

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

EXAMINATION REPORT
OF
UNION COUNTY PUBLIC LIBRARY
UNION COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
09/20/2011

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	6-7
Notes to Financial Statements	8-11
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	14-19
Schedule of Capital Assets.....	20
Schedule of Long-Term Debt	21
Exit Conference.....	22

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Karen Kahl	01-01-09 to 12-31-11
Treasurer	Robert Barnard	01-01-09 to 12-31-11
President of the Library Board	Joan Mathews	01-01-09 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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF UNION COUNTY PUBLIC LIBRARY, UNION COUNTY, INDIANA

We have examined the financial statements of Union County Public Library (Library), for the period of January 1, 2009 to December 31, 2010. The Library's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Library for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Library's management, the Library Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 4, 2011

(This page intentionally left blank.)

FINANCIAL STATEMENTS

UNION COUNTY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 104,796	\$ 467,045	\$ 461,757	\$ 110,084
Gift	221	4,218	4,439	-
Rainy Day	168	4,153	-	4,321
Memorial	10,235	65	4,312	5,988
Tacky	138	410	446	102
Parking Lot Fund	1,850	7,378	8,695	533
Portrait Of Liberty O8	345	296	641	-
Summer Reading	-	1,800	1,800	-
Teen Summer Reading Program	-	1,121	1,121	-
Adult Summer Reading Program	-	400	400	-
Silent Auction Fund	767	744	1,286	225
Art For All Ages	-	1,503	2,258	(755)
Highway Fund	-	9,575	-	9,575
Window Fund	-	4,521	1,800	2,721
Debt Service Fund	68,997	140,421	143,000	66,418
Library Improvement Reserve	2,825	-	-	2,825
Payroll	3,686	46,165	46,332	3,519
	<u>3,686</u>	<u>46,165</u>	<u>46,332</u>	<u>3,519</u>
Totals	<u>\$ 194,028</u>	<u>\$ 689,815</u>	<u>\$ 678,287</u>	<u>\$ 205,556</u>

The notes to the financial statements are an integral part of this statement.

UNION COUNTY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 110,084	\$ 435,715	\$ 385,340	\$ 160,459
Gift	-	3,591	3,591	-
Rainy Day	4,321	5,214	2,476	7,059
Summer Reading	-	5,260	5,260	-
Memorial	5,988	50	-	6,038
Highway Fund	9,575	-	9,575	-
Debt Service Fund	66,418	147,203	146,000	67,621
Library Improvement Reserve	2,825	-	2,825	-
Parking Lot Fund	533	-	-	533
Silent Auction Fund	225	252	149	328
Tacky	102	405	471	36
Window Fund	2,721	7,614	7,383	2,952
Art For All Ages	(755)	1,724	969	-
Teen Winter 2010	-	500	500	-
Gugo	-	526	526	-
Payroll	3,519	47,790	48,002	3,307
Totals	<u>\$ 205,556</u>	<u>\$ 655,844</u>	<u>\$ 613,067</u>	<u>\$ 248,333</u>

The notes to the financial statements are an integral part of this statement.

UNION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Library was established under the laws of the State of Indiana. The Library operates under an appointed governing board and provides culture services.

The accompanying financial statements present the financial information for the Library (primary government), and does not include financial information for any of the Library's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Library (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Library.

Intergovernmental receipts which include receipts from other governments in the form of operating grants or entitlements. Examples of this type of receipts include, but are not limited to: federal grants, state grants, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: copies of public records, copy machine charges and fines and fees,

Fines and forfeits which include receipts derived from fines and penalties imposed for the violation of lawful administrative rules and regulations (fines).

UNION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Library. It includes all expenditures for the reduction of the principal and interest of the Library's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Library may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Library. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Library. The money accounted for in a specific fund

UNION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Library in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Library submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Library in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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 5. Risk Management

The Library may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Library to

UNION COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Library by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 percent 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.

(This page intentionally left blank.)

