

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

EXAMINATION REPORT
OF
CRAWFORDSVILLE DISTRICT PUBLIC LIBRARY
MONTGOMERY COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
01/20/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	L. Hathaway	01-01-07 to 12-31-09
Treasurer	John B. Culley, Jr. E. Dwayne Rater	07-01-06 to 06-30-08 07-01-08 to 06-30-10
President of the Board	Robert Burgess Isobel S. Arvin	07-01-06 to 06-30-08 07-01-08 to 06-30-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CRAWFORDSVILLE DISTRICT
PUBLIC LIBRARY, MONTGOMERY COUNTY, INDIANA

We have examined the financial information presented herein of the Crawfordsville District Public Library (Library), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

December 15, 2009

CRAWFORDSVILLE DISTRICT 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 295,571	\$ 1,096,530	\$ 1,213,162	\$ 178,939
Gift	170,958	68,035	31,112	207,881
Other Funds	51,220	20,880	39,148	32,952
Levy Excess	1,807	-	1,807	-
Debt Service - Lease	604,256	367,610	870,000	101,866
Library Improvement Reserve	1,042,581	80,937	489,751	633,767
Construction	190,568	-	190,568	-
Fiduciary Funds:				
Payroll Withholdings	6,820	163,412	163,049	7,183
PLAC	-	150	150	-
Totals	<u>\$ 2,363,781</u>	<u>\$ 1,797,554</u>	<u>\$ 2,998,747</u>	<u>\$ 1,162,588</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 178,939	\$ 1,852,225	\$ 1,253,768	\$ 777,396
Gift	207,881	19,836	39,837	187,880
Other Funds	32,952	22,886	34,794	21,044
Debt Service - Lease	101,866	1,193,793	870,950	424,709
Library Improvement Reserve	633,767	36,118	16,170	653,715
Fiduciary Funds:				
Payroll Withholdings	7,183	175,875	182,734	324
PLAC	-	90	90	-
Totals	<u>\$ 1,162,588</u>	<u>\$ 3,300,823</u>	<u>\$ 2,398,343</u>	<u>\$ 2,065,068</u>

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

CRAWFORDSVILLE DISTRICT 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 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. However due to property tax reassessment the tax installments for 2007 were due July 20 and November 13, and the tax installments for 2008 were due September 9 and November 10.

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.

CRAWFORDSVILLE DISTRICT 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. Subsequent Event

In 2009, the Library obtained land adjacent to their parking lot for \$202,518. They have accepted a bid for demolishing the buildings on the property and paving the area for \$119,170.

CRAWFORDSVILLE DISTRICT PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 DECEMBER 31, 2008

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Library building	\$ 10,415,000	\$ 434,500

CRAWFORDSVILLE DISTRICT PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Library presented appraisals of the land, building, furnishings and circulating material for review. They do not maintain records that would reflect the acquisition value of those assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OFFICIAL BOND

The Treasurer's official bonds for years 2007, 2008 and 2009 were not filed in the Office of the County Recorder.

IC 36-12-2-22(g) requires the Treasurer's bond to be deposited in the office of the County Recorder. Other library employee bonds shall also be filed in the office of the County Recorder. (Accounting and Uniform Compliance Guidelines manual for Libraries, Chapter 1)

CRAWFORDSVILLE DISTRICT PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2009, with Isobel S. Arvin, President of the Library Board; E. Dwayne Rater, Treasurer; and L. Hathaway, Director. The officials concurred with our findings.