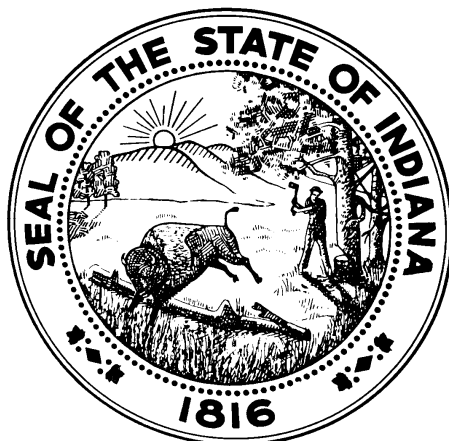


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT
OF
WELLS COUNTY PUBLIC LIBRARY
WELLS COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/17/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stephanie D. Davis	01-01-06 to 12-31-08
Treasurer	Graig P. Stettner	08-16-05 to 08-14-07
	Steve R. Gerber	08-15-07 to 08-15-08
	Edward J. Shestak	08-16-08 to 08-15-09
President of the Board	Steve R. Gerber	08-16-05 to 08-14-06
	Edward J. Shestak	08-15-06 to 08-15-08
	Kim Pace	08-16-08 to 08-15-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Wells County Public Library (Library), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The 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 basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 3, 2008

WELLS 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 861,312	\$ 1,455,029	\$ 1,465,914	\$ 850,427
Gift	53,352	36,270	22,183	67,439
Levy Excess	-	18,547	18,547	-
Bond and Interest Redemption	134,701	399,419	330,352	203,768
Library Improvement Reserve	857,611	60,671	16,461	901,821
Construction	2,963,971	104,226	2,078,817	989,380
Fiduciary Funds:				
Payroll Withholdings	4,361	342,997	342,943	4,415
PLAC	168	961	912	217
Totals	<u>\$ 4,875,476</u>	<u>\$ 2,418,120</u>	<u>\$ 4,276,129</u>	<u>\$ 3,017,467</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 850,427	\$ 1,524,254	\$ 1,557,290	\$ 817,391
Gift	67,439	31,853	38,413	60,879
Bond and Interest Redemption	203,768	525,046	528,202	200,612
Library Improvement Reserve	901,821	210,233	307,277	804,777
Construction	989,380	20,431	969,919	39,892
Fiduciary Funds:				
Payroll Withholdings	4,415	358,821	360,280	2,956
PLAC	217	1,440	1,357	300
Totals	<u>\$ 3,017,467</u>	<u>\$ 2,672,078</u>	<u>\$ 3,762,738</u>	<u>\$ 1,926,807</u>

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

WELLS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

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.

WELLS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(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.

WELLS COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2007

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 211,610
Buildings	5,059,552
Improvements other than buildings	103,506
Machinery and equipment	<u>3,798,575</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 9,173,243</u>

WELLS COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
Refunding Bonds of 2005	\$ 515,000	\$ 257,695
Construction Bonds of 2005	<u>3,050,000</u>	<u>118,413</u>
Total governmental activities debt	<u>\$ 3,565,000</u>	<u>\$ 376,108</u>

WELLS COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 3, 2008, with Stephanie D. Davis, Director; Kim Pace, President of the Board; and Valerie L. Gall, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.