

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

EXAMINATION REPORT

OF

ALEXANDRIAN PUBLIC LIBRARY

POSEY COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
07/30/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stephen L. Cochran	01-01-05 to 11-18-05
	Marissa M. Priddis	11-19-05 to 08-13-06
	Linn M. Landis	08-14-06 to 12-31-07
Treasurer	Julie Greathouse	01-01-05 to 12-31-06
	Donald R. Snyder	01-01-07 to 12-31-07
President of the Board	Jerry Funkhouser	01-01-05 to 12-31-06
	Lynn Clark	01-01-07 to 12-31-07



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

TO: THE OFFICIALS OF ALEXANDRIAN PUBLIC LIBRARY, POSEY COUNTY, INDIANA

We have examined the financial information presented herein of Alexandrian 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.

STATE BOARD OF ACCOUNTS

June 21, 2007

ALEXANDRIAN 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	\$ 282,491	\$ 1,118,595	\$ 1,025,508	\$ 375,578
Gift	119,848	56,330	73,261	102,917
Library Improvement Reserve	239,221	25,717	20,000	244,938
Library Building	29,049	-	-	29,049
Capital Projects	-	189,251	75,790	113,461
Fiduciary Funds:				
Payroll Withholdings	4,745	162,993	161,942	5,796
PLAC	-	169	169	-
Totals	<u>\$ 675,354</u>	<u>\$ 1,553,055</u>	<u>\$ 1,356,670</u>	<u>\$ 871,739</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 375,578	\$ 1,157,765	\$ 1,174,560	\$ 358,783
Gift	102,917	6,545	17,178	92,284
Rainy Day	-	120,000	-	120,000
E-Rate	-	4,800	-	4,800
Levy Excess	-	2,859	-	2,859
Library Improvement Reserve	244,938	1,145	50,000	196,083
Library Building	29,049	-	-	29,049
Capital Projects	113,461	193,982	158,896	148,547
Fiduciary Funds:				
Payroll Withholdings	5,796	166,954	166,057	6,693
PLAC	-	186	186	-
Totals	<u>\$ 871,739</u>	<u>\$ 1,654,236</u>	<u>\$ 1,566,877</u>	<u>\$ 959,098</u>

The accompanying notes are an integral part of the financial information.

ALEXANDRIAN 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 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.

ALEXANDRIAN 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.

ALEXANDRIAN PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

INVESTMENT MATURITY LIMITATIONS

The governmental unit purchased certain investments which have a stated maturity in excess of two years.

Indiana Code 5-13-9-5.6 states: "Investments made under IC 5-13-9 must have a stated final maturity of not more than two years after the date of purchase or entry into a repurchase agreement."

CONDITION OF RECORDS

The Library Annual Report balances did not agree with the ledger balances for some funds. The records presented did not provide sufficient information to establish beginning balances, receipts, disbursements, ending balances, or the accuracy or correctness of the transactions. The fund balances did not agree to the total of the reconciled checking account balance and investments.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

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)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the audit period:

- (1) Some claims were not adequately itemized.
- (2) Several claims were not signed by the fiscal officer.
- (3) Several claims or invoices were not accompanied by evidence in support of the receipt of goods or services.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

ALEXANDRIAN PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

OFFICIAL BONDS

The following official bonds were not filed in the Office of the County Recorder:

Library Director for October 28, 2005 to October 28, 2006  
Treasurer for the years 2005 and 2006

The Treasurer shall give a surety bond for the faithful performance of duty and for the accurate accounting of all money coming into the Treasurer's custody. The bond must be:

1. Written by an insurance company licensed to do business in Indiana;
2. For the term of office of the treasurer;
3. In an amount determined by the library board;
4. Paid for with the money from the library fund;
5. Payable to the State of Indiana;
6. Approved by the library board; and
7. Deposited in the office of the recorder of the county in which the library district is located.  
[IC 36-12-2-22]

It is recommended that employees of the library who handle money also be bonded. Bonds of employees must also be payable to the State of Indiana [IC 5-4-1-10] and be filed in the county recorder's office. [IC 5-4-1-5.1] (Accounting and Uniform Compliance Guidelines Manual for Libraries, Page 1-2)

ALEXANDRIAN PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on June 21, 2007, with Linn M. Landis, Director; Donald R. Snyder, Treasurer; and Mary E. Nation, Administrative Assistant. The officials concurred with our findings.