

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

EXAMINATION REPORT
OF
FARMLAND PUBLIC LIBRARY
RANDOLPH COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/08/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Connie Howell Andrea Lutz	01-01-08 to 02-29-08 03-01-08 to 04-30-11
Treasurer	Susan J. Main	05-01-07 to 04-30-11
President of the Library Board	Paula Keister	05-01-07 to 04-30-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FARMLAND PUBLIC LIBRARY, RANDOLPH COUNTY, INDIANA

We have examined the financial information presented herein of the Farmland Public Library (Library), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

September 30, 2010

FARMLAND 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 41,043	\$ 43,776	\$ 42,010	\$ 42,809
Capital Projects	9,942	2,454	4,164	8,232
Friends of the Library	-	121	-	121
Rainy Day	418	590	102	906
Unrestricted Gift	1,486	240	121	1,605
Restricted Gift	1,644	425	374	1,695
Fiduciary Funds:				
Payroll Withholdings	(135)	4,316	4,181	-
PLAC	39	924	963	-
Totals	<u>\$ 54,437</u>	<u>\$ 52,846</u>	<u>\$ 51,915</u>	<u>\$ 55,368</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 42,809	\$ 41,694	\$ 47,172	\$ 37,331
Capital Projects	8,232	-	4,174	4,058
Friends of the Library	121	15	-	136
Rainy Day	906	80	-	986
Unrestricted Gift	1,605	1,116	82	2,639
Restricted Gift	1,695	255	680	1,270
Fiduciary Funds:				
Payroll Withholdings	-	5,818	6,022	(204)
PLAC	-	811	811	-
Totals	<u>\$ 55,368</u>	<u>\$ 49,789</u>	<u>\$ 58,941</u>	<u>\$ 46,216</u>

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

FARMLAND PUBLIC LIBRARY
RANDOLPH COUNTY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following library services: culture and recreation.

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.

FARMLAND PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2009

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.

Books and furnishings are included in machinery and equipment. The Library does not own any real estate.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Machinery and equipment	<u>\$ 217,534</u>

FARMLAND PUBLIC LIBRARY
RANDOLPH COUNTY
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN FUND BALANCE

The Payroll Withholdings Fund had a \$204 deficit balance at December 31, 2009.

The fund balance of any fund may not be reduced below zero. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

DEPOSITS

Monthly tax distributions from Randolph County for the last half of 2009 were consistently deposited from 11 to 16 days after the date of distribution. Other receipts were also often deposited more than a week after being collected.

IC 5-13-6-1 (c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds."

FARMLAND PUBLIC LIBRARY
RANDOLPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2010, with Andrea Lutz, Director; Susan J. Main, Treasurer; Kristen Matlock, Vice President of the Library Board; and Connie Howell, former Director.