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

EXAMINATION REPORT  
OF  
BROWNSBURG PUBLIC LIBRARY  
HENDRICKS COUNTY, INDIANA  
January 1, 2008 to December 31, 2009



**FILED**  
07/23/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Wanda Pearson	01-01-08 to 12-31-10
Treasurer	Daniel Sulkoske Timothy Wozniak	10-01-07 to 09-30-08 10-01-08 to 09-30-10
President of the Board	Lugene Yearwood	10-01-07 to 09-30-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF BROWNSBURG PUBLIC LIBRARY, HENDRICKS COUNTY, INDIANA

We have examined the financial information presented herein of Brownsburg Public Library, for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

June 14, 2010

BROWNSBURG 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 275,168	\$ 1,222,199	\$ 1,257,083	\$ 240,284
Gift	14,098	12,205	8,949	17,354
Rainy Day	234,838	292,133	207,351	319,620
Bond and Interest Redemption	238,576	336,973	446,000	129,549
Library Improvement Reserve	90,541	2,443	-	92,984
Library Capital Projects	298,549	205,573	151,589	352,533
Fiduciary Fund:				
PLAC	330	1,110	1,350	90
Totals	<u>\$ 1,152,100</u>	<u>\$ 2,072,636</u>	<u>\$ 2,072,322</u>	<u>\$ 1,152,414</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 240,284	\$ 1,381,941	\$ 1,175,352	\$ 446,873
Gift	17,354	9,148	7,275	19,227
Rainy Day	319,620	24,480	21,880	322,220
Bond and Interest Redemption	129,549	442,465	446,000	126,014
Library Improvement Reserve	92,984	-	15,000	77,984
Library Capital Projects	352,533	257,510	163,699	446,344
Fiduciary Fund:				
PLAC	90	1,320	1,050	360
Totals	<u>\$ 1,152,414</u>	<u>\$ 2,116,864</u>	<u>\$ 1,830,256</u>	<u>\$ 1,439,022</u>

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

BROWNSBURG 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 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. 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.

BROWNSBURG 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

On February 2, 2010, the Library Board decided to refinance the debt for the main Library building. It is anticipated the refinancing will save the Library \$368,191 over the remaining life of the debt.

BROWNSBURG PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2009

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	\$ 66,266
Buildings	6,466,353
Improvements other than buildings	61,873
Machinery and equipment	<u>2,950,940</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 9,545,432</u>

BROWNSBURG PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2009

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:		
Addition to and renovation of Library	<u>\$ 3,480,718</u>	<u>\$ 446,000</u>

BROWNSBURG PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on June 14, 2010, with Wanda Pearson, Director; Denise Robinson, Assistant Director; and Kathy Kasubjak, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.