

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

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



FILED
12/30/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Darsi Bohr	01-01-07 to 12-31-09
Treasurer	Lynda Miller Elizabeth Ann Frazier	01-01-07 to 12-31-08 01-01-09 to 12-31-09
President of the Board	Gene Markiewicz Lynda Miller	01-01-07 to 12-31-08 01-01-09 to 12-31-09



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE SPEEDWAY PUBLIC LIBRARY, MARION COUNTY, INDIANA

We have examined the financial information presented herein of the Speedway 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 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

November 9, 2009

SPEEDWAY 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	\$ 417,318	\$ 723,837	\$ 769,434	\$ 371,721
Gift	54,800	37,130	30,995	60,935
Library Science and Tech Act Fund	-	5,539	5,539	-
Library Improvement Reserve	88,336	30,000	47,983	70,353
Library Capital Projects	-	137,160	136,433	727
State Technology Grant	3,600	3,600	3,900	3,300
Fiduciary Funds:				
Payroll Withholdings	-	121,123	120,192	931
PLAC	682	2,580	3,262	-
Totals	<u>\$ 564,736</u>	<u>\$ 1,060,969</u>	<u>\$ 1,117,738</u>	<u>\$ 507,967</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 371,721	\$ 1,138,253	\$ 858,807	\$ 651,167
Gift	60,935	16,584	18,979	58,540
Levy Excess	-	50,557	-	50,557
Library Improvement Reserve	70,353	20,000	15,279	75,074
Library Capital Projects	727	173,611	94,152	80,186
State Technology Grant	3,300	6,720	2,660	7,360
Fiduciary Funds:				
Payroll Withholdings	931	128,888	129,720	99
PLAC	-	2,282	2,282	-
Totals	<u>\$ 507,967</u>	<u>\$ 1,536,895</u>	<u>\$ 1,121,879</u>	<u>\$ 922,983</u>

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

SPEEDWAY 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 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).

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.

SPEEDWAY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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.



SPEEDWAY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For the Year Ending 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	2,250
Buildings	4,066,024
Improvements other than buildings	2,382,312
Machinery and equipment	<u>616,596</u>
Total Governmental activities, capital assets not being depreciated	<u><u>7,067,182</u></u>

SPEEDWAY 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 bond of 2008	\$ 225,000	
Interest due July 2009	-	\$ 8,733
 Total governmental activities debt	 <u>\$ 225,000</u>	 <u>\$ 8,733</u>

SPEEDWAY PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The 2007 and 2008 annual reports had errors in several funds. The Gift, State Technology, and Payroll Funds have errors in the receipts, disbursements and investment amounts.

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."

RECEIPT ISSUANCE

Receipts were not issued for all money received.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

DEPOSITS

In numerous instances, collections were deposited later than the next business day. In addition, the Daily Cash Receipts – Detail of Desk Collections does not always indicate whether monies collected are cash, check, or money order. Therefore, it was not possible to verify that funds are deposited in the form in which they are received.

IC 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."

SPEEDWAY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2009, with Elizabeth Ann Frazier, Treasurer; Darsi Bohr, Director; and Cheri Hammond, Finance Manager. The officials concurred with our findings.