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

UNION COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General	Gift	Rainy Day	Memorial	Tacky	Parking Lot Fund
Cash and investments - beginning	\$ 104,796	\$ 221	\$ 168	\$ 10,235	\$ 138	\$ 1,850
Receipts:						
Taxes	251,346	-	-	-	-	-
Intergovernmental	137,978	-	-	-	-	-
Charges for services	2,725	-	-	-	-	-
Fines and forfeits	4,743	-	-	-	-	-
Other receipts	70,253	4,218	4,153	65	410	7,378
Total receipts	<u>467,045</u>	<u>4,218</u>	<u>4,153</u>	<u>65</u>	<u>410</u>	<u>7,378</u>
Disbursements:						
Personal services	260,536	-	-	-	-	-
Supplies	11,527	2,103	-	-	446	-
Other services and charges	85,221	773	-	-	-	2,235
Capital outlay	34,473	1,563	-	4,312	-	6,460
Other disbursements	70,000	-	-	-	-	-
Total disbursements	<u>461,757</u>	<u>4,439</u>	<u>-</u>	<u>4,312</u>	<u>446</u>	<u>8,695</u>
Excess (deficiency) of receipts over disbursements	<u>5,288</u>	<u>(221)</u>	<u>4,153</u>	<u>(4,247)</u>	<u>(36)</u>	<u>(1,317)</u>
Cash and investments - ending	<u>\$ 110,084</u>	<u>\$ -</u>	<u>\$ 4,321</u>	<u>\$ 5,988</u>	<u>\$ 102</u>	<u>\$ 533</u>

UNION COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Portrait Of Liberty 08	Summer Reading	Teen Summer Reading Program	Adult Summer Reading Program	Silent Auction Fund	Art For All Ages
Cash and investments - beginning	\$ 345	\$ -	\$ -	\$ -	\$ 767	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	296	-	-	-	-	1,503
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	1,800	1,121	400	744	-
Total receipts	<u>296</u>	<u>1,800</u>	<u>1,121</u>	<u>400</u>	<u>744</u>	<u>1,503</u>
Disbursements:						
Personal services	-	126	500	-	-	906
Supplies	641	1,674	621	400	175	1,352
Other services and charges	-	-	-	-	8	-
Capital outlay	-	-	-	-	1,103	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>641</u>	<u>1,800</u>	<u>1,121</u>	<u>400</u>	<u>1,286</u>	<u>2,258</u>
Excess (deficiency) of receipts over disbursements	<u>(345)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(542)</u>	<u>(755)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 225</u>	<u>\$ (755)</u>

UNION COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Highway Fund	Window Fund	Debt Service Fund	Library Improvement Reserve	Payroll	Totals
Cash and investments - beginning	\$ -	\$ -	\$ 68,997	\$ 2,825	\$ 3,686	\$ 194,028
Receipts:						
Taxes	-	-	130,721	-	-	382,067
Intergovernmental	-	-	9,700	-	-	149,477
Charges for services	-	-	-	-	-	2,725
Fines and forfeits	-	-	-	-	-	4,743
Other receipts	9,575	4,521	-	-	46,165	150,803
Total receipts	9,575	4,521	140,421	-	46,165	689,815
Disbursements:						
Personal services	-	-	-	-	46,332	308,400
Supplies	-	-	-	-	-	18,939
Other services and charges	-	-	-	-	-	88,237
Capital outlay	-	1,800	143,000	-	-	192,711
Other disbursements	-	-	-	-	-	70,000
Total disbursements	-	1,800	143,000	-	46,332	678,287
Excess (deficiency) of receipts over disbursements	9,575	2,721	(2,579)	-	(167)	11,528
Cash and investments - ending	\$ 9,575	\$ 2,721	\$ 66,418	\$ 2,825	\$ 3,519	\$ 205,556

