

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

EXAMINATION REPORT  
OF  
UNION CITY PUBLIC LIBRARY  
RANDOLPH COUNTY, INDIANA  
January 1, 2006 to December 31, 2007



**FILED**  
10/30/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Virginia M. Hiatt	01-01-06 to 12-31-08
Treasurer	Joseph Van Camp	07-01-05 to 06-30-09
President of the Board	Beverly Chenoweth	07-01-05 to 06-30-06
	Byron Presley	07-01-06 to 06-30-07
	Danielle Downey	07-01-07 to 06-30-08
	Shaunna Stamm	07-01-08 to 06-30-09



**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 UNION CITY PUBLIC LIBRARY, RANDOLPH COUNTY, INDIANA

We have examined the financial information presented herein of the Union City 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 Capital Asset, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It 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

September 15, 2008

UNION CITY 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	\$ 355,152	\$ 162,983	\$ 121,271	\$ 396,864
Gift	3,004	3,485	1,091	5,398
Harrison Heritage	3,782	507	289	4,000
Community Foundation	-	8,426	8,176	250
State Technology Grant	-	900	-	900
Levy Excess	-	291	-	291
Library Improvement Reserve	191,800	10,377	-	202,177
Fiduciary Funds:				
Payroll Withholdings	362	10	372	-
PLAC	-	93	93	-
Totals	<u>\$ 554,100</u>	<u>\$ 187,072</u>	<u>\$ 131,292</u>	<u>\$ 609,880</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 396,864	\$ 173,990	\$ 128,479	\$ 442,375
Gift	5,398	100	315	5,183
Harrison Heritage	4,000	139	92	4,047
Community Foundation	250	-	-	250
State Technology Grant	900	1,800	1,800	900
Levy Excess	291	-	291	-
Rainy Day	-	1,949	-	1,949
Library Improvement Reserve	202,177	10,518	-	212,695
Fiduciary Fund:				
PLAC	-	90	90	-
Totals	<u>\$ 609,880</u>	<u>\$ 188,586</u>	<u>\$ 131,067</u>	<u>\$ 667,399</u>

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

UNION CITY 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 or highway use taxes are received 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.

UNION CITY 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.

UNION CITY LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

Capital assets are reported at current replacement cost.

Retroactive reporting of general infrastructure assets will not occur.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 975,500
Machinery and equipment	<u>218,100</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 1,193,600</u>

UNION CITY PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

DAILY RECORD OF DESK COLLECTIONS - PRESCRIBED LIBRARY FORM 3

The Library is separating the collections for copies/faxes, microfilm and computers on a separate ledger sheet. This sheet is attached to the prescribed Daily Record of Desk Collections (Library Form 3). When deposits are made, the \$30 cash change and the total of copies/faxes, microfilm and computers per the separate ledger sheet are totaled. This total amount is deducted from the total amount to be deposited and the remaining amount is posted to fines and fees on the Daily Record of Desk Collections (Library Form 3).

This form has been prescribed to provide a method of recording the total daily receipts of a public library and each of its branches, if any. As money is received during the day it should be segregated by notations classifying the receipts into the three categories shown on the prescribed form. At the end of the day the totals should be entered on the form. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 3)

DEPOSITS

In numerous instances, receipts were deposited later than the next business day. During the months of October 2006 and October 2007, desk collections were only deposited once per month.

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 several local boards of finance that have jurisdiction of the funds. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

CONDITION OF RECORDS

Records of the Library indicated the record balance was less than the reconciled depository balance at December 31, 2007, in the amount of \$2,281.67. Further review indicated a sale of an investment in the amount of \$45,073.44 was erroneously posted twice and the outstanding checklist was incorrect.

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."

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)

UNION CITY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 15, 2008, with Virginia M. Hiatt, Director; and Shaunna Stamm, President of the Board.