

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

EXAMINATION REPORT

OF

MONROE COUNTY PUBLIC LIBRARY

MONROE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
11/15/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Kathleen Owens (Interim) Cynthia A. Gray Sara Laughlin (Interim)	01-01-05 to 01-23-05 01-24-05 to 08-31-07 09-01-07 to 08-31-08
Treasurer	David L. Ferguson John A. Walsh	01-01-05 to 03-07-07 03-08-07 to 01-31-08
Financial Officer	Vacant Bonnie Estell	01-01-05 to 03-21-06 03-22-06 to 12-31-07
President of the Board	Patricia Steele Stephen C. Moberly	01-01-05 to 03-07-07 03-08-07 to 01-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MONROE COUNTY PUBLIC LIBRARY, MONROE COUNTY, INDIANA

We have examined the financial information presented herein of the Monroe County 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.

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 required parts 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

October 4, 2007

MONROE COUNTY 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	\$ 1,048,415	\$ 5,405,149	\$ 6,185,876	\$ 267,688
Gift	176,119	114,696	109,392	181,423
Jail	-	6,000	5,995	5
Rainy Day	145,660	1,493	130,434	16,719
Teen Council City	3	-	-	3
Levy Excess	-	12,179	-	12,179
Bond and Interest Redemption	162,904	1,546,241	2,000,214	(291,069)
Library Improvement Reserve	1,184,005	125,834	-	1,309,839
LSTA Spanish	-	8,216	8,216	-
Fiduciary Funds:				
Payroll Withholdings	50	3,545,642	3,545,692	-
PLAC	1,506	13,096	12,810	1,792
Retiree's Insurance	(1)	8,875	8,874	-
Clearing	445	8,033	8,478	-
Totals	<u>\$ 2,719,106</u>	<u>\$ 10,795,454</u>	<u>\$ 12,015,981</u>	<u>\$ 1,498,579</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 267,688	\$ 7,277,201	\$ 6,712,517	\$ 832,372
Gift	181,423	105,920	148,719	138,624
Jail	5	6,000	6,005	-
Rainy Day	16,719	204,551	4,239	217,031
Teen Council City	3	-	-	3
Levy Excess	12,179	-	12,179	-
Bond and Interest Redemption	(291,069)	2,542,114	1,996,000	255,045
Library Improvement Reserve	1,309,839	171,726	-	1,481,565
Fiduciary Funds:				
Payroll Withholdings	-	3,688,519	3,688,492	27
PLAC	1,792	11,403	11,738	1,457
Retiree's Insurance	-	10,193	10,193	-
Clearing	-	3,299	3,299	-
Totals	<u>\$ 1,498,579</u>	<u>\$ 14,020,926</u>	<u>\$ 12,593,381</u>	<u>\$ 2,926,124</u>

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

MONROE COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural 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.

MONROE COUNTY 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.

MONROE COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 121,000
Land, Buildings, Infrastructure and Equipment Under Lease	18,530,449
Machinery and equipment	<u>681,538</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 19,332,987</u>

MONROE COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Land, Building, Infrastructure and Equipment	\$ 9,025,596	\$ 1,996,000

MONROE COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2007, with Sara Laughlin, Interim Director; and Suzanne Kern, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.