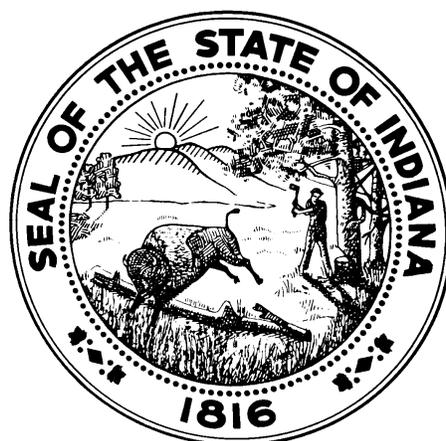


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

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



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Yvonne Oliger	01-01-06 to 12-31-08
Treasurer	Don Stuart	01-01-06 to 12-31-08
President of the Board	Doug Cauble	01-01-06 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Brown County Public Library (Library), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 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

December 1, 2008

BROWN 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	\$ 85,627	\$ 439,364	\$ 434,097	\$ 90,894
Gift	24,425	25,363	30,927	18,861
Bond and Interest Redemption	101,289	330,998	321,419	110,868
Library Improvement Reserve	4,118	119,313	-	123,431
Library Capital Projects	21,497	118,026	84,423	55,100
Building Gift	8,983	24,044	5,713	27,314
Friends Gift	8,122	10,000	9,386	8,736
Davee Foundation	-	25,000	-	25,000
Fiduciary Fund:				
PLAC	<u>84</u>	<u>400</u>	<u>422</u>	<u>62</u>
Totals	<u>\$ 254,145</u>	<u>\$ 1,092,508</u>	<u>\$ 886,387</u>	<u>\$ 460,266</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 90,894	\$ 520,932	\$ 537,639	\$ 74,187
Gift	18,861	17,935	863	35,933
Bond and Interest Redemption	110,868	594,606	459,728	245,746
Library Improvement Reserve	123,431	10,000	107,856	25,575
Library Capital Projects	55,100	177,628	108,289	124,439
Building Gift	27,314	-	-	27,314
Friends Gift	8,736	27,180	539	35,377
Davee Foundation	25,000	25,250	24,994	25,256
Fiduciary Fund:				
PLAC	<u>62</u>	<u>570</u>	<u>542</u>	<u>90</u>
Totals	<u>\$ 460,266</u>	<u>\$ 1,374,101</u>	<u>\$ 1,240,450</u>	<u>\$ 593,917</u>

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

BROWN 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 the following 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 should be 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 should be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. However, Brown County is behind in billing and collecting taxes due to the 2002 reassessment. Property taxes for 2005 payable 2006 were not settled until August 2007. Property taxes for 2006 payable 2007 were billed and mailed to tax payers with a due date of December 1, 2008.

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.

BROWN 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.

Note 7. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>	<u>2007</u>
General Fund	Bond and Interest Redemption Fund	\$ 34,035	\$ -
	Library Improvement Reserve Fund	-	10,000
Bond and Interest Redemption Fund	Library Improvement Reserve Fund	85,278	-
	Building Gift Fund	23,473	-
Gift Fund	General Fund	26,606	-
Building Gift Fund	Bond and Interest Redemption Fund	5,713	-
Friends Gift Fund	General Fund	8,000	-
Library Improvement Reserve Fund	Bond and Interest Redemption Fund	-	107,856
Totals		<u>\$ 183,105</u>	<u>\$ 117,856</u>

The Library typically uses transfers for cash flow purposes, debt transfers, or interfund loan activity.

BROWN COUNTY PUBLIC LIBRARY
 NOTES TO FINANCIAL INFORMATION
 (Continued)

Note 8. Interfund Loans

Interfund loans due as of December 31, 2007, were as follows:

Due From	Due To	Amount
Operating Fund	Library Improvement Reserve Fund	\$ 256,496
Operating Fund	Gift Fund	63,106
Operating Fund	Building Gift Fund	8,000
Bond and Interest Redemption Fund	Building Gift Fund	226,330
 Total		 \$ 553,932

Interfund loans were not paid back as of December 31, 2007, because of reassessment difficulties delaying the distribution of property taxes.

BROWN COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated	
Land	\$ 675,000
Buildings	2,499,581
Improvements other than buildings	435,008
Machinery and equipmen	<u>1,444,133</u>
 Total governmental activities, capital assets not being depreciatec	 <u><u>\$ 5,053,722</u></u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Bonds payable:		
General obligation bonds:		
1999 Library Improvement Bonds	\$ 1,880,000	\$ 211,299

BROWN COUNTY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OFFICIAL BOND

The official bond for the Treasurer was not filed in the Office of the County Recorder during the examination period.

Indiana Code 5-4-1-5.1(b) states in part:

"Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

BROWN COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2008, with Yvonne Oliger, Director.
The official concurred with our finding.