

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

EXAMINATION REPORT  
OF  
FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT  
FRANKLIN COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
01/07/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Melody L. Gault	01-01-08 to 09-30-11
Treasurer	Kathryn Flaspohler Brian M. Campbell	09-01-07 to 05-17-10 05-18-10 to 12-31-11
President of the Board	Patricia Combs	06-01-07 to 05-31-11



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FRANKLIN COUNTY PUBLIC  
LIBRARY DISTRICT, FRANKLIN COUNTY, INDIANA

We have examined the financial information presented herein of the Franklin County Public Library District (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, 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

October 28, 2010

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT  
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	\$ 108,724	\$ 976,506	\$ 600,061	\$ 485,169
Gift	122,855	10,649	5,116	128,388
Applegate Trust	3,003	38	-	3,041
Library Improvement Reserve	13,817	17,460	1,295	29,982
Library Capital Projects	(15,783)	71,324	61,427	(5,886)
Levy Excess	3,630	-	3,630	-
Technology Fund	2,388	2,988	3,150	2,226
Rainy Day	1,734	152,650	-	154,384
Fiduciary Fund:				
PLAC	60	420	450	30
Totals	<u>\$ 240,428</u>	<u>\$ 1,232,035</u>	<u>\$ 675,129</u>	<u>\$ 797,334</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 485,169	\$ 1,002,890	\$ 478,818	\$ 1,009,241
Gift	128,388	12,140	7,362	133,166
Applegate Trust	3,041	73	-	3,114
Library Improvement Reserve	29,982	428	-	30,410
Library Capital Projects	(5,886)	70,628	14,446	50,296
Technology Fund	2,226	2,916	2,325	2,817
Rainy Day	154,384	16,980	224	171,140
Fiduciary Funds:				
Payroll Withholdings	-	62,386	60,456	1,930
PLAC	30	450	450	30
Totals	<u>\$ 797,334</u>	<u>\$ 1,168,891</u>	<u>\$ 564,081</u>	<u>\$ 1,402,144</u>

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

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT  
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 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. Late distribution of property taxes by Franklin County resulted in an overdrawn Capital Projects Fund in 2008.

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.

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT  
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.

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT  
 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	\$ 104,000
Buildings	1,744,725
Improvements other than buildings	143,837
Machinery and equipment	<u>1,102,464</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 3,095,026</u></u>

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT  
EXAMINATION RESULT AND COMMENT

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder: Kathryn Flaspohler, Treasurer, from January 1, 2008 to December 22, 2008, and from December 23, 2009 until May 17, 2010; Brian Campbell, Treasurer, from May 18, 2010 to December 31, 2011.

IC 36-12-2-22(g) requires the Treasurer's bond to be deposited in the office of the County Recorder. Other library employee bonds shall also be filed in the office of the County Recorder. (Accounting and Uniform Compliance Guidelines manual for Libraries, Chapter 1)

FRANKLIN COUNTY PUBLIC LIBRARY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2010, with Brian M. Campbell, Treasurer; Melody L. Gault, Director; and Linda L. Bruns, Laurel Branch Manager.