

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

EXAMINATION REPORT

OF

ARGOS PUBLIC LIBRARY

MARSHALL COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
04/18/2007



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report .....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information.....	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt.....	8
Examination Results and Comments:	
Library Annual Reports .....	9
Appropriations.....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jane E. Hall	01-01-05 to 12-31-07
Treasurer	Marjorie Dunham	01-01-05 to 12-31-07
President of the Board	Barbara Brown Lori VanDerWeele	01-01-05 to 12-31-05 01-01-06 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ARGOS PUBLIC LIBRARY, MARSHALL COUNTY, INDIANA

We have examined the financial information presented herein of the Argos 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 Capital Assets and Schedule of Long-Term Debt, 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

March 29, 2007

ARGOS 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	\$ 61,600	\$ 143,269	\$ 124,541	\$ 80,328
Gift	6,099	239	1,327	5,011
Rainy Day	3,583	30		3,613
Grant	85	8,798	-	8,883
Bond and Interest Redemption	3,534	50,826	5,996	48,364
Library Improvement Reserve	26,528	4,281	-	30,809
Construction	160,535	602	100,339	60,798
Levy Excess	-	3,402		3,402
Fiduciary Funds:				
Payroll Withholdings	227	10,522	10,515	234
PLAC	208	418	514	112
Totals	<u>\$ 262,399</u>	<u>\$ 222,387</u>	<u>\$ 243,232</u>	<u>\$ 241,554</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 80,328	\$ 159,025	\$ 169,409	\$ 69,944
Gift	5,011	129	2,062	3,078
Rainy Day	3,613	25	3,592	46
Grant	8,883	3,712	1,586	11,009
Bond and Interest Redemption	48,364	34,858	43,573	39,649
Library Improvement Reserve	30,809	4,378	20,000	15,187
Construction	60,798	775	-	61,573
Levy Excess	3,402	551	3,402	551
Fiduciary Funds:				
Payroll Withholdings	234	-	234	-
PLAC	112	434	329	217
Totals	<u>\$ 241,554</u>	<u>\$ 203,887</u>	<u>\$ 244,187</u>	<u>\$ 201,254</u>

The accompanying notes are an integral part of the schedules.

ARGOS 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.

ARGOS 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.

Note 7. Subsequent Event

The Library has not accepted the building renovation project. The Library contends that the renovation is not safe for Library usage. The parties involved are attempting to correct the situation. Final escrow is being held by the Library.

ARGOS PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

As of 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	\$ 9,900
Buildings	32,600
Machinery and equipment	<u>164,858</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 207,358</u>

ARGOS PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT

As of December 31, 2006

The Library has entered into the following debt:

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities: General Obligation Bonds: 2003 Building renovation project	<u>\$ 235,000</u>	<u>\$ 35,000</u>

ARGOS PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

LIBRARY ANNUAL REPORTS

The annual reports presented for audit were not reflective of all the Library's financial activities. The annual reports included only revenues and expenses associated with the checking accounts. The activity from the weekly investment account, which included receipts of property taxes, was not reflected in the annual reports.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with Indiana Code 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Compliance is required, as applicable, with generally accepted accounting principles, and standards issued by the Governmental Accounting Standards Board, Financial Accounting Standards Board, and other standards setting bodies and also with various accounting guides, manuals and other publications. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

APPROPRIATIONS

The records presented for audit indicated that the 2006 expenditures for the operating fund were in excess of budgeted appropriations by \$5,729.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

ARGOS PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2007, with Marjorie Dunham, Treasurer; and Jane E. Hall, Director. The officials concurred with our findings.