

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

EXAMINATION REPORT
OF
GREENWOOD PUBLIC LIBRARY
JOHNSON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
09/23/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Margaret L. Hamilton	01-01-06 to 12-31-08
Treasurer	Shirley Vleck	01-01-06 to 12-31-08
President of the Board	J. David Julian	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GREENWOOD PUBLIC LIBRARY, JOHNSON COUNTY, INDIANA

We have examined the financial information presented herein of Greenwood Public Library (Library), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, 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

July 16, 2008

GREENWOOD 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 91,693	\$ 3,066,712	\$ 3,091,930	\$ 66,475
Gift	8,622	86,253	78,441	16,434
Gift Video	5,589	13,831	8,106	11,314
Rainy Day	5,900	-	-	5,900
1993 Bond and Interest Redemption	41,319	505,243	444,500	102,062
2000 Bond and Interest Redemption	186,793	483,213	348,686	321,320
Library Improvement Reserve	149,049	31,916	59,228	121,737
Library Capital Projects	17,346	128,934	88,194	58,086
Fiduciary Funds:				
Payroll Withholdings	7,667	203,389	204,935	6,121
Cafeteria - 125 Plan	4,153	-	607	3,546
PLAC	252	2,046	1,957	341
Totals	<u>\$ 518,383</u>	<u>\$ 4,521,537</u>	<u>\$ 4,326,584</u>	<u>\$ 713,336</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 66,475	\$ 3,635,190	\$ 3,704,288	\$ (2,623)
Gift	16,434	69,458	51,055	34,837
Gift Video	11,314	11,556	12,819	10,051
Rainy Day	5,900	50,022	-	55,922
1993 Bond and Interest Redemption	102,062	421,278	473,623	49,717
2000 Bond and Interest Redemption	321,320	729,388	651,627	399,081
Library Improvement Reserve	121,737	27,312	64,260	84,789
Library Capital Projects	58,086	190,057	214,424	33,719
Levy Excess	-	18,813	18,813	-
State Technology Grant Fund	-	7,566	7,566	-
Fiduciary Funds:				
Payroll Withholdings	6,121	216,674	213,023	9,772
Cafeteria - 125 Plan	3,546	-	3,546	-
PLAC	341	2,070	1,991	420
Totals	<u>\$ 713,336</u>	<u>\$ 5,379,384</u>	<u>\$ 5,417,035</u>	<u>\$ 675,685</u>

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

GREENWOOD 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: preservation and lending of books and audio materials 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.

GREENWOOD 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.

GREENWOOD PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
1993 Refunding Bonds	\$ 425,000	\$ 295,000
2000 Bonds	<u>3,805,000</u>	<u>376,013</u>
Total governmental activities debt	<u>\$ 4,230,000</u>	<u>\$ 671,013</u>

GREENWOOD PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

TIMELY DEPOSITS

We noted four instances where receipts were deposited later than the next business day.

Indiana Code 5-13-6-1(c) states in part: "All local officers . . . who collect public funds of their respective political subdivisions shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the . . . local boards of finance. . . ."

DEPOSITS

Various cash register tapes and receipts were for amounts which could not be verified to bank deposits.

Indiana Code 5-13-6-1(c) states in part: "Public funds deposited . . . shall be deposited in the same form in which they were received."

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination or were incorrect. Bank statements were not available for audit for one bank account, as well as that accounts reconciliation. Also, the payroll account did not have an outstanding check list to verify for the audit.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

SUPPORTING DOCUMENTATION

Adequate supporting documentation, such as receipts, invoices, and other public records were not attached to one claim. Governing board approval could not be located for one claim selected for testing. The Library Director did not certify to the board that the claims were true and correct and that the goods and services were received for nine claims and sixteen instances where the Treasurer did not sign to approve the claims.

GREENWOOD PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

Each payment must be supported by a fully itemized invoice or other documentation. The documentation should be available to the board for their review before approval. The library director must certify to the board before payment that each claim is true and correct and that the goods or services were received. This certification must be on Library Form No. 4, which should be completed with information regarding the payee, invoice date and number, description of service or material, amount to be paid, and the account to be charged. (Accounting and Uniform Compliance Guidelines Manual for Libraries Chapter 3, Page 26)

PENALTIES, INTEREST, AND OTHER CHARGES

Information presented for examination indicates that, in one case, amounts payable to a vendor was paid late and incurred a late fee, which was paid. After discussion with the Bookkeeper, she acknowledged that for this particular vendor they were consistently paying late fees.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. 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, Page 4)

OVERDRAWN FUND BALANCES

The General Fund was overdrawn in 2007.

The balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries Chapter 4, Page 10)

GREENWOOD PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 16, 2008, with Margaret L. Hamilton, Director; J. David Julian, President of the Board; and Judy Posz, Bookkeeper. The officials concurred with our findings.