

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

EXAMINATION REPORT
OF
BELL MEMORIAL PUBLIC LIBRARY
KOSCIUSKO COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/12/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Lorna Klein	01-01-04 to 12-31-06
Treasurer	Jill Gross	01-01-04 to 12-31-06
President of the Board	Cal Jackson	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE BELL MEMORIAL PUBLIC LIBRARY, KOSCIUSKO COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Bell Memorial 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

July 25, 2006

BELL MEMORIAL 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	\$ 72,020	\$ 309,723	\$ 288,847	\$ 92,896
Gift	10,679	14,049	10,630	14,098
Grants/Technology	4	30,308	17,090	13,222
Levy Excess	1,229	-	-	1,229
Bond and Interest Redemption	1,000	77,545	45,991	32,554
Library Improvement Reserve	3,756	93,280	44,431	52,605
Library Capital Projects	87,595	86,312	122,145	51,762
Fiduciary Funds:				
Payroll Withholdings	-	23,265	23,265	-
PLAC	-	1,144	1,144	-
Totals	<u>\$ 176,283</u>	<u>\$ 635,626</u>	<u>\$ 553,543</u>	<u>\$ 258,366</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 92,896	\$ 259,586	\$ 262,951	\$ 89,531
Gift	14,098	174,113	20,641	167,570
Grants/Technology	13,222	4,645	14,398	3,469
Levy Excess	1,229	3,119	-	4,348
Bond and Interest Redemption	32,554	39,314	33,132	38,736
Library Improvement Reserve	52,605	61	20,000	32,666
Library Capital Projects	51,762	75,707	88,708	38,761
Fiduciary Funds:				
Payroll Withholdings	-	25,936	25,936	-
PLAC	-	980	980	-
Totals	<u>\$ 258,366</u>	<u>\$ 583,461</u>	<u>\$ 466,746</u>	<u>\$ 375,081</u>

The accompanying notes are an integral part of the schedules.

BELL MEMORIAL 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. 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.

BELL MEMORIAL 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 issued general obligation bonds for the renovation of a new library building. The outstanding principal at December 31, 2005, was \$505,000.

BELL MEMORIAL PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Library does not maintain a complete inventory of capital assets. The capital assets list maintained by the Library does not include books or a \$1,500,000 building project that was completed in 2003. All disposals of assets are not noted on the capital assets list.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

BELL MEMORIAL PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2006, with Lorna Klein, Director; Margorie Sanders, Board Member; and Debra Hiers, Bookkeeper. The officials concurred with our finding.