

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

EXAMINATION REPORT
OF
POSEYVILLE CARNEGIE PUBLIC LIBRARY
POSEY COUNTY, INDIANA
January 1, 2007 to December 31, 2010



FILED
05/19/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Aimee Nelson (Vacant) Heather Gallagher	01-01-07 to 07-31-10 08-01-10 to 10-18-10 10-19-10 to 12-31-11
Treasurer	Crystal Folz Dee Sherretz	01-01-07 to 12-31-07 01-01-08 to 12-31-11
President of the Board	Vicki Emge	01-01-07 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE POSEYVILLE CARNEGIE
PUBLIC LIBRARY, POSEY COUNTY, INDIANA

We have examined the financial information presented herein of the Poseyville Carnegie Public Library (Library), for the period of January 1, 2007 to December 31, 2010. 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, 2009, and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

April 21, 2011

POSEYVILLE CARNEGIE 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, 2007, 2008, 2009, And 2010

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 116,852	\$ 71,033	\$ 157,168	\$ 30,717
Library Improvement Reserve	111,359	76,564	14,842	173,081
State Tech Fund	3,050	5,400	5,400	3,050
Totals	<u>\$ 231,261</u>	<u>\$ 152,997</u>	<u>\$ 177,410</u>	<u>\$ 206,848</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 30,717	\$ 146,596	\$ 107,804	\$ 69,509
Library Improvement Reserve	173,081	2,298	3,013	172,366
State Tech Fund	3,050	4,500	2,700	4,850
Fiduciary Fund:				
PLAC	-	60	30	30
Totals	<u>\$ 206,848</u>	<u>\$ 153,454</u>	<u>\$ 113,547</u>	<u>\$ 246,755</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 69,509	\$ 103,394	\$ 113,258	\$ 59,645
Gift	-	25	-	25
Rainy Day	-	12,177	-	12,177
Library Improvement Reserve	172,366	924	-	173,290
State Tech Fund	4,850	4,500	5,090	4,260
Fiduciary Fund:				
PLAC	30	30	60	-
Totals	<u>\$ 246,755</u>	<u>\$ 121,050</u>	<u>\$ 118,408</u>	<u>\$ 249,397</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 59,645	\$ 219,301	\$ 125,422	\$ 153,524
Gift	25	260	260	25
Rainy Day	12,177	-	-	12,177
Library Improvement Reserve	173,290	685	14,035	159,940
State Tech Fund	4,260	2,983	3,563	3,680
Fiduciary Fund:				
PLAC	-	-	80	(80)
Totals	<u>\$ 249,397</u>	<u>\$ 223,229</u>	<u>\$ 143,360</u>	<u>\$ 329,266</u>

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

POSEYVILLE 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, 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.

POSEYVILLE CARNEGIE PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

An annual report for 2007 was not presented for the examination.

Prior to legislative modification in 2009, IC 5-3-1-4 stated in part:

"(a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. . . . (b) The following shall prepare, verify, and file the reports required under subsection (a) not later than sixty (60) days after the end of each year . . . (2) A public library."

INVESTMENT MATURITY LIMITATIONS

The governmental unit purchased certain investments which have a stated maturity in excess of two years.

IC 5-13-9-5.6 states: "Investments made under IC 5-13-9 must have a stated final maturity of not more than two years after the date of purchase or entry into a repurchase agreement."

OLD OUTSTANDING CHECKS

Our review of the bank reconciliements as of December 31, 2010, revealed checks outstanding in excess of two years.

IC 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void."

IC 5-11-10.5-3 states in part:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the board of finance of the political subdivision or the fiscal body of a city or town. The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

POSEYVILLE CARNEGIE PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

IC 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision."

OVERDRAWN FUND BALANCE

The PLAC Fund was overdrawn in 2010 due to PLAC receipts totaling \$80 not being receipted to the PLAC Fund.

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)

POSEYVILLE CARNEGIE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on April 21, 2011, with Heather Gallagher, Director; Dee Sherretz, Treasurer; and Crystal Folz, Bookkeeper. The officials concurred with our findings.