

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

EXAMINATION REPORT  
OF  
NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
FLOYD COUNTY, INDIANA  
January 1, 2008 to December 31, 2010



**FILED**  
04/13/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stephen T. Day	01-01-08 to 12-31-11
Treasurer	Margaret Sager	01-01-08 to 12-31-08
	Joanne Hale	01-01-09 to 12-31-09
	Suellen Wilkinson	01-01-10 to 12-31-10
	Roger Whaley	01-01-11 to 12-31-11
President of the Board	Roger Whaley	01-01-08 to 12-31-08
	Gabrielle Carr	01-01-09 to 12-31-09
	Debbie Beckham	01-01-10 to 12-31-10
	Margaret Sager	01-01-11 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NEW ALBANY - FLOYD COUNTY  
PUBLIC LIBRARY, FLOYD COUNTY, INDIANA

We have examined the financial information presented herein of the New Albany - Floyd County Public Library (Library) and its discretely presented component unit for the period of January 1, 2008 to December 31, 2010. 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 and its discretely presented component unit for the years ended December 31, 2008, 2009, and 2010, 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

February 15, 2011

NEW ALBANY - FLOYD COUNTY 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, 2009, And 2010

<u>Primary Government</u>	<u>Cash and Investments 01-01-08</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-08</u>
<b>Governmental Funds:</b>				
General	\$ 301,842	\$ 5,218,006	\$ 4,149,060	\$ 1,370,788
Gift	60,156	124,821	89,191	95,786
Rainy Day	317,679	169,387	352,771	134,295
Lost Materials	11,914	12,312	6,407	17,819
Grant	3,600	6,350	3,600	6,350
Bond and Interest Redemption	502	-	502	-
Library Improvement Reserve	45,562	30,123	20,710	54,975
Library Capital Projects	117,420	428,982	308,386	238,016
<b>Fiduciary Funds:</b>				
Payroll Withholdings	4,636	1,478,625	1,480,946	2,315
PLAC	-	300	300	-
<b>Total primary government</b>	<b>863,311</b>	<b>7,468,906</b>	<b>6,411,873</b>	<b>1,920,344</b>
<b>Discrete Component Unit</b>				
Library Foundation	288,851	21,065	11,735	298,181
<b>Total Reporting Entity</b>	<b>\$ 1,152,162</b>	<b>\$ 7,489,971</b>	<b>\$ 6,423,608</b>	<b>\$ 2,218,525</b>
<u>Primary Government</u>	<u>Cash and Investments 01-01-09</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-09</u>
<b>Governmental Funds:</b>				
General	\$ 1,370,788	\$ 5,113,148	\$ 5,227,838	\$ 1,256,098
Gift	95,786	59,005	82,930	71,861
Rainy Day	134,295	242,986	-	377,281
Lost Materials	17,819	10,842	19,994	8,667
Grant	6,350	7,104	7,280	6,174
Library Improvement Reserve	54,975	20,076	14,618	60,433
Library Capital Projects	238,016	441,256	461,177	218,095
<b>Fiduciary Funds:</b>				
Payroll Withholdings	2,315	1,512,951	1,512,035	3,231
PLAC	-	361	331	30
<b>Total primary government</b>	<b>1,920,344</b>	<b>7,407,729</b>	<b>7,326,203</b>	<b>2,001,870</b>
<b>Discrete Component Unit</b>				
Library Foundation	298,181	7,173	11,923	293,431
<b>Total Reporting Entity</b>	<b>\$ 2,218,525</b>	<b>\$ 7,414,902</b>	<b>\$ 7,338,126</b>	<b>\$ 2,295,301</b>
<u>Primary Government</u>	<u>Cash and Investments 01-01-10</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Cash and Investments 12-31-10</u>
<b>Governmental Funds:</b>				
General	\$ 1,256,098	\$ 3,587,302	\$ 3,904,219	\$ 939,181
Gift	71,861	56,211	37,225	90,847
Rainy Day	377,281	72,324	200,000	249,605
Lost Materials	8,667	9,604	13,458	4,813
Levy Excess	-	5,706	-	5,706
Grant	6,174	4,529	5,410	5,293
Library Improvement Reserve	60,433	30,051	10,522	79,962
Library Capital Projects	218,095	559,182	582,183	195,094
<b>Fiduciary Funds:</b>				
Payroll Withholdings	3,231	2,267,405	2,269,179	1,457
PLAC	30	100	130	-
<b>Total primary government</b>	<b>2,001,870</b>	<b>6,592,414</b>	<b>7,022,326</b>	<b>1,571,958</b>
<b>Discrete Component Unit</b>				
Library Foundation	293,431	7,072	7,500	293,003
<b>Total Reporting Entity</b>	<b>\$ 2,295,301</b>	<b>\$ 6,599,486</b>	<b>\$ 7,029,826</b>	<b>\$ 1,864,961</b>

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

NEW ALBANY - FLOYD COUNTY 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: cultural and general administrative services.

The accompanying financial schedules present the activities of the Library (primary government) and its significant component unit. The component unit discussed below is included in the primary government's reporting entity because the primary government appoints a voting majority of the board members of the New Albany - Floyd County Public Library Foundation, Inc. Discretely presented component units are involved in activities of an operational nature independent from the government; their transactions are reported in a separate row in the financial schedules to emphasize that it is legally separate from the primary government.

Discretely Presented Component Unit

The New Albany - Floyd County Public Library Foundation, Inc., (Foundation) is a significant discretely presented component unit of the Library. The primary government appoints a voting majority of the Foundation's board and is able to impose its will.

The financial schedules of the individual component unit may be obtained from the office as follows:

New Albany - Floyd County Public Library Foundation, Inc.  
180 West Spring Street  
New Albany, IN 47150

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

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

The Foundation's investments were in money market accounts and common stocks as of December 31, 2010, which are not entirely insured by the Federal Depository Insurance Corporation or by the Public Deposit Insurance Fund. At December 31, 2010, the market value of the Foundation's cash and investments were \$295,872.

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

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2010  
 For The Year Ended December 31, 2010

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	\$ 361,605
Buildings	1,258,505
Improvements other than buildings	154,636
Machinery and equipment	<u>6,354,215</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 8,128,961</u>

NEW ALBANY - FLOYD COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on February 15, 2011, with Stephen T. Day, Director; and Nancy Reynolds, Business Office Supervisor. Our examination disclosed no material items that warrant comment at this time.