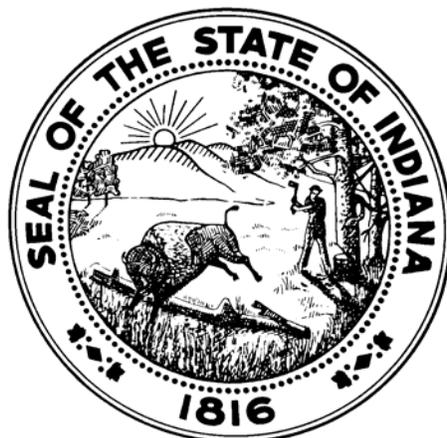


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
SPEEDWAY PUBLIC LIBRARY
MARION COUNTY, INDIANA
January 1, 2005 to December 31, 2006



FILED
02/08/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Darsi Bohr	01-01-05 to 12-31-07
Treasurer	Gene Markiewicz Lynda S. Miller	01-01-05 to 12-31-06 01-01-07 to 12-31-08
President of the Board	Kathryn Patterson Gene Markiewicz	01-01-05 to 12-31-06 01-01-07 to 12-31-08



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AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SPEEDWAY PUBLIC LIBRARY, MARION COUNTY, INDIANA

We have examined the financial information presented herein of the Speedway Public Library (Library), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

January 29, 2007

SPEEDWAY 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 343,844	\$ 703,970	\$ 695,011	\$ 352,803
Gift	53,908	38,409	34,694	57,623
Levy Excess	79,114	-	79,114	-
Bond and Interest Redemption	1,882	224,865	226,747	-
Library Improvement Reserve	108,279	16,000	26,284	97,995
Library Capital Projects	137	135,653	135,761	29
Fiduciary Funds:				
Payroll Withholdings	924	107,770	107,590	1,104
PLAC	-	3,165	3,165	-
Totals	<u>\$ 588,088</u>	<u>\$ 1,229,832</u>	<u>\$ 1,308,366</u>	<u>\$ 509,554</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 352,803	\$ 824,493	\$ 759,978	\$ 417,318
Gift	57,623	22,125	24,948	54,800
Bond and Interest Redemption	-	19,037	19,037	-
Library Improvement Reserve	97,995	40,000	49,659	88,336
Library Capital Projects	29	108,884	108,913	-
State Technology Grant	-	3,600	-	3,600
Fiduciary Funds:				
Payroll Withholdings	1,104	118,140	119,244	-
PLAC	-	3,008	2,326	682
Totals	<u>\$ 509,554</u>	<u>\$ 1,139,287</u>	<u>\$ 1,084,105</u>	<u>\$ 564,736</u>

The accompanying notes are an integral part of the schedules.

SPEEDWAY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

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.

SPEEDWAY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(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.

SPEEDWAY PUBLIC LIBRARY
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 263,994	\$ 309,581	\$ (45,587)	85%	\$ 215,523	(21%)
07-01-04	270,180	308,051	(37,871)	88%	221,253	(17%)
07-01-05	284,392	361,418	(77,026)	79%	229,626	(34%)



SPEEDWAY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For the Year Ending December 31, 2006

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	2,250
Buildings	4,000,000
Improvements other than buildings	2,174,380
Machinery and equipment	<u>572,412</u>
Total Governmental activities, capital assets not being depreciated	<u><u>6,749,042</u></u>

SPEEDWAY PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

PENALTIES, INTEREST AND OTHER CHARGES

One instance was noted in which late charges of \$12.71 were paid to a vendor.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ADVANCE PAYMENTS

In some instances, employees are paid prior to the end of the pay period. The pay period ends on the fifteenth day and the last day of each month. Payroll checks are issued on the last business day of each period. In some instances, employees are paid prior to the last day of the pay period being worked.

Compensation and any other payments for goods and services should not be paid in advance of receipt of the goods or services unless specifically authorized by statute. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

SPEEDWAY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on January 29, 2007, with Lynda S. Miller, Treasurer; Gene Markiewicz, President of the Board; Darsi Bohr, Director; and Cheri Haymond, Finance Manager.