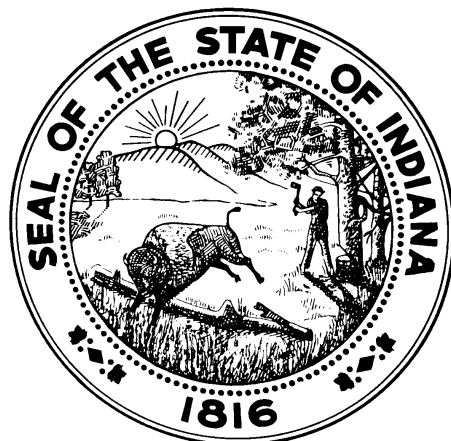


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF

ANDERSON CITY, ANDERSON, STONY CREEK, AND UNION
TOWNSHIPS PUBLIC LIBRARY
MADISON COUNTY, INDIANA

January 1, 2007 to December 31, 2008



FILED
12/08/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Sarah Later	01-01-07 to 12-31-09
Treasurer	Paul Muething, Jr. James Stuart Greg Fisher	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09
President of the Board	Joni Brinkman Rhea Parshall James Stuart	01-01-07 to 12-31-07 01-01-08 to 12-31-08 01-01-09 to 12-31-09



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ANDERSON CITY, ANDERSON, STONY CREEK,
AND UNION TOWNSHIPS PUBLIC LIBRARY, MADISON COUNTY, INDIANA

We have examined the financial information presented herein of the Anderson City, Anderson, Stony Creek, and Union Townships Public Library (Library), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

October 8, 2009

ANDERSON CITY, ANDERSON, STONY CREEK, AND UNION TOWNSHIPS 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 1,645,025	\$ 5,144,196	\$ 6,316,789	\$ 472,432
Gift	13,545	37,554	39,040	12,059
Love Bears Donation	662	831	487	1,006
Indiana State Technology Grant	4,928	6,810	8,333	3,405
Juanita Sigler Fund	120,133	-	120,133	-
Madison County Community Foundation	9,431	9,336	7,202	11,565
Rainy Day	260,073	-	260,000	73
Library Improvement Reserve	513,264	194,120	504,617	202,767
RSVP Donations	992	3,191	1,880	2,303
RSVP 2006/2007	(386)	34,153	33,767	-
RSVP 2007/2008	-	9,036	9,055	(19)
AT&T Foundation Grant	10,705	-	10,705	-
United Way Unrestricted Gifts	5,838	3,146	2,008	6,976
United Way Every Child Ready Read	1,186	887	2,073	-
Cash Change	1,068	-	-	1,068
Petty Cash	32	-	-	32
Fiduciary Funds:				
Payroll Withholdings	495	144,097	144,481	111
Miscellaneous Clearing Fund	581	7,104	6,683	1,002
PLAC	2,947	11,763	11,948	2,762
Totals	<u>\$ 2,590,519</u>	<u>\$ 5,606,224</u>	<u>\$ 7,479,201</u>	<u>\$ 717,542</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 472,432	\$ 8,004,315	\$ 7,391,148	\$ 1,085,599
Gift	12,059	112,572	62,824	61,807
Love Bears Donation	1,006	179	305	880
Indiana State Technology Grant	3,405	7,163	6,595	3,973
Juanita Sigler Fund	-	43,001	43,001	-
Madison County Community Foundation	11,565	9,784	4,787	16,562
Rainy Day	73	260,000	260,000	73
Library Improvement Reserve	202,767	966,500	892,432	276,835
RSVP Donations	2,303	2,957	1,204	4,056
RSVP 2007/2008	(19)	36,319	36,171	129
RSVP 2008/2009	-	8,219	8,262	(43)
United Way Unrestricted Gifts	6,976	3,115	1,240	8,851
Cash Change	1,068	-	-	1,068
Petty Cash	32	-	-	32
Fiduciary Funds:				
Payroll Withholdings	111	180,991	180,389	713
Miscellaneous Clearing Fund	1,002	1,701	1,698	1,005
PLAC	2,762	12,213	11,884	3,091
Totals	<u>\$ 717,542</u>	<u>\$ 9,649,029</u>	<u>\$ 8,901,940</u>	<u>\$ 1,464,631</u>

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

ANDERSON CITY, ANDERSON, STONY CREEK, AND UNION TOWNSHIPS PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

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).

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.

ANDERSON CITY, ANDERSON, STONY CREEK, AND UNION TOWNSHIPS PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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.

