

B37724

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

EXAMINATION REPORT  
OF  
GENEVA PUBLIC LIBRARY  
ADAMS COUNTY, INDIANA  
January 1, 2007 to December 31, 2007



**FILED**  
11/01/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Rose Bryan	01-01-07 to 02-19-08
Treasurer	Andrew J. Briggs	01-01-07 to 02-19-08
President of the Board	Bill Hubbard	01-01-07 to 02-19-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GENEVA PUBLIC LIBRARY, ADAMS COUNTY, INDIANA

We have examined the financial information presented herein of the Geneva Public Library (Library), for the period of January 1, 2007 to December 31, 2007. 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 year ended December 31, 2007, 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 28, 2010

GENEVA PUBLIC LIBRARY  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 10,621	\$ 109,392	\$ 91,609	\$ 28,404
Gift	539	1,585	1,880	244
Book Gift	18,945	463	592	18,816
Building Gift	14,948	2,357	19,045	(1,740)
Brogdon Estate Gift	62,535	1,563	18,500	45,598
Grant	487	601	1,500	(412)
Library Improvement Reserve	1,500	-	-	1,500
Library Capital Projects	(2,537)	-	-	(2,537)
Fiduciary Funds:				
Payroll Withholdings	(81)	5,349	5,350	(82)
PLAC	62	100	-	162
Totals	<u>\$ 107,019</u>	<u>\$ 121,410</u>	<u>\$ 138,476</u>	<u>\$ 89,953</u>

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

GENEVA 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.

Note 6. Library Merger

Effective January 1, 2008, the financial transactions of the Geneva Public Library and the Decatur Public Library were combined and reported as the Adams Public Library System. The merger was approved by the Geneva Public Library Board on February 19, 2008 and the Decatur Public Library Board on February 22, 2008.

GENEVA PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2007

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	\$ 10,000
Buildings	40,000
Improvements other than buildings	91,000
Machinery and equipment	<u>43,922</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 184,922</u>

GENEVA PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable		
Line of Credit	\$ 25,165	\$ 26,935

Paid by Adams Public Library System on December 29, 2008.

GENEVA PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The General Fund expenditures were in excess of budgeted appropriations by \$13,085. A similar comment appeared in prior Report B30297.

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."

OVERDRAWN CASH BALANCES

The cash balances of the Building Gift Fund, Grant Fund, Library Capital Projects Fund and Payroll Withholdings Fund were overdrawn in 2007. A similar comment appeared in prior Report B30297.

The cash 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)

PENALTIES, INTEREST, AND OTHER CHARGES

Penalties and interest totaling \$384 were paid to the Internal Revenue Service on December 12, 2008, by the Adams Public Library System. This was due to late payment of taxes by Geneva Public Library for the third quarter of 2007. A similar comment appeared in prior Report B30297.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

GENEVA PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on July 28, 2010, with Andrew J. Briggs, former Treasurer; and Kelly A. Ehinger, Director, Adams Public Library System.