

EARL PARK-RICHLAND TOWNSHIP PUBLIC LIBRARY

BENTON COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
12/27/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Theresa Hoover	01-01-05 to 12-31-05
	Sandra Brigando	01-01-06 to 07-22-06
	Vacant	07-23-06 to 08-06-06
	Sharon Gorman	08-07-06 to 12-31-06
Treasurer	Paul Farmer	01-01-05 to 12-31-06
	James Powell	01-01-07 to 12-31-07
President of the Board	Jane C. Smith	01-01-05 to 12-31-07



**STATE OF INDIANA**  
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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 THE EARL PARK-RICHLAND TOWNSHIP  
PUBLIC LIBRARY, BENTON COUNTY, INDIANA

We have examined the financial information presented herein of the Earl Park-Richland Township Public Library (Library), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 16, 2007

EARL PARK-RICHLAND 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 32,833	\$ 32,729	\$ 41,335	\$ 24,227
Library Improvement Reserve	15,975	1,500	-	17,475
Gift	358	1,105	49	1,414
Rainy Day	10,000	-	-	10,000
Levy Excess	-	569	-	569
Totals	<u>\$ 59,166</u>	<u>\$ 35,903</u>	<u>\$ 41,384</u>	<u>\$ 53,685</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 24,227	\$ 34,386	\$ 36,010	\$ 22,603
Library Improvement Reserve	17,475	-	-	17,475
Gift	1,414	3,100	1,677	2,837
Rainy Day	10,000	1,125	1,125	10,000
State Technology Grant	-	2,700	1,350	1,350
Library Capital Projects	-	3,024	-	3,024
Levy Excess	569	269	569	269
Totals	<u>\$ 53,685</u>	<u>\$ 44,604</u>	<u>\$ 40,731</u>	<u>\$ 57,558</u>

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

EARL PARK-RICHLAND 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.

EARL PARK-RICHLAND TOWNSHIP PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,500
Buildings	16,146
Improvements other than buildings	3,365
Machinery and equipment	26,497
Books and Other Library Material	<u>41,689</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 89,197</u>

EARL PARK-RICHLAND TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

SALARY OVERPAYMENT

Sandra Brigando, former Director, was paid \$525.36 in excess of the board approved salary for her position in 2006. This overpayment was the effect of being paid one-eleventh of the annual salary on a monthly basis, instead of one-twelfth of the annual salary on a monthly basis. We are requesting repayment of \$525.36 for the overpayment of salary. Sandra Brigando, former Director, made payment in full. (See Summary, page 10)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OFFICIAL BOND

Sandra Brigando, former Director, was bonded as follows:

<u>Description</u>	<u>Effective Dates</u>	<u>Coverage</u>	<u>Surety</u>
Official Bond	01-01-06 until successor	\$ 8,500	Ohio Farmers Insurance Company Bond Number 5691348

PRESCRIBED FORMS

Receipt, General Form 352, was not in use in 2006.

Library Daily Collection Form 3 was not in use in 2006. Alternately, for August through December 2006 an electronic spreadsheet was maintained; however, the amounts presented on those electronic spreadsheets were not in agreement with the amounts posted to the ledger. Some months were in excess of the electronic spreadsheet, other months were less than the electronic spreadsheet.

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)

FEDERAL AND STATE AGENCIES - COMPLIANCE REQUIREMENTS

The Library did not comply with directives of the Internal Revenue Service and Indiana Department of Revenue. The Library made salary payments to Sandra Brigando, former Librarian, for custodial duties without consideration of withholdings. These earnings were not included on the Mrs. Brigando's W2.

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

EARL PARK-RICHLAND TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2007, with Sandra Brigando, former Director. The official response has been made a part of this report and may be found on page 9.

The contents of this report were discussed on October 16, 2007, with Jane C. Smith, President of the Board; Sharon Gorman, Director; and Theresia Hoover, former Director.

Indiana State Board of Accounts  
302 West Washington Street, Room E418  
Indianapolis, Indiana 46204

Dear Sir/Madam:

This letter is in regards to the recent audit discrepancy at Earl Park Public Library. The reason that the librarian's salary was divided by 11 rather than 12 is as follows: The head librarian at the time I accepted the position told me the following story: She said she never writes checks in December as that is the month she closes the books(2006); but, since I had worked during the month of December she would have to pay me from the coming years money (2007). She said she was taking one month's salary from the coming year, that we would divide the remainder of the salary by 11 and I would not take a check during the month of December (2007) for the coming year.

In addition to this, I asked the state library to come out and help me balance the books and see if everything was correct. They sent a person out to help and the books balanced in January. The previous librarian then came in during the month of February and continued making adjustments to my balanced books. After she couldn't get a balance anywhere anymore, I again called the Library board for help. They could not send someone. They told me to proceed until they would be available to help. I left this position because of the state of the accounting.

Since the previous librarian was continually allowed to work in the books and give financial advice, she should be responsible for half of the overpayment.

Sandra K. Brigando  
108 E. Dunlap St.  
Kentland, IN 47951

EARL PARK-RICHLAND TOWNSHIP PUBLIC LIBRARY  
SUMMARY

	<u>Charges</u>	<u>Credits</u>	<u>Balance Due</u>
Sandra Brigando, former Director:			
Salary Overpayment, page 7	\$ 525.36	\$	\$
Partial Repayment, Receipt 1038		100.00	
Remaining Balance, Personal Check 1545		<u>425.36</u>	<u>-</u>
Totals	<u>\$ 525.36</u>	<u>\$ 525.36</u>	<u>\$ -</u>