

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

EXAMINATION REPORT
OF
ARGOS PUBLIC LIBRARY
MARSHALL COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
08/16/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt	8
Examination Results and Comments:	
Appropriations.....	9
Annual Report.....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jane E. Hall	01-01-07 to 12-31-10
Treasurer	Marjorie Dunham	01-01-07 to 12-31-10
President of the Board	Lori VanDerWeele Patti VanDerWeele	01-01-07 to 12-31-07 01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ARGOS PUBLIC LIBRARY, MARSHALL COUNTY, INDIANA

We have examined the financial information presented herein of the Argos Public Library (Library), for the period of January 1, 2007 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, 2007, 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

July 19, 2010

ARGOS 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, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 69,944	\$ 148,956	\$ 158,933	\$ 59,967
Gift	3,078	51	22	3,107
Rainy Day	46	19,374	-	19,420
Grant	11,009	2,732	11,725	2,016
Levy Excess	551	2	553	-
Bond and Interest Redemption	39,649	38,046	38,978	38,717
Library Improvement Reserve	15,187	4,055	-	19,242
Construction	61,573	221	-	61,794
Fiduciary Fund:				
PLAC	217	181	398	-
Totals	<u>\$ 201,254</u>	<u>\$ 213,618</u>	<u>\$ 210,609</u>	<u>\$ 204,263</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 59,967	\$ 186,530	\$ 135,909	\$ 110,588
Gift	3,107	1,450	171	4,386
Rainy Day	19,420	4,339	-	23,759
Grant	2,016	2,700	2,700	2,016
Bond and Interest Redemption	38,717	43,020	41,730	40,007
Library Improvement Reserve	19,242	4,100	-	23,342
Construction	61,794	297,934	283,284	76,444
Fiduciary Fund:				
PLAC	-	120	120	-
Totals	<u>\$ 204,263</u>	<u>\$ 540,193</u>	<u>\$ 463,914</u>	<u>\$ 280,542</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 110,588	\$ 164,575	\$ 153,995	\$ 121,168
Gift	4,386	1,614	2,613	3,387
Rainy Day	23,759	-	9,543	14,216
Grant	2,016	2,700	3,121	1,595
Bond and Interest Redemption	40,007	103,656	70,973	72,690
Library Improvement Reserve	23,342	3,993	-	27,335
Construction	76,444	4,218	80,662	-
Fiduciary Fund:				
PLAC	-	60	60	-
Totals	<u>\$ 280,542</u>	<u>\$ 280,816</u>	<u>\$ 320,967</u>	<u>\$ 240,391</u>

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

ARGOS 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.

ARGOS 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.

Note 7. Subsequent Event

In May of 2010, a mitigation settlement between the Library and the original builder of the new library renovation project was reached in favor of the Library. The Library was awarded \$100,000. This settlement helped cover the costs of remediation of the building after that builder left the site. The \$100,000 was posted to the Operating Fund, the fund associated with the remediation expenses incurred during the years of 2004-2009.

ARGOS PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As of 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	\$ 9,900
Buildings	32,600
Machinery and equipment	<u>182,726</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 225,226</u>

ARGOS 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:		
General obligation bonds:		
2003 Building renovation project	\$ 125,000	\$ 43,925
2008 Building renovation project	<u>340,000</u>	<u>47,050</u>
Total governmental activities debt	<u>\$ 465,000</u>	<u>\$ 90,975</u>

ARGOS PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The following expenditures were in excess of budgeted appropriations:

<u>Fund</u>	<u>Year</u>	<u>Excess Amount Expended</u>
Bond and Interest Redemption	2009	<u>\$ 349</u>

IC 6-1.1-18-4 states, in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

ANNUAL REPORT

As stated in the prior Report B29799, the annual reports presented for audit were not reflective of all the Library's financial activities. The annual reports included only revenues and expenses associated with the checking accounts. The activity from the weekly investment account, which included receipts of property taxes, was not reflected in the annual reports.

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

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)

Compliance is required, as applicable, with generally accepted accounting principles, and standards issued by the Governmental Accounting Standards Board, Financial Accounting Standards Board, and other standards setting bodies and also with various accounting guides, manuals and other publications. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ARGOS PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2010, with Jane E. Hall, Director, and Marjorie Dunham, Treasurer. The officials concurred with our findings.