

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

EXAMINATION REPORT
OF
HAMILTON NORTH PUBLIC LIBRARY
HAMILTON COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
01/15/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Linda Judd Enika Dobbs Mary Palmiero Samuel Mitchel	01-01-06 to 01-31-07 02-01-07 to 09-30-07 10-01-07 to 12-31-07 01-01-08 to 12-31-08
Treasurer	Laura Holliday	01-01-06 to 12-31-08
President of the Board	Jeannie Ecker Sharon Bislich	01-01-06 to 12-31-06 01-01-07 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE HAMILTON NORTH PUBLIC LIBRARY, HAMILTON COUNTY, INDIANA

We have examined the financial information presented herein of the Hamilton North 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 present 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 Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts 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

December 10, 2008

HAMILTON NORTH 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	\$ 17,928	\$ 444,122	\$ 398,880	\$ 63,170
Gift	17,503	12,148	19,033	10,618
Rainy Day	55,840	50,000	40,243	65,597
Levy Excess	5,958	-	750	5,208
Lease Rental	115,926	411,648	391,288	136,286
Library Improvement Reserve	46,769	45,000	58,567	33,202
Library Capital Projects	-	42,444	10,509	31,935
State Technology Fund	-	6,264	1,800	4,464
Fiduciary Funds:				
Payroll Withholdings	277	48,206	48,483	-
PLAC	-	1,271	1,271	-
Totals	<u>\$ 260,201</u>	<u>\$ 1,061,103</u>	<u>\$ 970,824</u>	<u>\$ 350,480</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 63,170	\$ 475,547	\$ 459,284	\$ 79,433
Gift	10,618	13,689	19,377	4,930
Rainy Day	65,597	-	-	65,597
Levy Excess	5,208	-	5,208	-
Lease Rental	136,286	261,694	276,000	121,980
Library Improvement Reserve	33,202	-	-	33,202
Library Capital Projects	31,935	71,155	37,846	65,244
State Technology Fund	4,464	4,500	5,850	3,114
Fiduciary Funds:				
Payroll Withholdings	-	49,466	49,466	-
PLAC	-	1,412	1,412	-
Totals	<u>\$ 350,480</u>	<u>\$ 877,463</u>	<u>\$ 854,443</u>	<u>\$ 373,500</u>

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

HAMILTON NORTH 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). 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.

HAMILTON NORTH 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.

HAMILTON NORTH PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

December 31, 2007

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	\$ 64,000
Infrastructure	-
Buildings	2,050,841
Improvements other than buildings	321,485
Machinery and equipment	1,875,495
Construction in progress	-
	<hr/>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,311,821</u>

HAMILTON NORTH 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:		
Capital lease:		
1997 Holding Corporation Lease	\$ 2,150,000	\$ 279,000
 Total governmental activities debt	 <u>\$ 2,150,000</u>	 <u>\$ 279,000</u>

HAMILTON NORTH PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The official bonds for the Treasurer, Laura Holliday, and Bookkeeper, Amy Wolfe, were not filed in the Office of the County Recorder for 2007.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

APPROPRIATIONS

The following expenditures were in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
Library Improvement Reserve	2006	\$ 12,567
Library Capital Projects	2007	6,846

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."

HAMILTON NORTH PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 10, 2008, with Samuel Mitchel, Director; Laura Holliday, Treasurer; and Amy Wolfe, Bookkeeper.