

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

EXAMINATION REPORT

OF

AVON-WASHINGTON TOWNSHIP PUBLIC LIBRARY

HENDRICKS COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
11/18/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Laurel Setser	01-01-08 to 12-31-10
Treasurer	Celisa Snyder	01-01-08 to 12-31-10
President of the Board	David Sinclair Rex McClain	01-01-08 to 12-31-09 01-01-10 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE AVON-WASHINGTON TOWNSHIP
PUBLIC LIBRARY, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of the Avon-Washington 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 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

August 24, 2010

AVON-WASHINGTON 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
Governmental Funds:				
General	\$ 281,263	\$ 1,044,146	\$ 1,043,682	\$ 281,727
Gift	3,608	6,220	6,216	3,612
Restricted	34,294	42,579	19,325	57,548
State Technology Fund Grant	5,400	5,400	5,400	5,400
Rainy Day	77,183	85,475	-	162,658
Bond and Interest Redemption	268,171	387,962	529,840	126,293
Library Improvement Reserve	62,628	-	-	62,628
Library Capital Projects	180,965	202,075	242,149	140,891
Construction	286,849	-	21,137	265,712
Fiduciary Funds:				
Payroll Withholdings	713	14,410	15,056	67
PLAC	240	660	810	90
Totals	<u>\$ 1,201,314</u>	<u>\$ 1,788,927</u>	<u>\$ 1,883,615</u>	<u>\$ 1,106,626</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 281,727	\$ 1,383,058	\$ 1,086,578	\$ 578,207
Gift	3,612	6,939	8,057	2,495
Restricted	57,548	41,934	74,710	24,772
State Technology Fund Grant	5,400	5,400	5,400	5,400
Rainy Day	162,658	66,727	17,510	211,875
Bond and Interest Redemption	126,293	628,149	526,699	227,743
Library Improvement Reserve	62,628	-	-	62,628
Library Capital Projects	140,891	267,921	227,153	181,659
Construction	265,712	-	58,844	206,868
Fiduciary Funds:				
Payroll Withholdings	67	8,477	9,093	(549)
PLAC	90	720	570	240
Totals	<u>\$ 1,106,626</u>	<u>\$ 2,409,325</u>	<u>\$ 2,014,614</u>	<u>\$ 1,501,336</u>

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

AVON-WASHINGTON TOWNSHIP 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.

AVON-WASHINGTON TOWNSHIP 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.

AVON-WASHINGTON 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:		
Bonds of 2003	935,000	176,353
Refunding Bonds of 2005	1,840,000	361,249
Total governmental activities debt	\$ 2,775,000	\$ 537,602

AVON-WASHINGTON TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCE

The Payroll Withholdings Fund was overdrawn in 2009 in the amount of \$549.71.

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)

AVON-WASHINGTON TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 25, 2010, with Laurel Setser, Director; Rex McClain, President of the Board; Mary Mallory, Financial Specialist; and Ann Mooney, Administrative Specialist. The officials concurred with our finding.