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**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

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



**FILED**  
12/27/2006



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules .....	5
Exit Conference.....	6

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Karen Kahl	01-01-04 to 12-31-06
Treasurer	Robert Barnard	01-01-04 to 12-31-06
President of the Board	Joan Mathews	01-01-04 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

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

November 14, 2006

UNION 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:				
Operating	\$ 183,909	\$ 320,476	\$ 433,987	\$ 70,398
Gift	2,137	3,900	2,604	3,433
Rainy Day	-	7,744	-	7,744
Memorial	6,388	71	-	6,459
Summer Reading Program	-	1,342	1,342	-
Teens Advisory Council	-	194	80	114
Bond and Interest Redemption	-	173,341	150,000	23,341
Library Improvement Reserve	220,306	163,308	222,437	161,177
Building	6,768	2,790	-	9,558
Construction	70,000	215	70,215	-
Fiduciary Funds:				
Payroll Withholdings	3,282	46,672	46,409	3,545
PLAC	52	130	156	26
Totals	<u>\$ 492,842</u>	<u>\$ 720,183</u>	<u>\$ 927,230</u>	<u>\$ 285,795</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Operating	\$ 70,398	\$ 327,315	\$ 354,023	\$ 43,690
Gift	3,433	7,942	8,974	2,401
Rainy Day	7,744	-	-	7,744
Memorial	6,459	135	-	6,594
Summer Reading Program	-	1,750	1,738	12
Teens Advisory Council	114	850	708	256
Bond and Interest Redemption	23,341	181,001	148,000	56,342
Library Improvement Reserve	161,177	5,746	97,403	69,520
Building	9,558	-	-	9,558
Portrait of Liberty	-	3,590	3,146	444
Wish List	-	161	-	161
Fiduciary Funds:				
Payroll Withholdings	3,545	54,422	53,755	4,212
PLAC	26	141	110	57
Totals	<u>\$ 285,795</u>	<u>\$ 583,053</u>	<u>\$ 667,857</u>	<u>\$ 200,991</u>

The accompanying notes are an integral part of the schedules.

UNION 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: 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 (Indiana Code 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 (Indiana Code 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. Long-Term Debt

The Library has entered into debt such as a capital lease for a library building expansion and remodeling. The outstanding principal at December 31, 2005, was \$1,765,000.

UNION COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on November 14, 2006, with Karen Kahl, Director. Our examination disclosed no material items that warrant comment at this time.