

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

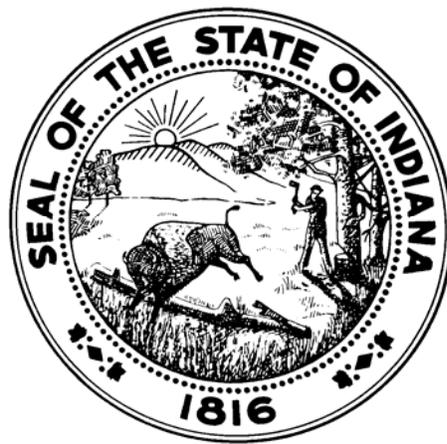
EXAMINATION REPORT

OF

ECKHART PUBLIC LIBRARY

DEKALB COUNTY, INDIANA

January 1, 2004 to December 31, 2005



FILED
09/26/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Janelle H. Graber	01-01-04 to 12-31-06
Treasurer	John Randinelli	01-01-04 to 12-31-04
	John Molin	01-01-05 to 12-31-05
	Sonja Winebrenner	01-01-06 to 03-06-06
	Nancy Mertz	03-07-06 to 12-31-06
President of the Board	Marjorie E. Carr	01-01-04 to 12-31-04
	Kathie Kock	01-01-05 to 12-31-05
	John Randinelli	01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ECKHART PUBLIC LIBRARY, DEKALB COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Eckhart Public Library (Library), for the period of January 1, 2004 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.

In our opinion, the schedules referred to above present fairly, in all material respects, the cash transactions of the Library for the years ended December 31, 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

August 31, 2006

ECKHART 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 56,644	\$ 1,038,138	\$ 943,013	\$ 151,769
Gift	177,150	71,421	37,398	211,173
Rainy Day	-	7,812	7,812	-
Library Improvement Reserve	57,000	-	57,000	-
Library Capital Projects	(28,604)	76,463	47,728	131
Fiduciary Funds:				
Trust Funds	10,912	73,430	35,751	48,591
PLAC	208	1,326	1,222	312
Totals	<u>\$ 273,310</u>	<u>\$ 1,268,590</u>	<u>\$ 1,129,924</u>	<u>\$ 411,976</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 151,769	\$ 1,296,442	\$ 1,190,092	\$ 258,119
Gift	211,173	122,237	139,764	193,646
Rainy Day	-	7,812	-	7,812
Levy Excess	-	40,871	12,030	28,841
Library Improvement Reserve	-	260,054	50,000	210,054
Library Capital Projects	131	129,618	96,404	33,345
Fiduciary Funds:				
Trust Funds	48,591	212,689	51,299	209,981
PLAC	312	1,820	1,684	448
Totals	<u>\$ 411,976</u>	<u>\$ 2,071,543</u>	<u>\$ 1,541,273</u>	<u>\$ 942,246</u>

The accompanying notes are an integral part of the schedules.

ECKHART PUBLIC LIBRARY
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: public safety, health and social 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.

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.

ECKHART PUBLIC LIBRARY
NOTES TO SCHEDULES

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.

ECKHART PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 31, 2006, with Janelle H. Graber, Director; and Marjorie E. Carr, Board member. Our examination disclosed no material items that warrant comment at this time.