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

EXAMINATION REPORT

OF

MUNCIE-CENTER TOWNSHIP PUBLIC LIBRARY

DELAWARE COUNTY, INDIANA

January 1, 2008 to December 31, 2009



**FILED**  
10/20/2010



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OFFICIAL

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Virginia Nilles	01-01-08 to 12-31-10
Treasurer	Richard Shirey Beth Kroehler	01-01-08 to 06-15-08 06-16-08 to 12-31-10
President of the Board	Roger Gilcrest Billie Sheppard	07-01-07 to 06-30-08 07-01-08 to 06-30-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MUNCIE-CENTER TOWNSHIP  
PUBLIC LIBRARY, DELAWARE COUNTY, INDIANA

We have examined the financial information presented herein of Muncie-Center Township 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 a required part 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 29, 2010

MUNCIE-CENTER TOWNSHIP 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
<b>Governmental Funds:</b>				
Library Operating	\$ 2,125,616	4,935,287	5,640,597	\$ 1,420,306
Petty Cash	(767)	-	-	(767)
Levy Excess	-	1,549	1,549	-
Gift	13,384	2,546	4,246	11,684
Title I Snacks	613	25,036	939	24,710
Adult Programs	1,514	3,447	2,450	2,511
Endowment #1	-	6,083	-	6,083
Youth Services Fund	-	1,000	949	51
Carnegie Café	600	149	236	513
Kennedy Vending	-	3,136	3,421	(285)
Friends of the Library	-	25	25	-
Employee Association	1,177	439	428	1,188
Big Read Project	(8,656)	15,497	6,323	518
21st Century CLC Grant	-	-	90	(90)
Kennedy Remodel	217,732	6,420	224,066	86
Soul of the People Program	-	-	200	(200)
American Dream Project	1,000	2,650	1,955	1,695
Title I	5,999	25,899	31,898	-
Lincoln Traveling Exhibit Grant	1,000	-	-	1,000
Walmart Laptop Grant	-	2,000	-	2,000
Schoolyard Habitat Grant	-	1,000	79	921
Muncie Technology Initiative	3,774	6,930	5,007	5,697
Library Improvement Reserve	14,704	16,158	13,565	17,297
Capital Projects	23,432	40,293	58,429	5,296
Rainy Day	362,156	447,537	275,160	534,533
<b>Fiduciary Funds:</b>				
Kennedy Escrow	87,400	-	87,400	-
Payroll Withholdings	17,655	54,687	72,342	-
PLAC	10,017	9,010	18,306	721
<b>Totals</b>	<b>\$ 2,878,350</b>	<b>\$ 5,606,778</b>	<b>\$ 6,449,660</b>	<b>\$ 2,035,468</b>

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

MUNCIE-CENTER TOWNSHIP 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  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
Library Operating	\$ 1,420,306	4,753,476	5,248,018	\$ 925,764
Petty Cash	(767)	79	-	(688)
2009 Bond Refunding	-	58,377	58,377	-
Gift	11,684	3,082	8,018	6,748
Title I Snacks	24,710	-	25,000	(290)
Adult Programs	2,511	2,019	961	3,569
Endowment #1	6,083	1,079	3,445	3,717
Youth Services Fund	51	-	-	51
Carnegie Café	513	21	-	534
Kennedy Vending	(285)	3,673	4,609	(1,221)
MH Community Garden Grant	-	400	105	295
Employee Association	1,188	355	306	1,237
Big Read Project	518	-	518	-
21st Century CLC Grant	(90)	91,337	77,454	13,793
Kennedy Remodel	86	-	-	86
Soul of the People Program	(200)	3,200	2,791	209
2009 Great Achievers Program	-	25,000	22,986	2,014
2009 LSTA Grant	-	21,012	21,012	-
Gates Grant	-	11,500	-	11,500
American Dream Project	1,695	-	1,695	-
Lincoln Traveling Exhibit Grant	1,000	-	-	1,000
Walmart Laptop Grant	2,000	-	1,138	862
Schoolyard Habitat Grant	921	-	-	921
Muncie Technology Initiative	5,697	-	5,697	-
Library Improvement Reserve	17,297	73	-	17,370
Capital Projects	5,296	22,740	28,036	-
Rainy Day	534,533	2,934	-	537,467
Fiduciary Fund:				
PLAC	721	7,089	3,071	4,739
Totals	<u>\$ 2,035,468</u>	<u>\$ 5,007,446</u>	<u>\$ 5,513,237</u>	<u>\$ 1,529,677</u>

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

MUNCIE-CENTER TOWNSHIP PUBLIC LIBRARY  
DELAWARE COUNTY  
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.

MUNCIE-CENTER TOWNSHIP PUBLIC LIBRARY  
DELAWARE COUNTY  
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.

MUNCIE-CENTER TOWNSHIP PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended 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	\$ 155,510
Buildings	10,126,145
Improvements other than buildings	6,059,629
Machinery and equipment	<u>1,130,579</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 17,471,863</u>

MUNCIE-CENTER TOWNSHIP 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:		
Library improvements	<u>\$ 3,455,000</u>	<u>\$ 200,468</u>

MUNCIE-CENTER TOWNSHIP PUBLIC LIBRARY  
DELAWARE COUNTY  
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The Petty Cash Fund, Kennedy Vending Fund, 21st Century CLC Grant Fund, and Soul of the People Program Fund were overdrawn at December 31, 2008. The Petty Cash Fund, Title 1 Snacks Fund, and Kennedy Vending Fund were overdrawn at December 31, 2009.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

MUNCIE-CENTER TOWNSHIP PUBLIC LIBRARY  
DELAWARE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on July 29, 2010, with Virginia Nilles, Director; Beth Kroehler, Treasurer; and Billie Sheppard, President of the Board. The officials concurred with our findings.