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

EXAMINATION REPORT

OF

CANNELTON PUBLIC LIBRARY

PERRY COUNTY, INDIANA

January 1, 2007 to December 31, 2009

FILED
05/14/2010

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OFFICIALS

Office	Official	Term
Director	Sally Walker	01-01-07 to 12-31-10
Treasurer	Frank Maffia	01-01-07 to 12-31-10
President of the Board	Charles G. Gerber, Jr.	01-01-07 to 12-31-10

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CANNELTON PUBLIC LIBRARY, PERRY COUNTY, INDIANA

We have examined the financial information presented herein of the Cannelton Public Library (Library), for the period of January 1, 2007 to December 31, 2009. 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, 2007, 2008, and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 4, 2010

CANNELTON PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL FUND TYPES
As Of And For The Years Ended December 31, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	$ 13,442	$ 23,005	$ 29,553	$ 6,894
Gift	8,114	1,040	1,650	7,504
State Tech Grant	-	1,950	1,050	900
Daum Memorial Fund	11,000	473	473	11,000
Young Memorial Fund	2,739	-	-	2,739
Community Foundation Grant	-	4,196	-	4,196
Library Capital Projects	645	-	291	354
Totals	$ 35,940	$ 30,664	$ 33,017	$ 33,587

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	$ 6,894	$ 32,208	$ 35,244	$ 3,858
Gift	7,504	6,900	6,993	7,411
State Tech Grant	900	900	900	900
Daum Memorial Fund	11,000	-	-	11,000
Young Memorial Fund	2,739	-	-	2,739
Community Foundation Grant	4,196	-	4,196	-
Library Capital Projects	354	-	-	354
Totals	$ 33,587	$ 40,008	$ 47,333	$ 26,262

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	$ 3,858	$ 26,430	$ 27,746	$ 2,542
Gift	7,411	3,750	858	10,303
State Tech Grant	900	1,050	1,050	900
Daum Memorial Fund	11,000	-	3,000	8,000
Young Memorial Fund	2,739	-	-	2,739
Community Foundation Grant	-	-	-	-
Library Capital Projects	354	-	-	354
Totals	$ 26,262	$ 31,230	$ 32,654	$ 24,838

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

CANNELTON 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: 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.

CANNELTON PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES

The General Fund was overdrawn in 2008 and 2009.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OFFICIAL BOND

The following official bond was not filed in the Office of the County Recorder: Sally Walker, Librarian.

Indiana Code 36-12-2-22(g) requires the Treasurer's bond to be deposited in the office of the County Recorder. Other library employee bonds shall also be filed in the office of the County Recorder. (Accounting and Uniform Compliance Guidelines manual for Libraries, Chapter 1)

CANNELTON PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on February 4, 2010, with Frank Maffia, Treasurer; and Sally Walker, Director. The officials concurred with our findings.