

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

EXAMINATION REPORT
OF
MOORESVILLE PUBLIC LIBRARY
MORGAN COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
10/26/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Diane Huerkamp	01-01-04 to 12-31-06
Treasurer	Brian Nelson	01-01-04 to 12-31-06
Business Manager	Lori K. Becker	01-01-04 to 12-31-06
President of the Board	Jim Thorp Laura Gutzwiller	01-01-04 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MOORESVILLE PUBLIC LIBRARY, MORGAN COUNTY, INDIANA

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

August 31, 2006

MOORESVILLE 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		Cash and Investments	
	01-01-04	Receipts	Disbursements	12-31-04
Governmental Funds:				
General	\$ 274,094	\$ 538,090	\$ 495,392	\$ 316,792
Gift	446	7,143	2,709	4,880
Community Foundation	-	1,562	762	800
Cook Endowment	32,328	278	24,367	8,239
Cyrus Wetzel	12,753	19	100	12,672
Elsie Perce	1,013	21	13	1,021
Elrza Jack Keats	-	350	126	224
Indiana Technology	1	-	-	1
Lawson Lawrence Memorial	841	-	258	583
Marian Adams Memorial	3,047	-	-	3,047
Target Grant	-	1,050	697	353
Bond and Interest Redemption	192,470	107,749	293,013	7,206
Library Improvement Reserve	130,598	26,911	66,933	90,576
Library Capital Projects	124,084	-	50,046	74,038
Construction	-	4,727,156	1,016,114	3,711,042
Fiduciary Funds:				
Payroll Withholdings	3,340	52,247	55,354	233
PLAC	1,145	6,942	8,087	-
Totals	\$ 776,160	\$ 5,469,518	\$ 2,013,971	\$ 4,231,707

	Cash and Investments		Cash and Investments	
	01-01-05	Receipts	Disbursements	12-31-05
Governmental Funds:				
General	\$ 316,792	\$ 640,738	\$ 685,017	\$ 272,513
Gift	4,880	4,218	2,694	6,404
Community Foundation	800	750	1,550	-
Cook Endowment	8,239	27,511	28,070	7,680
Cyrus Wetzel	12,672	-	100	12,572
Elsie Perce	1,021	12	-	1,033
Elrza Jack Keats	224	-	224	-
Indiana Technology	1	-	-	1
Lawson Lawrence Memorial	583	-	420	163
Marian Adams Memorial	3,047	-	-	3,047
Target Grant	353	2,502	2,367	488
Kendrick Foundation	-	15,000	656	14,344
Youth Project Fund	-	5,524	1,113	4,411
Levy Excess	-	2,913	-	2,913
Bond and Interest Redemption	7,206	100,029	90,394	16,841
Lease Rental	-	630,174	428,000	202,174
Library Improvement Reserve	90,576	12,028	28,808	73,796
Library Capital Projects	74,038	-	74,038	-
Construction	3,711,042	3,566,083	6,872,360	404,765
Fiduciary Funds:				
Payroll Withholdings	233	54,974	54,974	233
PLAC	-	6,665	6,665	-
Totals	\$ 4,231,707	\$ 5,069,121	\$ 8,277,450	\$ 1,023,378

The accompanying notes are an integral part of the schedules.

MOORESVILLE 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: 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.

MOORESVILLE PUBLIC LIBRARY
NOTES TO SCHEDULES

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 various debts such as bonds for the purchase of land and a capital lease for additions and renovation of the library. The outstanding principal at December 31, 2005, was \$805,000 and \$5,720,000, respectively.

MOORESVILLE PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

MILEAGE REIMBURSEMENT

Some employees were reimbursed for mileage without filing Mileage Claim, General Form 101.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

MOORESVILLE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 31, 2006, with Diane Huerkamp, Director; and Lori K. Becker, Business Manager. The official response has been made a part of this report and may be found on page 9.

Mooresville  **Public Library**

2004 Outstanding Indiana Library
www.mooresvillelib.org

August 31, 2006

State Board of Accounts
302 West Washington Street
Indianapolis, Indiana 46204-2738

Dear Sir or Madame;

Mooresville Public Library would like to comment on the **Results and Comments** section of our recent 2004-2005 audit.

1. Failure to record employee mileage reimbursement requests on the State Board of Accounts prescribed form, General Form 101.

The library has supporting documentation of employee's mileage reimbursement requests; however, they have been recorded on Library Form 4, Accounts Payable Voucher. The information recorded on said vouchers provided accurate and supporting information; we simply were in error by not using the correct forms.

Our Business Manager, Lori Becker, has ordered the General Form 101 forms and the library will comply by documenting employee mileage reimbursement requests on the correct form.

Sincerely,



Diane Huerkamp, Director