

B37784

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

EXAMINATION REPORT  
OF  
GOSHEN PUBLIC LIBRARY  
ELKHART COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
11/15/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Andrew Waters	01-01-08 to 12-31-10
Treasurer	Michael Rozelle	01-01-08 to 12-31-08
	Kathy Meyer Reimer	01-01-09 to 12-31-09
	Michael Rozelle	01-01-10 to 12-31-10
President of the Board of Trustees	Jane Erickson	01-01-08 to 12-31-08
	Michael Rozelle	01-01-09 to 12-31-09
	Jeannine Johnston	01-01-10 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GOSHEN PUBLIC LIBRARY, ELKHART COUNTY, INDIANA

We have examined the financial information presented herein of the Goshen 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

August 23, 2010

GOSHEN 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
Governmental Funds:				
General	\$ 534,785	\$ 1,674,026	\$ 1,726,462	\$ 482,349
Gift	314,553	33,418	24,040	323,931
Lambert Lehman Gift	126,799	9,875	6,518	130,156
Rainy Day	4,831	45,434	-	50,265
Bond and Interest Redemption	6,737	259,497	261,130	5,104
Library Improvement Reserve	1,679,792	56,867	564,456	1,172,203
Library Capital Projects	272,213	137,342	46,873	362,682
Fiduciary Funds:				
Payroll	6,701	1,203,616	1,203,800	6,517
PLAC	-	450	270	180
Totals	<u>\$ 2,946,411</u>	<u>\$ 3,420,525</u>	<u>\$ 3,833,549</u>	<u>\$ 2,533,387</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 482,349	\$ 2,335,407	\$ 2,252,564	\$ 565,192
Gift	323,931	16,325	22,546	317,710
Lambert Lehman Gift	130,156	128	-	130,284
Rainy Day	50,265	17,904	-	68,169
Bond and Interest Redemption	5,104	473,948	479,052	-
Library Improvement Reserve	1,172,203	773,416	542,752	1,402,867
Library Capital Projects	362,682	248,226	19,935	590,973
Fiduciary Funds:				
Payroll	6,517	1,189,033	1,188,995	6,555
PLAC	180	271	360	91
Totals	<u>\$ 2,533,387</u>	<u>\$ 5,054,658</u>	<u>\$ 4,506,204</u>	<u>\$ 3,081,841</u>

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

GOSHEN 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.

GOSHEN 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.

GOSHEN 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	\$ 262,373
Buildings	4,469,000
Improvements other than buildings	410,615
Machinery and equipment	<u>329,988</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 5,471,976</u>

GOSHEN 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:		
Refunding bonds of 2003	\$ 725,000	\$ 261,206

GOSHEN PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

APPROVAL OF FORMS

The Goshen Public Library is using the following forms which have not been approved for use in lieu of prescribed forms:

AV Daily Cash Record  
Circ Daily Cash Record  
Reference Daily Cash Record  
Copier Totals  
Deposit Record - Administration

The forms in use listed above should be submitted to the State Board of Accounts for approval.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

SUPPORTING DOCUMENTATION

Eight claims tested were not supported by adequate documentation, such as receipts, invoices, mileage form 101, contracts, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. A similar comment appeared in prior Report B31971.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

GOSHEN PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

PRESCRIBED FORMS

The Mileage Form 101 is not used to document the reimbursement for employees' mileage. Employees should use this form, including odometer readings when applicable, when requesting reimbursement for mileage.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OFFICIAL BONDS

There were no official bonds available for examination for the calendar years 2008 and 2009, or the time period of January 1, 2010 to February 4, 2010. A position bond for the Treasurer with a term beginning February 5, 2010, was available for examination, but the bond was not filed in the Office of the County Recorder.

The Treasurer shall give a surety bond for the faithful performance of duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be:

1. Written by an insurance company licensed to do business in Indiana;
2. For the term of office of the treasurer;
3. In an amount determined by the library board;
4. Paid for with money from the library fund;
5. Payable to the State of Indiana;
6. Approved by the library board; and
7. Deposited in the office of the recorder of the county in which the library district is located. [IC 36-12-2-22] (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

It is recommended that employees of the library who handle money also be bonded. Bonds of employees must also be payable to the State of Indiana [IC 5-4-1-10] and be filed in the county recorder's office. [IC 5-4-1-5.1] (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

GOSHEN PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on August 23, 2010, with Michael Rozelle, Treasurer; Andrew Waters, Director; and Greg Laughlin, Business Manager. The officials concurred with our findings.