

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

EXAMINATION REPORT

OF

GREENTOWN AND EASTERN HOWARD SCHOOL PUBLIC LIBRARY

HOWARD COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
08/01/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marjorie Bontrager	02-01-84 to 12-31-07
Treasurer	Clinton Coon Sheryl Dean	01-01-03 to 12-31-05 01-01-06 to 12-31-07
President of the Board	Jayne Boltz	01-01-00 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF GREENTOWN AND EASTERN HOWARD  
SCHOOL PUBLIC LIBRARY, HOWARD COUNTY, INDIANA

We have examined the financial information presented herein of Greentown and Eastern Howard School Public Library (Library), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 19, 2007

GREENTOWN AND EASTERN HOWARD SCHOOL 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 147,772	\$ 296,361	\$ 308,938	\$ 135,195
Levy Excess	-	3,492	-	3,492
Cash Change	121	-	-	121
Gift	2,745	2,121	2,058	2,808
Rainy Day	3,106	-	-	3,106
Children	1,805	12,607	12,539	1,873
Community Room Clean Up	571	350	125	796
Library Improvement Reserve	38,800	3,000	-	41,800
Fiduciary Funds:				
Payroll Withholdings	4,652	42,290	42,316	4,626
PLAC	26	196	248	(26)
Totals	<u>\$ 199,598</u>	<u>\$ 360,417</u>	<u>\$ 366,224</u>	<u>\$ 193,791</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 135,195	\$ 293,017	\$ 291,798	\$ 136,414
Levy Excess	3,492	1,701	-	5,193
Cash Change	121	-	-	121
Gift	2,808	4,106	3,328	3,586
Rainy Day	3,106	-	800	2,306
Children	1,873	13,094	12,988	1,979
Community Room Clean Up	796	81	25	852
Library Improvement Reserve	41,800	-	-	41,800
Fiduciary Funds:				
Payroll Withholdings	4,626	46,648	42,225	9,049
PLAC	(26)	62	121	(85)
Totals	<u>\$ 193,791</u>	<u>\$ 358,709</u>	<u>\$ 351,285</u>	<u>\$ 201,215</u>

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

GREENTOWN AND EASTERN HOWARD SCHOOL 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: 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 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.

GREENTOWN AND EASTERN HOWARD SCHOOL PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 7. Contributions

The Eastern Howard School Corporation provides space in its school buildings for the operation of the Library. The School Corporation does not charge rent or utilities to the Library. During 1991, the Library entered into an agreement with the School Corporation to pay for a portion of the School's building expansion. Since 1992, the Library pays \$5,000 (five thousand) per year to the School Corporation. The Library will continue to pay a yearly payment until year 2013. In return, the Library serves as a school library for the students and staff of the School Corporation.

GREENTOWN AND EASTERN HOWARD SCHOOL PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

OVERDRAWN FUND BALANCES

The Public Library Assess Card Fund was overdrawn in 2005 and 2006.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

GREENTOWN AND EASTERN HOWARD SCHOOL PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on June 27, 2007, with Margorie Bontrager, Director; and Sheryl Dean, Treasurer.