

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

EXAMINATION REPORT
OF
DELPHI PUBLIC LIBRARY
CARROLL COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
09/20/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Kelly Currie	01-01-04 to 12-31-06
Treasurer	Roberta Blue	01-01-04 to 12-31-06
President of the Board	Kevin Bender Marshall McCammack Joy Atkinson	01-01-04 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 DELPHI PUBLIC LIBRARY, CARROLL COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Delphi 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 27, 2006

DELPHI 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	\$ 217	\$ 891,734	\$ 670,220	\$ 221,731
Ayres Gift and Bequests	7,500	2,138	3,207	6,431
Ayres - Investment	-	-	2,572	(2,572)
Art Gift	404	-	-	404
Rainy Day	-	12,172	-	12,172
CarrollNet	7,034	4,174	959	10,249
Gift - Summer Reading Program	241	972	1,195	18
Ezra Jack Keats Grant	350	-	290	60
Community Foundation Music Grant	-	1,000	-	1,000
Metlife Grant	-	2,500	775	1,725
Library Improvement Reserve	82,027	49,000	40,000	91,027
Fiduciary Funds:				
Helen Skinner Trust	5	-	5	-
Dial Memorial	6,177	-	-	6,177
Kerlin Family Trust	-	100,121	-	100,121
Payroll Withholdings	(325)	71,144	70,819	-
PLAC	-	26	26	-
Totals	<u>\$ 103,630</u>	<u>\$ 1,134,981</u>	<u>\$ 790,068</u>	<u>\$ 448,543</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 221,731	\$ 681,124	\$ 872,576	\$ 30,279
Ayres Gift and Bequests	6,431	4,377	7,716	3,092
Ayres - Investment	(2,572)	41,926	-	39,354
Art Gift	404	-	6	398
Rainy Day	12,172	-	-	12,172
CarrollNet	10,249	3,578	12,396	1,431
Gift - Summer Reading Program	18	1,782	1,800	-
Ezra Jack Keats Grant	60	-	-	60
Community Foundation Music Grant	1,000	2,000	2,000	1,000
Metlife Grant	1,725	2,500	1,247	2,978
Mount Family Gift	-	1,000	-	1,000
Fireplace Fund	-	165	165	-
Baskets-To-Go	-	500	294	206
Levy Excess	-	479	-	479
Library Improvement Reserve	91,027	351,335	250,900	191,462
Fiduciary Funds:				
Helen Skinner Trust	-	423	-	423
Dial Memorial	6,177	-	-	6,177
Kerlin Family Trust	100,121	34,706	33,958	100,869
Payroll Withholdings	-	78,496	78,496	-
PLAC	-	84	84	-
Totals	<u>\$ 448,543</u>	<u>\$ 1,204,475</u>	<u>\$ 1,261,638</u>	<u>\$ 391,380</u>

The accompanying notes are an integral part of the schedules.

DELPHI 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 service: culture and recreation.

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.

DELPHI 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 a note to assist in the payment for the construction, reconstruction and alteration of the library building. The outstanding principal at December 31, 2005, was \$70,724.

DELPHI PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCE

The fund balance of the Ayres Gift Investment Fund was overdrawn as of December 31, 2004.

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)

DELPHI PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2006, with Kelly Currie, Director. The official concurred with our finding.