

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

EXAMINATION REPORT  
OF  
WESTFIELD WASHINGTON PUBLIC LIBRARY  
HAMILTON COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
12/30/2009



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Sheryl Sollars	01-01-07 to 12-31-09
Treasurer	Paul Catlin	01-01-07 to 12-31-09
President of the Board	Bob Richardson Carolyn Wheeler	01-01-07 to 12-31-07 01-01-08 to 12-31-09



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WESTFIELD WASHINGTON  
PUBLIC LIBRARY, HAMILTON COUNTY, INDIANA

We have examined the financial information presented herein of the Westfield Washington 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.

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 a required part 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

November 5, 2009

WESTFIELD WASHINGTON 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	\$ 182,675	\$ 1,301,740	\$ 1,359,171	\$ 125,244
Gift	64,881	44,066	54,486	54,461
Rainy Day	286,455	138,000	75,000	349,455
Sumner Memorial	48,436	856	-	49,292
Lease Rental	336,260	442,572	474,632	304,200
Library Improvement Reserve	37,301	-	-	37,301
Construction	142,370	-	-	142,370
Fiduciary Funds:				
Payroll Withholdings	887	167,146	167,120	913
Levy Excess	2,421	980	-	3,401
PLAC	837	4,591	5,428	-
Totals	<u>\$ 1,102,523</u>	<u>\$ 2,099,951</u>	<u>\$ 2,135,837</u>	<u>\$ 1,066,637</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 125,244	\$ 1,274,171	\$ 1,330,569	\$ 68,846
Gift	54,461	64,363	43,144	75,680
Rainy Day	349,455	73,973	82,736	340,692
Sumner Memorial	49,292	1,191	-	50,483
Lease Rental	304,200	362,523	422,532	244,191
Library Improvement Reserve	37,301	1,896	-	39,197
Construction	142,370	7,198	-	149,568
Fiduciary Funds:				
Payroll Withholdings	913	190,391	191,109	195
Levy Excess	3,401	42	-	3,443
PLAC	-	4,830	4,830	-
Totals	<u>\$ 1,066,637</u>	<u>\$ 1,980,578</u>	<u>\$ 2,074,920</u>	<u>\$ 972,295</u>

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

WESTFIELD WASHINGTON 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 or highway use taxes are received 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.

WESTFIELD WASHINGTON 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.

WESTFIELD WASHINGTON PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2008

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 35,000
Buildings	3,229,649
Improvements other than buildings	119,333
Machinery and equipment	<u>2,458,245</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 5,842,227</u>

WESTFIELD WASHINGTON PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2008

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Library building	\$ 1,575,557	\$ 282,250
Bonds payable:		
General obligation bonds:		
2001 Bonds	<u>215,000</u>	<u>137,050</u>
Total governmental activities debt	<u>\$ 1,790,557</u>	<u>\$ 419,300</u>

WESTFIELD WASHINGTON PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

EXPENSE REIMBURSEMENT

The Treasurer receives an annual mileage stipend of \$500, without documenting actual miles traveled on General Form 101. Additionally, records presented for examination included claims for reimbursement of meals in the amount of \$186.27 for which detailed documentation was not attached to the information presented for reimbursement.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Official Opinion No. 74 of the Indiana Attorney General, issued in 1953, concluded there is no statutory authority for payment of a fixed amount of travel allowance to public employees and that a public employer may not reimburse an employee for travel expense which is, in fact, not incurred by the employee. Also, there is no authority for a travel allowance to be paid without regard to the number of miles, if any, actually traveled.

OFFICIAL BOND

The Treasurer's original bond was for the amount of \$10,000. For at least the last three years, only continuation certificates have been recorded in the office of the County Recorder.

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;

WESTFIELD WASHINGTON PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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] (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

The amount of bond coverage should be determined by the library board and recorded in the minutes. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

LEVY EXCESS

Transfers from the Levy Excess Fund were not made as authorized by the Division of Local Government Finance (DLGF) for 2007 and 2008. The amounts of the authorized transfers were \$2,421 and \$980 for 2007 and 2008, respectively.

The Department of Local Government Finance may require a library to include the amount in its Levy Excess Fund in the library's budget. After the budget has been approved, the amount in the Levy Excess Fund should be transferred from the Levy Excess Fund by warrant and receipted into the Library Operating Fund. (Accounting and Uniform Compliance Guidelines for Libraries, Chapter 3)

WESTFIELD WASHINGTON PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on November 23, 2009, with Paul Catlin, Treasurer; Barbara Swaim, Bookkeeper; and Sheryl Sollars, Director. The officials concurred with our findings.