

**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2765**

EXAMINATION REPORT

OF

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY

FLOYD COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
7/21/06



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stephen T. Day	01-01-04 to 12-31-06
Treasurer	Anita Werling	01-01-04 to 03-31-04
	Vacant	04-01-04 to 06-30-04
	Lowell Smith	07-01-04 to 12-31-04
	Joanne Hale	01-01-05 to 12-31-05
	Gabrielle Carr	01-01-06 to 12-31-06
President of the Board	Deborah Beckham	01-01-04 to 12-31-04
	William Chilton	01-01-05 to 12-31-05
	Lowell Smith	01-01-06 to 12-31-06



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NEW ALBANY – FLOYD COUNTY  
PUBLIC LIBRARY, FLOYD COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the New Albany - Floyd County Public Library (Library), for the period of January 1, 2004 to December 31, 2005. The Library's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions 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

June 1, 2006

NEW ALBANY - FLOYD COUNTY 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	\$ 435,914	\$ 3,984,922	\$ 4,033,452	\$ 387,384
Gift	46,920	643,093	332,354	357,659
Lost Materials	14,674	13,515	6,873	21,316
Retailer's Damage Fund	152	-	-	152
Bond and Interest Redemption	100	350,342	329,111	21,331
Library Improvement Reserve	118,864	161	31,498	87,527
Library Capital Projects	331	445,761	388,930	57,162
Fiduciary Funds:				
Payroll Withholdings	376	1,491,069	1,490,587	858
PLAC	-	624	624	-
Totals	<u>\$ 617,331</u>	<u>\$ 6,929,487</u>	<u>\$ 6,613,429</u>	<u>\$ 933,389</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 387,384	\$ 4,376,993	\$ 4,389,762	\$ 374,615
Gift	357,659	381,094	380,500	358,253
Lost Materials	21,316	11,845	11,103	22,058
Retailer's Damage Fund	152	-	152	-
Bond and Interest Redemption	21,331	305,577	325,131	1,777
Library Improvement Reserve	87,527	20,160	46,103	61,584
Library Capital Projects	57,162	423,576	459,115	21,623
Fiduciary Funds:				
Payroll Withholdings	858	1,537,777	1,535,429	3,206
PLAC	-	502	502	-
Totals	<u>\$ 933,389</u>	<u>\$ 7,057,524</u>	<u>\$ 7,147,797</u>	<u>\$ 843,116</u>

The accompanying notes are an integral part of the schedules.

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
NOTES TO SCHEDULES

Note 1. Introduction

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

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
NOTES TO SCHEDULES  
(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.

Note 7. Long-Term Debt

The Library has entered into debt such as general obligation bonds for capital improvements. The outstanding principal at December 31, 2005, was \$610,000.

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2006, with Stephen T. Day, Director; and Gabrielle Carr, Treasurer. Our examination disclosed no material items that warrant comment at this time.