

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

EXAMINATION REPORT

OF

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT

FRANKLIN COUNTY, INDIANA

January 1, 2003 to December 31, 2005



**FILED**  
09/20/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Linda L. Bruns Melody L. Gault	10-01-02 to 09-30-03 10-01-03 to 09-30-06
Treasurer	Joann Koch	09-07-02 to 08-31-06
President of the Board	Judith Douglass Patricia Combs	09-07-02 to 05-31-06 06-01-06 to 05-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WHITEWATER VALLEY COMMUNITY  
LIBRARY DISTRICT, FRANKLIN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Whitewater Valley Community Library District (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

July 20, 2006

WHITEWATER VALLEY COMMUNITY 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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
Operating	\$ 123,162	\$ 356,311	\$ 456,026	\$ 23,447
Gift	119,429	77,081	46,643	149,867
Applegate Trust	2,724	-	-	2,724
Library Improvement Reserve	30,560	6,247	31,000	5,807
Library Capital Projects	35,398	-	35,398	-
Levy Excess	-	1,043	-	1,043
Fiduciary Funds:				
Payroll Withholdings	489	2,103	1,914	678
PLAC	-	130	130	-
<b>Totals</b>	<b>\$ 311,762</b>	<b>\$ 442,915</b>	<b>\$ 571,111</b>	<b>\$ 183,566</b>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
Operating	\$ 23,447	\$ 259,297	\$ 328,337	\$ (45,593)
Gift	149,867	107,895	99,873	157,889
Applegate Trust	2,724	-	-	2,724
Library Improvement Reserve	5,807	-	-	5,807
Library Capital Projects	-	17,089	31,556	(14,467)
Levy Excess	1,043	-	1,043	-
Fiduciary Funds:				
Payroll Withholdings	678	2,904	2,965	617
PLAC	-	78	78	-
<b>Totals</b>	<b>\$ 183,566</b>	<b>\$ 387,263</b>	<b>\$ 463,852</b>	<b>\$ 106,977</b>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
Operating	\$ (45,593)	\$ 347,082	\$ 270,649	\$ 30,840
Gift	157,889	25,562	21,182	162,269
Applegate Trust	2,724	-	-	2,724
Library Improvement Reserve	5,807	-	1,754	4,053
Library Capital Projects	(14,467)	47,484	29,990	3,027
Fiduciary Funds:				
Payroll Withholdings	617	2,239	2,478	378
PLAC	-	252	196	56
<b>Totals</b>	<b>\$ 106,977</b>	<b>\$ 422,619</b>	<b>\$ 326,249</b>	<b>\$ 203,347</b>

The accompanying notes are an integral part of the schedules.

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT  
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: 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 has resulted in overdrawn Operating and Library Capital Projects funds in 2004.

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.

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT  
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.

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT  
EXAMINATION RESULTS AND COMMENTS

SALES TAX

Sales tax was paid on some purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

COMPENSATION AND BENEFITS

There was no evidence presented for examination that indicated a salary ordinance, resolution or salary schedule was adopted by the governing body.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Indiana Code 20-14-2-7(b) provides that: "the library board shall employ and discharge librarians and other persons that are necessary in the administration of the affairs of the library. The board shall: 1. Fix and pay their compensation; 2. Classify them and adopt schedules of salaries; and 3. Determine their number and prescribe their duties; all with the advice and recommendations of the library director."

WHITEWATER VALLEY COMMUNITY LIBRARY DISTRICT  
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2006, with Joann Koch, Treasurer; Melody L. Gault, Director; and Linda L. Bruns, Assistant Director/Bookkeeper.