UNION COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Gift	Rainy Day	Summer Reading	Memorial	Highway Fund
Cash and investments - beginning	\$ 110,084	\$ -	\$ 4,321	\$ -	\$ 5,988	\$ 9,575
Receipts:						
Taxes	274,308	-	-	-	-	-
Intergovernmental	141,976	-	5,214	-	-	-
Charges for services	2,839	-	-	-	-	-
Fines and forfeits	5,100	-	-	-	-	-
Other receipts	11,492	3,591	-	5,260	50	-
Total receipts	435,715	3,591	5,214	5,260	50	-
Disbursements:						
Personal services	258,063	-	-	1,084	-	-
Supplies	11,351	3,091	-	4,176	-	-
Other services and charges	74,485	75	-	-	-	-
Capital outlay	31,441	-	-	-	-	9,575
Other disbursements	10,000	425	2,476	-	-	-
Total disbursements	385,340	3,591	2,476	5,260	-	9,575
Excess (deficiency) of receipts over disbursements	50,375	-	2,738	-	50	(9,575)
Cash and investments - ending	\$ 160,459	\$ -	\$ 7,059	\$ -	\$ 6,038	\$ -

UNION COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Debt Service Fund	Library Improvement Reserve	Parking Lot Fund	Silent Auction Fund	Tacky	Window Fund
Cash and investments - beginning	\$ 66,418	\$ 2,825	\$ 533	\$ 225	\$ 102	\$ 2,721
Receipts:						
Taxes	147,203	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	-	-	252	405	7,614
Total receipts	<u>147,203</u>	<u>-</u>	<u>-</u>	<u>252</u>	<u>405</u>	<u>7,614</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	149	471	-
Other services and charges	-	-	-	-	-	-
Capital outlay	146,000	2,825	-	-	-	7,383
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>146,000</u>	<u>2,825</u>	<u>-</u>	<u>149</u>	<u>471</u>	<u>7,383</u>
Excess (deficiency) of receipts over disbursements	<u>1,203</u>	<u>(2,825)</u>	<u>-</u>	<u>103</u>	<u>(66)</u>	<u>231</u>
Cash and investments - ending	<u>\$ 67,621</u>	<u>\$ -</u>	<u>\$ 533</u>	<u>\$ 328</u>	<u>\$ 36</u>	<u>\$ 2,952</u>

UNION COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Art For All Ages	Teen Winter 2010	Gugo	Payroll	Totals
Cash and investments - beginning	\$ (755)	\$ -	\$ -	\$ 3,519	\$ 205,556
Receipts:					
Taxes	-	-	-	-	421,511
Intergovernmental	-	500	526	-	148,216
Charges for services	-	-	-	-	2,839
Fines and forfeits	-	-	-	-	5,100
Other receipts	1,724	-	-	47,790	78,178
Total receipts	<u>1,724</u>	<u>500</u>	<u>526</u>	<u>47,790</u>	<u>655,844</u>
Disbursements:					
Personal services	350	425	-	-	259,922
Supplies	505	35	46	-	19,824
Other services and charges	114	40	-	-	74,714
Capital outlay	-	-	480	-	197,704
Other disbursements	-	-	-	48,002	60,903
Total disbursements	<u>969</u>	<u>500</u>	<u>526</u>	<u>48,002</u>	<u>613,067</u>
Excess (deficiency) of receipts over disbursements	<u>755</u>	<u>-</u>	<u>-</u>	<u>(212)</u>	<u>42,777</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,307</u>	<u>\$ 248,333</u>

UNION COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 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	\$ 79,621
Buildings	2,190,203
Improvements other than buildings	80,631
Machinery and equipment	<u>926,396</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 3,276,851</u>

UNION COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Library renovation and expansion	<u>\$ 1,395,000</u>	<u>\$ 142,000</u>

UNION COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 4, 2011, with Karen Kahl, Director; Joan Mathews, President of the Library Board; and Robert Barnard, Treasurer. Our examination disclosed no material items that warrant comment at this time.