

B37655

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

EXAMINATION REPORT

OF

BOURBON PUBLIC LIBRARY

MARSHALL COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED
10/13/2010

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 Long-Term Debt	7
Examination Result and Comment: Capital Asset Records	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Ramona M. Baer Denise Heckaman Heather Barron	01-01-07 to 12-16-08 12-17-08 to 05-31-09 06-01-09 to 12-31-10
Treasurer	Larry A. Teeple	01-01-07 to 12-31-10
President of the Board	Larry E. Manhardt	01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Bourbon 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 Long-Term Debt, 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

July 29, 2010

BOURBON 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	\$ 94,876	\$ 128,731	\$ 121,237	\$ 102,370
Gift	41,061	2,315	38,052	5,324
Rainy Day	3,708	16,536	-	20,244
Marshall Co. Community Foundation	1,878	-	-	1,878
State Technology Fund Grant Fund	2,100	3,600	-	5,700
Levy Excess	4,644	-	-	4,644
Bond and Interest Redemption	27,785	27,950	20,100	35,635
Library Improvement Reserve	22,211	824	-	23,035
Construction	19,868	756	-	20,624
Fiduciary Funds:				
F.I. Saemann	30,461	1,185	792	30,854
Payroll Withholdings	-	14,802	14,802	-
PLAC	-	600	600	-
Totals	<u>\$ 248,592</u>	<u>\$ 197,299</u>	<u>\$ 195,583</u>	<u>\$ 250,308</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 102,370	\$ 127,906	\$ 146,850	\$ 83,426
Gift	5,324	1,562	1,732	5,154
Rainy Day	20,244	4,290	-	24,534
Marshall Co. Community Foundation	1,878	-	-	1,878
State Technology Fund Grant Fund	5,700	3,600	7,200	2,100
Levy Excess	4,644	-	4,644	-
Bond and Interest Redemption	35,635	2,541	18,535	19,641
Library Improvement Reserve	23,035	619	-	23,654
Construction	20,624	541	-	21,165
Fiduciary Funds:				
F.I. Saemann	30,854	1,030	999	30,885
Payroll Withholdings	-	17,516	17,516	-
PLAC	-	390	390	-
Totals	<u>\$ 250,308</u>	<u>\$ 159,995</u>	<u>\$ 197,866</u>	<u>\$ 212,437</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 83,426	\$ 150,295	\$ 140,289	\$ 93,432
Gift	5,154	1,124	1,976	4,302
Rainy Day	24,534	365	-	24,899
Marshall Co. Community Foundation	1,878	-	-	1,878
State Technology Fund Grant Fund	2,100	2,700	3,225	1,575
Ramona Baer Memorial	-	735	335	400
Bond and Interest Redemption	19,641	16,213	18,900	16,954
Library Improvement Reserve	23,654	1,850	-	25,504
Construction	21,165	311	9,144	12,332
Fiduciary Funds:				
F.I. Saemann	30,885	556	897	30,544
Payroll Withholdings	-	11,631	11,671	(40)
PLAC	-	570	570	-
Totals	<u>\$ 212,437</u>	<u>\$ 186,350</u>	<u>\$ 187,007</u>	<u>\$ 211,780</u>

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

BOURBON 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.

BOURBON 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.

BOURBON 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:		
Bonds payable:		
General obligation bonds:		
Renovation of Library	\$ <u>90,000</u>	\$ <u>18,300</u>

BOURBON PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Library has recorded capital assets from time to time, but the listings have not been updated for additions and disposals since 2001. The Library does not have an approved capital asset policy.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

BOURBON PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 29, 2010, with Heather Barron, Director; and Larry A. Teeple, Treasurer. The officials concurred with our finding.