

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

EXAMINATION REPORT  
OF  
BROWN COUNTY PUBLIC LIBRARY  
BROWN COUNTY, INDIANA  
January 1, 2001 to December 31, 2005



**FILED**  
08/31/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Yvonne Oliger	01-01-01 to 12-31-06
Treasurer	Kathryn M. Richardson W. Christopher Todd Don Stuart	01-01-01 to 12-31-02 01-01-03 to 12-31-04 01-01-05 to 12-31-06
President of the Board	David Martin Martha Sechler Ann Walters Doug Cauble	01-01-01 to 12-31-02 01-01-03 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BROWN COUNTY PUBLIC LIBRARY, BROWN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Brown County Public Library (Library), for the period of January 1, 2001 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, 2001, 2002, 2003, 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 29, 2006

BROWN 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, 2001, 2002, 2003, 2004, AND 2005

	Cash and Investments 01-01-01	Receipts	Disbursements	Cash and Investments 12-31-01
Governmental Funds:				
General	\$ 3,326	\$ 412,849	\$ 337,354	\$ 78,821
Gift	6,941	45,617	43,649	8,909
Bond and Interest Redemption	110,649	199,525	196,059	114,115
Library Improvement Reserve	56,004	90,000	38,000	108,004
Library Capital Projects	36,042	96,047	93,647	38,442
Building Gift	424,796	115,110	252,381	287,525
Fiduciary Funds:				
Levy Excess	-	1,930	-	1,930
PLAC	72	147	169	50
Totals	<u>\$ 637,830</u>	<u>\$ 961,225</u>	<u>\$ 961,259</u>	<u>\$ 637,796</u>

	Cash and Investments 01-01-02	Receipts	Disbursements	Cash and Investments 12-31-02
Governmental Funds:				
General	\$ 78,821	\$ 445,997	\$ 302,519	\$ 222,299
Gift	8,909	43,963	28,876	23,996
Bond and Interest Redemption	114,115	118,783	222,608	10,290
Library Improvement Reserve	108,004	1,061	-	109,065
Library Capital Projects	38,442	73,000	73,000	38,442
Building Gift	287,525	14,660	61,323	240,862
Fiduciary Funds:				
Levy Excess	1,930	-	1,930	-
PLAC	50	225	225	50
Totals	<u>\$ 637,796</u>	<u>\$ 697,689</u>	<u>\$ 690,481</u>	<u>\$ 645,004</u>

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 222,299	\$ 415,260	\$ 537,172	\$ 100,387
Gift	23,996	36,018	23,887	36,127
Bond and Interest Redemption	10,290	390,678	327,292	73,676
Library Improvement Reserve	109,065	87,202	-	196,267
Library Capital Projects	38,442	118	-	38,560
Building Gift	240,862	8,839	190,078	59,623
Fiduciary Fund:				
PLAC	50	182	206	26
Totals	<u>\$ 645,004</u>	<u>\$ 938,297</u>	<u>\$ 1,078,635</u>	<u>\$ 504,666</u>

The accompanying notes are an integral part of the schedules.

BROWN 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, 2001, 2002, 2003, 2004 AND 2005  
(Continued)

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 100,387	\$ 610,530	\$ 710,186	\$ 731
Gift	36,127	17,312	37,829	15,610
Bond and Interest Redemption	73,676	191,470	257,225	7,921
Library Improvement Reserve	196,267	280,341	472,490	4,118
Library Capital Projects	38,560	90	20,650	18,000
Building Gift	59,623	24,987	69,347	15,263
Fiduciary Fund:				
PLAC	26	416	364	78
Totals	<u>\$ 504,666</u>	<u>\$ 1,125,146</u>	<u>\$ 1,568,091</u>	<u>\$ 61,721</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 731	\$ 565,576	\$ 480,680	\$ 85,627
Gift	15,610	33,202	24,387	24,425
Bond and Interest Redemption	7,921	521,605	428,237	101,289
Library Improvement Reserve	4,118	84,000	84,000	4,118
Library Capital Projects	18,000	13,749	10,252	21,497
Building Gift	15,263	1,720	8,000	8,983
Friends Gift	-	12,000	3,878	8,122
Fiduciary Fund:				
PLAC	78	336	330	84
Totals	<u>\$ 61,721</u>	<u>\$ 1,232,188</u>	<u>\$ 1,039,764</u>	<u>\$ 254,145</u>

The accompanying notes are an integral part of the schedules.

BROWN 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: 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.

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.

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

BROWN COUNTY PUBLIC LIBRARY  
NOTES TO SCHEDULES  
(Continued)

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 bonds for funds for the acquisition and construction of major capital facilities. The outstanding principal at December 31, 2005, was \$2,090,000.

Note 8. Interfund Loans

Interfund loans due as of December 31, 2005 were as follows:

<u>Fund Due From</u>	<u>Amount Due From</u>	<u>Fund Due To</u>	<u>Amount Due To</u>
Operating	\$ 256,496.00	Library Improvement Reserve	\$ 256,496.00
Operating	36,500.00	Gift	36,500.00
Operating	17,760.00	Building Gift	17,760.00
Bond and Interest Redemption	226,330.11	Building Gift	226,330.11
Bond and Interest Redemption	<u>103,037.90</u>	Library Improvement Reserve	<u>103,037.90</u>
Totals	<u>\$ 640,124.01</u>		<u>\$ 640,124.01</u>

Interfund loans were not paid back as of December 31, 2005 because of reassessment difficulties delaying the distribution of property taxes.

BROWN COUNTY PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Claims were not certified by the Treasurer.
- (2) Claims did not contain evidence that purchases were authorized.
- (3) Claims or invoices did not have evidence to support receipt of goods or services.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

BROWN COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on June 29, 2006, with Don Stuart, Treasurer; and Yvonne Olinger, Director. The officials concurred with our finding.