

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

EXAMINATION REPORT
OF
MORGAN COUNTY PUBLIC LIBRARY
MORGAN COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
10/17/2008

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David Ross	01-01-06 to 12-31-08
Treasurer	Judy Rumbaugh	01-01-06 to 12-31-08
Business Manager	Denis Burpo	01-01-06 to 12-31-08
President of the Board	Joseph Colborn	01-01-06 to 12-31-08



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MORGAN COUNTY PUBLIC LIBRARY

We have examined the financial information presented herein of the Morgan County Public Library, for the period of January 1, 2006 to December 31, 2007. The Public 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 Morgan County Public Library for the years ended December 31, 2007, 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

July 22, 2008

MORGAN 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 185,033	\$ 1,150,434	\$ 1,122,752	\$ 212,715
Gift	14,950	6,019	7,479	13,490
Barry Schroeder Mem	25	588	550	63
Gary Oakes Gift	-	6,250	3,434	2,816
Summer Reading Gift	239	6,350	2,415	4,174
WalMart Literacy Grant	1,516	1,000	18	2,498
Levy Excess	5,274	4,589	8,857	1,006
Bond and Interest Redemption	10,053	214,234	196,828	27,459
Library Improvement Reserve	321,907	14,734	-	336,641
Library Capital Projects	238,008	187,989	100,323	325,674
Construction	234,423	14,898	91,700	157,621
Fiduciary Funds:				
Payroll Withholdings	-	163,648	163,648	-
PLAC	112	682	608	186
Totals	\$ 1,011,540	\$ 1,771,415	\$ 1,698,612	\$ 1,084,343

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 212,715	\$ 1,184,856	\$ 1,104,291	\$ 293,280
Gift	13,490	5,945	9,978	9,457
Barry Schroeder Mem	63	395	393	65
Gary Oakes Gift	2,816	-	2,816	-
Summer Reading Gift	4,174	600	1,151	3,623
WalMart Literacy Grant	2,498	-	1,305	1,193
Levy Excess	1,006	139	1,006	139
Bond and Interest Redemption	27,459	287,329	296,255	18,533
Library Improvement Reserve	336,641	12,764	-	349,405
Library Capital Projects	325,674	243,531	367,729	201,476
Morgan County Foundation	-	1,850	1,100	750
Rainy Day	-	19,772	-	19,772
Construction	157,621	6,668	17,250	147,039
2007 Construction	-	1,780,596	226,821	1,553,775
Fiduciary Funds:				
Payroll Withholdings	-	160,601	160,760	(159)
PLAC	186	1,021	967	240
Totals	\$ 1,084,343	\$ 3,706,067	\$ 2,191,822	\$ 2,598,588

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

MORGAN COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Morgan County Public Library was established under the laws of the State of Indiana. The Public Library provides the following 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.

MORGAN 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.

MORGAN COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land and buildings	\$ 3,284,800
Machinery and equipment	<u>2,980,995</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 6,265,795</u>

MORGAN COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
General obligation bonds:		
2004 Library remodeling	\$ 490,000	\$ 280,000
Monrovia branch	<u>1,745,000</u>	<u>-</u>
Total governmental activities debt	<u>\$ 2,235,000</u>	<u>\$ 280,000</u>

MORGAN COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2008, with David Ross, Director; Denise Burpo, Business Manager; and Judy Rumbaugh, Treasurer. Our examination disclosed no material items that warrant comment at this time.