

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

EXAMINATION REPORT  
OF  
KNOX COUNTY PUBLIC LIBRARY  
KNOX COUNTY, INDIANA  
January 1, 2004 to December 31, 2005



**FILED**  
12/19/2006



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
Exit Conference.....	7

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Emily Cooper Bunyan	01-01-04 to 12-31-06
Treasurer	Meredith A. Beery	01-01-04 to 12-31-06
President of the Board	William T. Case Thomas E. Benner John G. Johnson	01-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06



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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](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Knox County Public Library (Library), for the period of January 1, 2004 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, 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

October 11, 2006

KNOX 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 18,245	\$ 1,314,250	\$ 1,327,335	\$ 5,160
Gift	11,261	1,952	8,673	4,540
Bloebaum Memorial Gift	1,956	-	-	1,956
Literacy Program	4,207	62,075	34,476	31,806
E-Rate	16	3,576	859	2,733
National Endowment for the Humanities Grant	182	42	224	-
Indiana Humanities Council Grant	465	-	465	-
C.O.I.T.	18,648	89,182	107,830	-
Bond and Interest Redemption	11,323	71,349	71,925	10,747
Library Improvement Reserve	5,516	5,000	-	10,516
Library Capital Projects	11,983	123,894	97,612	38,265
Fiduciary Funds:				
Adler Lyons Trust	10,052	-	178	9,874
Payroll Withholdings	4,601	184,847	184,804	4,644
PLAC	-	296	270	26
Totals	<u>\$ 98,455</u>	<u>\$ 1,856,463</u>	<u>\$ 1,834,651</u>	<u>\$ 120,267</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 5,160	\$ 2,191,990	\$ 1,405,380	\$ 791,770
Gift	4,540	2,962	1,684	5,818
Bloebaum Memorial Gift	1,956	-	-	1,956
Literacy Program	31,806	6,562	3,284	35,084
E-Rate	2,733	3,661	3,615	2,779
Gates Training Grant	-	738	738	-
Bond and Interest Redemption	10,747	56,494	47,687	19,554
Library Improvement Reserve	10,516	105,543	100,000	16,059
Library Capital Projects	38,265	109,076	60,100	87,241
Fiduciary Funds:				
Adler Lyons Trust	9,874	-	195	9,679
Payroll Withholdings	4,644	171,550	171,374	4,820
PLAC	26	335	305	56
Totals	<u>\$ 120,267</u>	<u>\$ 2,648,911</u>	<u>\$ 1,794,362</u>	<u>\$ 974,816</u>

The accompanying notes are an integral part of the schedules.

KNOX COUNTY PUBLIC LIBRARY  
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides 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.

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.

KNOX COUNTY 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 issued general obligation bonds for the acquisition and construction of major capital facilities. The outstanding principal, at December 31, 2005, was \$258,000.

KNOX COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on October 18, 2006, with Emily Cooper Bunyan, Director; and Meredith A. Beery, Treasurer. Our examination disclosed no material items that warrant comment at this time.