

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

EXAMINATION REPORT
OF

ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS PUBLIC LIBRARY
MADISON COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
10/11/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Sarah Later	01-01-05 to 12-31-07
Treasurer	Rhea Parshall Paul Muething, Jr.	01-01-05 to 02-14-06 02-15-06 to 12-31-07
President of the Board	Paul Muething, Jr. Joni Brinkman	01-01-05 to 02-14-06 02-15-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS PUBLIC LIBRARY, MADISON COUNTY, INDIANA

We have examined the financial information presented herein of the Anderson City, Anderson, Stony Creek, and Union Townships 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The Schedule has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 28, 2007

ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS 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	\$ 1,731,683	\$ 5,408,468	\$ 5,501,368	\$ 1,638,783
Gift	17,655	42,934	34,381	26,208
Gift Fund Unrestricted	6,831	1,546	5,184	3,193
Human Rights Video Project Grant	106	-	106	-
Indiana Literacy Foundation	-	460	460	-
Literary Gift Fund	1,121	-	1,121	-
Love Bears Donation	405	230	127	508
Madison County Community Foundation	1,109	2,321	77	3,353
Madison County Reads	1,635	-	1,635	-
Rainy Day	85,920	461,326	363,623	183,623
21st Century Grant	-	13	13	-
Library Improvement Reserve	181,240	511,500	353,588	339,152
RSVP 1999/2000	-	9	9	-
RSVP 2004/2005	(186)	33,052	32,866	-
RSVP 2005/2006	-	7,933	11,920	(3,987)
RSVP Donations	1,238	4,767	4,746	1,259
United Way Unrestricted Gifts	2,571	1,375	-	3,946
Cash Change	917	-	-	917
Petty Cash	83	90	90	83
Fiduciary Funds:				
Payroll Withholdings	8,822	152,341	160,604	559
Miscellaneous Clearing Fund	201	6,570	6,230	541
PLAC	3,365	13,403	13,212	3,556
Totals	<u>\$ 2,044,716</u>	<u>\$ 6,648,338</u>	<u>\$ 6,491,360</u>	<u>\$ 2,201,694</u>

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

ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS 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
(Continued)

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,638,783	\$ 4,661,067	\$ 4,654,825	\$ 1,645,025
Gift	26,208	29,368	42,031	13,545
Gift Fund Unrestricted	3,193	-	3,193	-
Love Bears Donation	508	567	413	662
Indiana State Technology Grant	-	8,295	3,367	4,928
Juanita Sigler Fund	-	120,133	-	120,133
Madison County Community Foundation	3,353	8,692	2,614	9,431
Rainy Day	183,623	76,450	-	260,073
Library Improvement Reserve	339,152	186,500	12,388	513,264
RSVP 2005/2006	(3,987)	36,819	32,832	-
RSVP Donations	1,259	3,086	3,353	992
RSVP 2006/2007	-	11,240	11,626	(386)
AT&T Foundation Grant	-	10,705	-	10,705
United Way Unrestricted Gifts	3,946	1,892	-	5,838
United Way Every Child Ready Read	-	2,662	1,476	1,186
Cash Change	917	151	-	1,068
Petty Cash	83	83	134	32
Fiduciary Funds:				
Payroll Withholdings	559	139,598	139,662	495
Miscellaneous Clearing Fund	541	5,501	5,461	581
Levy Excess No. 2	-	99,901	99,901	-
PLAC	3,556	13,230	13,839	2,947
Totals	\$ 2,201,694	\$ 5,415,940	\$ 5,027,115	\$ 2,590,519

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

ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS 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.

ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS 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.

ANDERSON CITY, ANDERSON, STONYPARK AND UNION TOWNSHIPS PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

December 31, 2006

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 9,086,278
Improvements other than buildings	991,795
Machinery and equipment	<u>6,981,052</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 17,059,125</u>

ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OFFICIAL BOND OF TREASURER AND EMPLOYEES

Both the current and former Library Treasurers were bonded. However, neither bond was recorded with the County Recorder's Office. None of the other Library employees were bonded.

Treasurer and Employees

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]

Other Employees

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, Chapter 1)

ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 28, 2007, with Paul Muething Jr., Treasurer; Joni Brinkman, President of the Board; and Sarah Later, Director.