

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF
HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
BOONE COUNTY, INDIANA
January 1, 2003 to December 31, 2005



FILED
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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Martha E. Catt	01-01-03 to 12-31-06
Treasurer	Lisa Hull	01-01-03 to 12-31-06
President of the Board	Steven Caltrider	01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE HUSSEY-MAYFIELD MEMORIAL
PUBLIC LIBRARY, BOONE COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Hussey-Mayfield Memorial Public Library (Library), for the period of January 1, 2003 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.

As discussed in Note 2, the schedules referred to above does not include a component unit of the Library which should have been included to fairly present the cash transactions of the Library.

In our opinion, except that the omission of the component unit of the Library referred to in the preceding paragraph, the schedules referred to above present fairly, in all material respects, the cash transactions of the Library for the years ended December 31, 2003, 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

June 8, 2006

HUSSEY-MAYFIELD MEMORIAL 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, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 1,136,186	\$ 1,410,032	\$ 2,109,853	\$ 436,365
Community Room	2,450	700	700	2,450
Grant	17	-	-	17
Levy Excess	8,297	120	-	8,417
Library Improvement Reserve	817,232	720,933	239,376	1,298,789
Library Capital Projects	1,008	139	-	1,147
Library Lease Rental	82,948	380,410	282,000	181,358
Fiduciary Funds:				
Designated Gift	36,269	10,907	11,100	36,076
Undesignated Gift	330,477	5,881	4,443	331,915
Totals	<u>\$ 2,414,884</u>	<u>\$ 2,529,122</u>	<u>\$ 2,647,472</u>	<u>\$ 2,296,534</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 436,365	\$ 1,482,472	\$ 1,497,763	\$ 421,074
Rainy Day	-	11,995	4,250	7,745
Community Room	2,450	700	500	2,650
Grant	17	688	688	17
Levy Excess	8,417	7	8,424	-
Library Improvement Reserve	1,298,789	251,502	746,776	803,515
Library Capital Projects	1,147	39,063	1,077	39,133
Library Lease Rental	181,358	343,046	442,731	81,673
Library Construction	-	249,761	-	249,761
Fiduciary Funds:				
Designated Gift	36,076	12,257	11,458	36,875
Undesignated Gift	331,915	56,574	54,316	334,173
Totals	<u>\$ 2,296,534</u>	<u>\$ 2,448,065</u>	<u>\$ 2,767,983</u>	<u>\$ 1,976,616</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 421,074	\$ 1,425,827	\$ 1,487,737	\$ 359,164
Rainy Day	7,745	227	6,877	1,095
Community Room	2,650	300	500	2,450
Grant	17	250	250	17
Levy Excess	-	6,874	-	6,874
Library Improvement Reserve	803,515	115,924	515,467	403,972
Library Capital Projects	39,133	40,155	51,811	27,477
Library Lease Rental	81,673	277,100	284,033	74,740
Library Construction	249,761	5,339	166,491	88,609
Fiduciary Funds:				
Designated Gift	36,875	8,297	10,669	34,503
Undesignated Gift	334,173	11,608	38,970	306,811
Totals	<u>\$ 1,976,616</u>	<u>\$ 1,891,901</u>	<u>\$ 2,562,805</u>	<u>\$ 1,305,712</u>

The accompanying notes are an integral part of the schedules.

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library operates under an appointed governing board and provides cultural services.

Note 2. Reporting Entity

These schedules present the Library (primary government and its significant component units. The component units discussed below are included in the Library's reporting entity because of their operational or financial relationship with the Library.)

Management has chosen to omit from these schedules a component unit, Hussey-Mayfield Memorial Public Library Foundation, which has significant operational or financial relationships with the Library. Accordingly, the financial statements do not include the data of the Library's component units necessary to fairly present the cash and investment balances of the Library.

Note 3. 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 4. 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 5. 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 6. 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.

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
NOTES TO SCHEDULES
(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 7. 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 8. Long-Term Debt

In 2002, the Library entered into a capital lease for a new library building. The outstanding principal at December 31, 2005, was \$2,245,000. In 2004, the Library entered into another capital lease for the renovation and expansion of the library building. The outstanding principal at December 31, 2005, was \$4,490,000.

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 11, 2006, with Martha E. Catt, Director. Our examination disclosed no material items that warrant comment at this time.