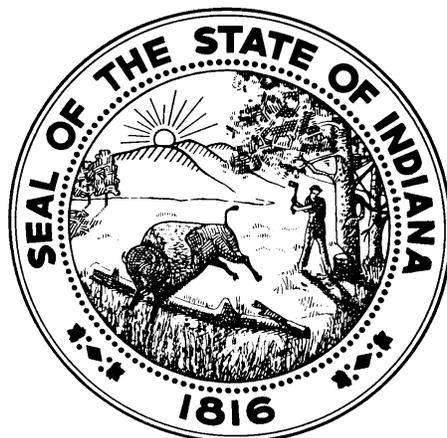


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

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



**FILED**  
12/31/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Karen Kahl	01-01-07 to 12-31-09
Treasurer	Robert G. Barnard	01-01-07 to 12-31-09
President of the Board	Joan Mathews	01-01-07 to 12-31-09



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Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Union 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 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 30, 2009

UNION 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
<b>Governmental Funds:</b>				
General	\$ 67,811	\$ 435,863	\$ 435,491	\$ 68,183
Gift	120	6,458	6,426	152
Rainy Day	7,744	802	-	8,546
Memorial	6,688	75	-	6,763
Summer Reading Program	-	1,500	1,500	-
Teens Advisory Council	109	60	121	48
Bond and Interest Redemption	74,513	134,281	143,000	65,794
Library Improvement Reserve	6,275	2,500	-	8,775
Parking Lot	-	4,960	923	4,037
Portrait of Liberty	999	4,102	4,242	859
Wish List	165	-	165	-
Teen Winter 2007	-	710	710	-
TTP	413	3,518	3,908	23
Silent Auction	1,152	290	636	806
LSTA	(2,637)	10,609	7,972	-
<b>Fiduciary Funds:</b>				
Payroll Withholdings	4,019	53,751	54,374	3,396
PLAC	62	60	62	60
<b>Totals</b>	<b>\$ 167,433</b>	<b>\$ 659,539</b>	<b>\$ 659,530</b>	<b>\$ 167,442</b>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 68,183	\$ 391,086	\$ 354,473	\$ 104,796
Gift	152	5,158	5,090	220
Rainy Day	8,546	30,167	38,546	167
Memorial	6,763	3,472	-	10,235
Summer Reading Program	-	1,785	1,785	-
Adult Summer Reading	-	200	200	-
Teen Summer Reading	-	603	603	-
Teens Advisory Council	48	214	124	138
Bond and Interest Redemption	65,794	151,029	147,826	68,997
Library Improvement Reserve	8,775	5,050	11,000	2,825
Parking Lot	4,037	32,354	34,541	1,850
Portrait of Liberty	859	2,047	2,561	345
Teen Winter 2008	-	1,636	1,636	-
TTP	23	-	23	-
Silent Auction	806	1,642	1,680	768
LSTA	-	5,276	5,276	-
<b>Fiduciary Funds:</b>				
Payroll Withholdings	3,396	52,055	51,765	3,686
PLAC	60	60	120	-
<b>Totals</b>	<b>\$ 167,442</b>	<b>\$ 683,834</b>	<b>\$ 657,249</b>	<b>\$ 194,027</b>

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

UNION 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 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. 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 COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

During 2007 the Library began contributing 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. Because the pension plan has just recently been established, actuarial information is not available as of the date of this report.

UNION 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 71,887
Buildings	2,174,652
Improvements other than buildings	80,631
Machinery and equipment	<u>1,010,425</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 3,337,595</u>

UNION 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:		
Capital leases:		
Library renovation and expansion	\$ 1,550,000	\$ 142,000

UNION COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on November 24, 2009, with Karen Kahl, Director; and Robert G. Barnard, Treasurer. Our examination disclosed no material items that warrant comment at this time.