

B37338

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

EXAMINATION REPORT
OF
HAMILTON NORTH PUBLIC LIBRARY
HAMILTON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
08/11/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Samuel Mitchell	01-01-08 to 12-31-10
Treasurer	Laura Holliday	01-01-08 to 12-31-10
President of the Board	Sharon Bislich Emily Holt	01-01-08 to 12-31-08 01-01-09 to 12-31-10



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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 HAMILTON NORTH PUBLIC LIBRARY, HAMILTON COUNTY, INDIANA

We have examined the financial information presented herein of Hamilton North Public Library (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 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

June 15, 2010

HAMILTON NORTH 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, 2009 And 2010

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 79,433	\$ 511,167	\$ 495,822	\$ 94,778
Gift	4,930	26,454	18,403	12,981
Rainy Day	65,597	32,318	5,920	91,995
Lease Rental Payments	121,980	291,523	279,000	134,503
State Technology Grant	3,114	5,219	4,500	3,833
Library Improvement Reserve	33,202	-	-	33,202
Library Capital Projects	65,244	5,008	28,717	41,535
Fiduciary Funds:				
Payroll Withholdings	-	49,042	49,042	-
PLAC	-	1,320	1,320	-
Totals	<u>\$ 373,500</u>	<u>\$ 922,051</u>	<u>\$ 882,724</u>	<u>\$ 412,827</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 94,778	\$ 497,221	\$ 482,482	\$ 109,517
Gift	12,981	12,929	17,809	8,101
Rainy Day	91,995	42,185	-	134,180
Lease Rental Payments	134,503	280,385	276,000	138,888
State Technology Grant	3,833	8,670	6,225	6,278
Library Improvement Reserve	33,202	-	722	32,480
Library Capital Projects	41,535	421	33,027	8,929
Fiduciary Funds:				
Payroll Withholdings	-	44,121	44,121	-
PLAC	-	990	990	-
Totals	<u>\$ 412,827</u>	<u>\$ 886,922</u>	<u>\$ 861,376</u>	<u>\$ 438,373</u>

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

HAMILTON NORTH 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: public safety, health and social 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.

HAMILTON NORTH PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2009

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	\$ 64,000
Buildings	2,073,179
Improvements other than buildings	328,780
Machinery and equipment	<u>1,962,083</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,428,042</u>

HAMILTON NORTH PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital lease:		
1997 Holding Corporation Lease	\$ 1,835,000	\$ 287,000
Total governmental activities debt	<u>\$ 1,835,000</u>	<u>\$ 287,000</u>

HAMILTON NORTH PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

CREDIT CARDS

The Hamilton North Public Library is using credit cards to purchase items without following the approved credit card policy. We noted instances where detailed receipts were not provided to support the credit card statements. We noted instances where late and finance charges were paid. We observed late fees of \$39 paid and finance charges paid of \$19.38. In addition, we noted instances where sales tax was paid on purchases that were not related to travel.

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. Procedures 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)

HAMILTON NORTH PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 23, 2010, with Laura Holliday, Treasurer; Samuel Mitchell, Director; and Amy Wolfe, Bookkeeper.