

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

EXAMINATION REPORT
OF
FULTON COUNTY PUBLIC LIBRARY
FULTON COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
05/13/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David L. Ewick	01-01-07 to 02-05-07
	Larry Cunningham (Interim)	02-06-07 to 09-09-07
	Alennea Landis	09-10-07 to 12-31-10
Treasurer	George Hapner	06-05-06 to 12-31-08
	Robert Urich	01-01-09 to 12-31-09
President of the Board	James Mulligan	01-01-07 to 12-31-08
	Leslie Walker	01-01-09 to 12-31-09



STATE OF INDIANA
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STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FULTON COUNTY PUBLIC LIBRARY, FULTON COUNTY, INDIANA

We have examined the financial information presented herein of the Fulton County Public Library (Library), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, 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 a required part 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

April 7, 2009

FULTON COUNTY 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 562,642	\$ 1,020,910	\$ 1,022,361	\$ 561,191
Gift	2,167	14,157	2,276	14,048
Rainy Day	26,710	723	-	27,433
Literacy	8,303	5,710	7,038	6,975
LSCA Reciprocal	5,883	5,565	6,029	5,419
Summer Reading	321	-	12	309
Staff Purchases	-	1,335	1,189	146
Aubbee Memorial	701	-	-	701
Community Foundation Grant	-	2,356	-	2,356
Bill and Melinda Gates Grant	110	-	-	110
Fulton Memorial	27	-	-	27
Levy Excess	11,213	-	11,213	-
Bond and Interest Redemption	138,922	248,134	253,209	133,847
Library Improvement Reserve	144,093	24,210	30,727	137,576
Library Capital Projects	175,637	63,890	5,738	233,789
Construction	397,315	35,551	195,809	237,057
Fiduciary Funds:				
Payroll Withholdings	3,716	5,013	3,716	5,013
PLAC	248	481	578	151
Totals	<u>\$ 1,478,008</u>	<u>\$ 1,428,035</u>	<u>\$ 1,539,895</u>	<u>\$ 1,366,148</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 561,191	\$ 851,826	\$ 800,618	\$ 612,399
Gift	14,048	8,881	19,787	3,142
Rainy Day	27,433	100,325	81,653	46,105
Literacy	6,975	11,970	11,611	7,334
LSCA Reciprocal	5,419	11,473	9,746	7,146
Summer Reading	309	-	-	309
Staff Purchases	146	1,147	1,190	103
Aubbee Memorial	701	25	-	726
Community Foundation Grant	2,356	2,429	3,926	859
Bill and Melinda Gates Grant	110	-	-	110
Fulton Memorial	27	-	-	27
Bond and Interest Redemption	133,847	293,731	292,337	135,241
Library Improvement Reserve	137,576	1,601	4,361	134,816
Library Capital Projects	233,789	168,586	94,328	308,047
Construction	237,057	317,452	237,904	316,605
Fiduciary Funds:				
Payroll Withholdings	5,013	155,742	156,043	4,712
PLAC	151	660	720	91
Totals	<u>\$ 1,366,148</u>	<u>\$ 1,925,848</u>	<u>\$ 1,714,224</u>	<u>\$ 1,577,772</u>

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

FULTON COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture 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.

FULTON COUNTY 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.

FULTON COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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.

General infrastructure assets completed in the current year has been reported. Retroactive reporting of general infrastructure assets will occur by 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 105,000
Buildings	4,631,232
Improvements other than buildings	154,000
Machinery and equipment	<u>481,405</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 5,371,637</u>

FULTON COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

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:		
Fulton County Public Library Improvement Bonds	\$ 3,110,000	\$ 127,424

FULTON COUNTY PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were not presented for examination.

IC 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."

ANNUAL REPORT

An annual report for 2008 was not completed correctly.

IC 5-3-1-4 states in part:

"(a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. . . . (b) The following shall prepare, verify, and file the reports required under subsection (a) not later than sixty (60) days after the end of each year . . . (2) A public library."

APPROVAL OF FORMS

The Fulton County Public Library began using the Computrain Library software package to maintain their accounting records. None of the forms created by the software application had been approved by the State Board of Accounts, for use by the Fulton County Public Library.

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)

FULTON COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on March 4, 2009, with Colleen Diveley, Administrative Head; and Alennea Landis, Director.