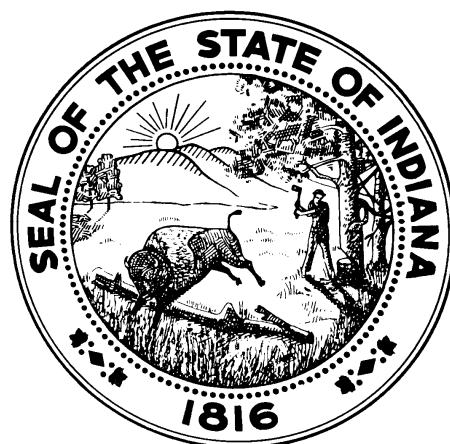


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF  
WASHINGTON CARNEGIE PUBLIC LIBRARY  
DAVISS COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**  
03/12/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Elizabeth A. Dowling	01-01-06 to 12-31-08
Treasurer	Bruce Beesley	01-01-06 to 12-31-08
President of the Board	Martin Mumaw III	01-01-06 to 12-31-08



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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WASHINGTON CARNEGIE  
PUBLIC LIBRARY, DAVIESS COUNTY, INDIANA

We have examined the financial information presented herein of the Washington Carnegie Public Library (Library), for the period of January 1, 2006 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 year ended December 31, 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 and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 30, 2008

WASHINGTON CARNEGIE PUBLIC LIBRARY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 121,179	\$ 394,937	\$ 402,437	\$ 113,679
Gift	13,477	15,153	10,492	18,138
Community Foundation Grant	3,473	3,000	2,847	3,626
LSTA Grant	-	2,213	1,973	240
CAGIT	121,077	4,374	30,000	95,451
Levy Excess	7,387	-	7,387	-
Bond and Interest Redemption	116,932	309,231	299,500	126,663
Library Improvement Reserve	157,438	-	-	157,438
Construction	29,629	525	27,269	2,885
Fiduciary Funds:				
Payroll Withholdings	1,915	55,635	55,567	1,983
PLAC	28	31	28	31
Totals	<u>\$ 572,535</u>	<u>\$ 785,099</u>	<u>\$ 837,500</u>	<u>\$ 520,134</u>

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

WASHINGTON CARNEGIE 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.

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.

WASHINGTON CARNEGIE PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(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.

WASHINGTON CARNEGIE 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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 36,000
Buildings	2,728,816
Machinery and equipment	<u>2,032,280</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,797,096</u>

**WASHINGTON CARNEGIE PUBLIC LIBRARY**  
**SUPPLEMENTARY INFORMATION**  
**SCHEDULE OF LONG-TERM DEBT**  
**December 31, 2006**

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
<b>Governmental Activities:</b>		
<b>Capital leases:</b>		
Library building and equipment	<u>\$ 1,330,000</u>	<u>\$ 298,500</u>

WASHINGTON CARNEGIE PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$514.73 and \$643.04 were paid to the Internal Revenue Service on November 11, 2006, and December 12, 2006, for the quarterly tax periods ending June 30, 2006, and September 30, 2006, respectively.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OVERPAYMENT COLLECTIONS

Overpayments of \$36.96 and \$41.01 were made to Donita Mattingly and Sara Mayhall, respectively. Refunds have not been received as of January 30, 2008.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

WASHINGTON CARNEGIE PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on January 30, 2008, with Elizabeth A. Dowling, Director; Bruce Beesley, Treasurer; and Martin Mumaw III, President of the Board. The officials concurred with our findings.