

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

EXAMINATION REPORT  
OF  
UNION CITY PUBLIC LIBRARY  
RANDOLPH COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
06/10/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Virginia M. Hiatt	01-01-08 to 12-31-10
Treasurer	Joseph P. Van Camp	07-01-07 to 06-30-10
President of the Board	Danielle Downey Shaunna Stamm Byron L. Peasley	07-01-07 to 06-30-08 07-01-08 to 06-30-09 07-01-09 to 06-30-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Union City Public Library, for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

May 17, 2010

UNION CITY 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 442,375	\$ 171,369	\$ 130,944	\$ 482,800
Gift	5,183	3,585	3,686	5,082
Harrison Heritage	4,047	121	99	4,069
Community Foundation	250	-	-	250
State Technology Grant	900	1,800	1,800	900
Warner Estate	-	65,606	-	65,606
Rainy Day	1,949	2,776	2,431	2,294
Library Improvement Reserve	212,695	7,769	-	220,464
Fiduciary Fund:				
Public Library Access Cards	-	120	120	-
Totals	<u>\$ 667,399</u>	<u>\$ 253,146</u>	<u>\$ 139,080</u>	<u>\$ 781,465</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 482,800	\$ 156,167	\$ 124,279	\$ 514,688
Gift	5,082	475	5	5,552
Harrison Heritage	4,069	105	69	4,105
Community Foundation	250	-	-	250
State Technology Grant	900	1,800	1,800	900
Warner Estate	65,606	-	6,032	59,574
Rainy Day	2,294	359	-	2,653
Library Improvement Reserve	220,464	3,744	-	224,208
Fiduciary Fund:				
Public Library Access Cards	-	180	120	60
Totals	<u>\$ 781,465</u>	<u>\$ 162,830</u>	<u>\$ 132,305</u>	<u>\$ 811,990</u>

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

UNION CITY 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 and recreation 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 CITY 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.

UNION CITY PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2009

Capital assets are reported at actual cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 73,667
Machinery and equipment	<u>132,133</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 205,800</u>

UNION CITY PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

ERRORS ON FINANCIAL RECORDS

The total cash and investment balances in the financial records were understated by over \$4,000 throughout 2008 and 2009. This resulted primarily from (1) basing the posted balance at January 1, 2008, on the actual balance as of January 31, 2008, which was \$4,282 less, and (2) failing to post bank charges of approximately \$20 per month in 2009. The Director performed monthly bank reconcilements, but they were never correct. The balances in this report were adjusted for the above \$4,282.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree . . . All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

UNION CITY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2010, with Joseph P. Van Camp, Treasurer; Virginia M. Hiatt, Director; and Byron L. Peasley, President of the Board. The officials concurred with our finding.