

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

EXAMINATION REPORT
OF
EVANSVILLE WILLARD PUBLIC LIBRARY
VANDERBURGH COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
05/17/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Greg Hager	01-01-09 to 12-31-11
Treasurer	Steve Worthington	01-01-09 to 12-31-11
President of the Board	Ward Peyronnin	01-01-09 to 12-31-11



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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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EVANSVILLE WILLARD PUBLIC LIBRARY,
VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of the Evansville Willard Public Library (Library), for the period of January 1, 2009 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 for the years ended December 31, 2009 and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

March 23, 2011

EVANSVILLE WILLARD 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, 2009 And 2010

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 23,341	\$ 1,589,895	\$ 1,611,075	\$ 2,161
Memorial	14,865	23,436	15,335	22,966
Special Projects	12,171	3,403	2,450	13,124
Euler	1,001	18,315	18,315	1,001
Library Foundation	2,297	2,972	3,590	1,679
Foundation Tree	1,748	85	-	1,833
Willard Investment	1,015,644	752,907	784,579	983,972
Thrall Art Endowment	40,571	2,337	191	42,717
Euler Endowment	592,776	13,453	48,319	557,910
Gumberts Endowment	23,490	1,260	112	24,638
Foundation Endowment	759,839	36,602	55,663	740,778
Thrall Fiction Endowment	108,916	6,283	523	114,676
Richardt Endowment	1,344,180	60,756	9,302	1,395,634
Fiduciary Fund:				
Payroll	(31)	524,799	524,838	(70)
Totals	<u>\$ 3,940,808</u>	<u>\$ 3,036,503</u>	<u>\$ 3,074,292</u>	<u>\$ 3,903,019</u>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 2,161	\$ 1,643,228	\$ 1,622,163	\$ 23,226
Memorial	22,966	19,730	20,020	22,676
Special Projects	13,124	31	2,985	10,170
Euler	1,001	-	-	1,001
Library Foundation	1,679	136,460	100,598	37,541
Foundation Tree	1,833	-	400	1,433
Willard Investment	983,972	766,823	808,681	942,114
Thrall Art Endowment	42,717	3,275	217	45,775
Euler Endowment	557,910	14,230	12,482	559,658
Gumberts Endowment	24,638	1,858	125	26,371
Foundation Endowment	740,778	118,118	135,682	723,214
Thrall Fiction Endowment	114,676	8,020	583	122,113
Richardt Endowment	1,395,634	76,939	7,141	1,465,432
Fiduciary Fund:				
Payroll	(70)	524,793	521,869	2,854
Totals	<u>\$ 3,903,019</u>	<u>\$ 3,313,505</u>	<u>\$ 3,232,946</u>	<u>\$ 3,983,578</u>

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

EVANSVILLE WILLARD 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 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.

EVANSVILLE WILLARD 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.

EVANSVILLE WILLARD PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were incorrect. For the operating fund and the payroll fund the fund balance used in the reconciliation was not the fund balance reported on the Annual Library Financial Report.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ANNUAL REPORT

The annual reports for the years 2009 and 2010 were not correct. The receipts, disbursements and balances reported for several funds did not agree with the ledger or the trust statements. The beginning balances for the operating and payroll funds for the year 2009 did not agree with the ending balances of the year 2008.

IC 5-3-1-4 states in part:

"(a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. . . . (b) The following shall prepare, verify, and file the reports required under subsection (a) not later than sixty (60) days after the end of each year. . . (2) A public library."

EVANSVILLE WILLARD PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on March 29, 2011, with Steve Worthington, Treasurer; Greg Hager, Director; and Emily Phillips, Business Manager. The officials concurred with our findings.