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

EXAMINATION REPORT

OF

MADISON-JEFFERSON COUNTY PUBLIC LIBRARY

JEFFERSON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**

02/06/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Charlene Abel	07-01-03 to 07-30-07
Treasurer	Claudette Kramer Terry Phillips	11-15-00 to 06-30-06 07-01-06 to 06-30-07
President of the Board	Rick Grote Bob Pimlott Walter Morrill Mary Kay Butler	07-01-03 to 06-30-04 07-01-04 to 06-30-05 07-01-05 to 06-30-06 07-01-06 to 06-30-07



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MADISON-JEFFERSON COUNTY  
PUBLIC LIBRARY, JEFFERSON COUNTY, INDIANA

We have examined the financial information presented herein of the Madison-Jefferson County Public Library (Library), for the period of January 1, 2004 to December 31, 2005. The Library's management is responsible for the financial information presented herein. 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 financial information presented herein 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 financial information referred to above presents fairly, in all material respects, the financial information 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

December 22, 2006

MADISON-JEFFERSON 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:				
General	\$ 201,714	\$ 1,467,322	\$ 1,004,547	\$ 664,489
Gifts and Bequests	26,987	116,919	67,154	76,752
Olyer Memorial Book	50,085	998	1,015	50,068
Refunds	78	-	56	22
Library Improvement Reserve	149,906	-	87,485	62,421
Fiduciary Fund:				
Payroll Withholdings	-	115,987	115,747	240
Totals	<u>\$ 428,770</u>	<u>\$ 1,701,226</u>	<u>\$ 1,276,004</u>	<u>\$ 853,992</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 664,489	\$ 955,584	\$ 925,312	\$ 694,761
Gifts and Bequests	76,752	49,626	8,349	118,029
Olyer Memorial Book	50,068	51,099	51,159	50,008
Refunds	22	100	52	70
Gates Foundation	-	1,163	170	993
Levy Excess	-	7,812	7,812	-
Library Improvement Reserve	62,421	10,000	54,218	18,203
Library Capital Projects	-	90,390	15,495	74,895
Fiduciary Fund:				
Payroll Withholdings	240	120,452	120,692	-
Totals	<u>\$ 853,992</u>	<u>\$ 1,286,226</u>	<u>\$ 1,183,259</u>	<u>\$ 956,959</u>

The accompanying notes are an integral part of the schedules.

MADISON-JEFFERSON COUNTY PUBLIC LIBRARY  
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural 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.

MADISON-JEFFERSON COUNTY 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 capital lease through the Indiana Bond Bank for HVAC replacement. The outstanding principal at December 31, 2005, was \$219,111.

MADISON-JEFFERSON COUNTY PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The following were deficiencies in regards to capital asset records as of December 31, 2005:

- (1) A complete inventory of capital assets has not been taken for several years.
- (2) Additions and deletions of capital assets have not been recorded in the Capital Asset Ledger for several years.
- (3) Capital Asset amounts reported on the Library's Annual Financial Reports did not agree with the Capital Asset Ledger.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded on the applicable Capital Asset 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)

MADISON-JEFFERSON COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on December 22, 2006, with Charlene Abel, Director; Mary Kay Butler, President of the Board of Trustees; and Pamela S. Moon, Bookkeeper. The officials concurred with our finding.