

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

HARTFORD CITY PUBLIC LIBRARY

BLACKFORD COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED

7/31/06

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5-6
Examination Result and Comment: Public Library Access Cards	7
Exit Conference	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Vicki Cecil	06-01-02 to 05-31-07
Treasurer	William E. Schantz	06-01-02 to 05-31-07
President of the Board	Robert Donald Young Richard C. Gerard	06-01-02 to 01-31-05 02-01-05 to 05-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE HARTFORD CITY PUBLIC LIBRARY, BLACKFORD COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Hartford City Public Library (Library), for the period of January 1, 2003 to December 31, 2005. The Library's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Library for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 19, 2006

HARTFORD CITY 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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 29,277	\$ 498,180	\$ 467,145	\$ 60,312
Gift	226	2,530	980	1,776
Summer Reading Program	270	885	842	313
HCPL Cookbook	302	63	-	365
Bond and Interest Redemption	-	35,473	20,028	15,445
Library Improvement Reserve	15	10,011	-	10,026
Fiduciary Fund:				
Payroll Withholdings	334	4,786	5,120	-
Totals	<u>\$ 30,424</u>	<u>\$ 551,928</u>	<u>\$ 494,115</u>	<u>\$ 88,237</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 60,312	\$ 416,953	\$ 360,518	\$ 116,747
Gift	1,776	77	-	1,853
Summer Reading Program	313	220	152	381
HCPL Cookbook	365	40	-	405
Bond and Interest Redemption	15,445	22,979	27,520	10,904
Library Improvement Reserve	10,026	10,009	15,480	4,555
Fiduciary Fund:				
Payroll Withholdings	-	5,247	4,744	503
Totals	<u>\$ 88,237</u>	<u>\$ 455,525</u>	<u>\$ 408,414</u>	<u>\$ 135,348</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 116,747	\$ 385,034	\$ 414,017	\$ 87,764
Gift	1,853	85	137	1,801
Summer Reading Program	381	1,814	502	1,693
HCPL Cookbook	405	-	-	405
Bond and Interest Redemption	10,904	24,652	23,774	11,782
Library Improvement Reserve	4,555	10,000	2,164	12,391
Fiduciary Funds:				
Payroll Withholdings	503	6,563	6,489	577
PLAC	-	56	-	56
Totals	<u>\$ 135,348</u>	<u>\$ 428,204</u>	<u>\$ 447,083</u>	<u>\$ 116,469</u>

The accompanying notes are an integral part of the schedules.

HARTFORD CITY PUBLIC LIBRARY
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture and recreation services to residents of Hartford City and its surrounding area.

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.

HARTFORD CITY PUBLIC LIBRARY
NOTES TO SCHEDULES
(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.

Note 7. Long-Term Debt

The Library has entered into a term loan and a line of credit. The outstanding principal balances at December 31, 2005, were \$22,856 and \$10,000, respectively.

HARTFORD CITY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

PUBLIC LIBRARY ACCESS CARDS

The Library has sold Public Library Access Cards but has not properly reported all of the sales nor remitted all of the collections to the State Library.

All money received from the sale of PLAC Cards should be receipted to a PLAC Card Fund. Payments are to be made to the State Library of such receipts on a quarterly basis as required by 590 IAC 3. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 3)

HARTFORD CITY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 19, 2006, with Vicki Cecil, Director; William E. Schantz, Treasurer; Richard C. Gerard, President of the Board; and Pam Bolt, Bookkeeper. The officials concurred with our finding.