

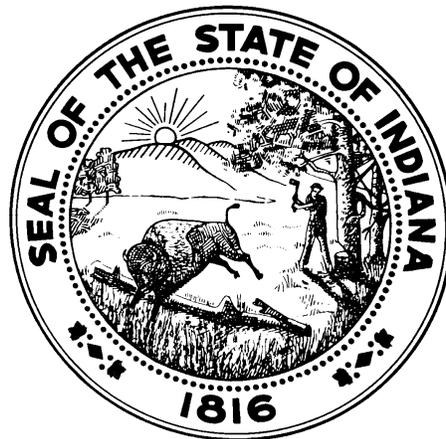
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STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

WHITEWATER VALLEY COMMUNITY
LIBRARY DISTRICT
FRANKLIN 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	Melody L. Gault	10-01-05 to 09-30-09
Treasurer	Joann Koch Kathryn Flaspohler	09-01-05 to 08-31-07 09-01-07 to 08-31-09
President of the Board	Judith Douglass Patricia Combs	06-01-05 to 05-31-06 06-01-06 to 05-31-09



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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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF WHITEWATER VALLEY COMMUNITY
LIBRARY DISTRICT, FRANKLIN COUNTY, INDIANA

We have examined the financial information presented herein of Whitewater Valley Community Library District (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 Assets, 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

December 23, 2008

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT
 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	\$ 30,840	\$ 315,273	\$ 302,465	\$ 43,648
Gift	162,269	39,753	47,842	154,180
Applegate Trust	2,724	42	797	1,969
Library Improvement Reserve	4,053	8,650	1,299	11,404
Library Capital Projects	3,027	27,796	30,607	216
Levy Excess	-	3,630	-	3,630
Technology Fund	-	5,688	3,600	2,088
Fiduciary Funds:				
Payroll Withholdings	378	29,807	30,185	-
PLAC	56	155	180	31
Totals	<u>\$ 203,347</u>	<u>\$ 430,794</u>	<u>\$ 416,975</u>	<u>\$ 217,166</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 43,648	\$ 464,268	\$ 399,192	\$ 108,724
Gift	154,180	109,582	140,907	122,855
Applegate Trust	1,969	1,043	9	3,003
Library Improvement Reserve	11,404	3,370	957	13,817
Library Capital Projects	216	30,362	46,361	(15,783)
Levy Excess	3,630	-	-	3,630
Technology Fund	2,088	3,600	3,300	2,388
Rainy Day	-	1,734	-	1,734
Fiduciary Fund:				
PLAC	31	272	243	60
Totals	<u>\$ 217,166</u>	<u>\$ 614,231</u>	<u>\$ 590,969</u>	<u>\$ 240,428</u>

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

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT
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. Late distribution of property taxes by Franklin County has resulted in an overdrawn Capital Projects Fund in 2007.

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.

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT
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.

Note 7. Subsequent Event

On May 20, 2008, the Library Board of Trustees passed a resolution to change the name of the Library to Franklin County Public Library District.

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended 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	\$ 104,000
Buildings	1,733,327
Improvements other than buildings	138,903
Machinery and equipment	<u>1,065,769</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 3,041,999</u>

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT
EXAMINATION RESULTS AND COMMENTS

CREDIT CARDS

The Library is using two credit cards to purchase items without a credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedure for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OFFICIAL BOND

The Treasurer, Kathryn Flaspohler, does not have an official bond. She has been Treasurer since September 1, 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. . . ."

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on December 23, 2008, with Kathryn Flaspohler, Treasurer; Melody L. Gault, Director; and Linda L. Bruns, Laurel Branch Manager. The officials concurred with our findings.