ANDERSON CITY, ANDERSON, STONY CREEK, AND UNION TOWNSHIPS PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OFFICIAL BOND OF TREASURER AND EMPLOYEES

We noted the following deficiencies relating to official bonds during our examination:

1. Bonds presented for examination were position bonds and did not specifically name the Treasurer or the individual to be bonded; and
2. Bonds were not made payable to the State of Indiana as required.

Treasurer

The Treasurer shall give a surety bond for the faithful performance of duty and for the accurate accounting of all money coming into the Treasurer's custody. The bond must be:

1. Written by an insurance company licensed to do business in Indiana;
2. For the term of office of the treasurer;
3. In an amount determined by the library board;
4. Paid for with the money from the library fund;
5. Payable to the State of Indiana;
6. Approved by the library board; and
7. Deposited in the office of the recorder of the county in which the library district is located.
[IC 36-12-2-22]

Other Employees

It is recommended that employees of the library who handle money also be bonded. Bonds of employees must also be payable to the State of Indiana [IC 5-4-1-10] and be filed in the county recorder's office. [IC 5-4-1-5.1] (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

ANDERSON CITY, ANDERSON, STONY CREEK, AND UNION TOWNSHIPS PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on October 8, 2009, with Sarah Later, Director; Tonya Carman, Business Manager; and Greg Fisher, Treasurer. The official response has been made a part of this report and may be found on pages 9 and 10.



Anderson Public Library
www.andersonlibrary.net

Serving Anderson City,
Anderson, Stony Creek &
Union Townships

“OFFICIAL RESPONSE”
State Board Of Accounts
302 West Washington Street
Room E 418
Indianapolis, IN 46204-24958

October 12, 2009

To Whom It May Concern:

In response to our recent audit, we have applied for a position bond for our Treasurer naming him, Gregory Fisher, as the individual on the bond and making the bond payable to the State of Indiana. We apologize for misunderstanding the statute and have strived to correct as soon as possible. Enclosed is a copy of the application showing our request to the bond agent.

Sincerely,

Sarah Laier
Director
Anderson Public Library

Main Library
111 E. 12th Street
Anderson, IN • 46016-2701
Ph. 765.641.2451
Fax. 765.641.2197

Lapel Branch Library
610 Main Street
Lapel, IN • 46051-0668
Ph. 765.534.4654
Fax. 765.534.2012



Merchants Bonding Company

2100 FLEUR DRIVE • DES MOINES, IOWA 50321-1158
(515) 243-8171 • FAX (515) 243-0344

Company Use Only	
Bond No.	_____
Amount	_____
Premium	_____
Effective Date	_____
Expiration Date	_____
Agent	_____
At	_____

APPLICATION FOR PUBLIC OFFICIAL BOND

Name of Applicant Gregory Fisher
 Residence 1021 WOODWARD LAPEL MADISON IN 46051
Street City County State Zip

Give exact title of State, County or Municipal Government, public official or individual to whom bond is to be given

State of Indiana
 Address 302 W. Washington St Indianapolis In 46204

Amount of this bond \$ 10,000
 Term begins 2/19/2009; Term ends 2/17/2010

Official title of Applicant TREASURER - ANDERSON CITY, ANDERSON, STONY CREEK AND UNION TOWNSHIPS
PUBLIC LIBRARY
 Date of your election 2/18/2009; Date of your appointment _____

Term of office 1 years.

CHARGE PREMIUM FOR:

1 Year 3 Years _____
 2 Years _____ 4 Years _____

What is your financial worth? _____

In consideration of the execution of this bond, I (we) hereby agree to pay the premium, and further agree to save and hold the MERCHANTS BONDING COMPANY (MUTUAL) free and harmless of any loss, cost or expense of whatever nature, by reason of its execution, of this bond. I agree to waive, and do hereby waive, all rights to claim any property, including homestead, as exempt from levy, execution, sale or other legal process under the law of any state or states. It is further agreed that the terms and conditions of this application shall also apply to all renewals of this bond and/or subsequent bonds executed for applicant.

Disclosure to Applicant given pursuant to the Fair Credit Reporting Act: You are hereby notified that an investigative consumer report including information as to your character, general reputation, personal characteristics and mode of living MAY be obtained by the Company. You may request in writing from the Company disclosure of the nature and scope of such report if obtained. (This applies to an individual person only.) I acknowledge I have read the preceding Disclosure.

Dated this 8th day of October AD 2009
 Witness: [Signature] [Signature] [Signature]
Agency Name
 Agent Name Lon Brown Insurance Agency Name _____
2009 E. 10th St.
Anderson, IN 46012
 Agency Address _____