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

EXAMINATION REPORT

OF

ELKHART PUBLIC LIBRARY

ELKHART COUNTY, INDIANA

January 1, 2007 to December 31, 2009



FILED
08/04/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Connie J. Ozinga Deborah Stewart (Interim)	07-01-07 to 04-30-10 05-01-10 to 06-30-11
Treasurer	J. Scott Troeger Brian Byrn	07-01-06 to 06-30-10 07-01-10 to 12-31-11
President of the Board	Stuart B. Basquin Janice Dean	07-01-06 to 06-30-08 07-01-08 to 06-30-11



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Elkhart Public Library (Library), for the period of January 1, 2007 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, 2007, 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The Schedule of Capital Assets 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

July 6, 2010

ELKHART 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, 2008 And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 1,214,883	\$ 8,588,917	\$ 8,263,436	\$ 1,540,364
Gift	5,182	2,088	1,536	5,734
Rainy Day	-	13,798	-	13,798
Levy Excess	40,414	-	40,414	-
Library Improvement Reserve	356,000	-	-	356,000
Library Capital Projects	329,953	533,229	274,294	588,888
Fiduciary Funds:				
Payroll Withholdings	(2,454)	874,152	871,649	49
PLAC	93	180	243	30
Totals	<u>\$ 1,944,071</u>	<u>\$ 10,012,364</u>	<u>\$ 9,451,572</u>	<u>\$ 2,504,863</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 1,540,364	\$ 7,458,448	\$ 7,124,091	\$ 1,874,721
Gift	5,734	985	1,499	5,220
Rainy Day	13,798	131,291	-	145,089
Library Improvement Reserve	356,000	5,326	-	361,326
Library Capital Projects	588,888	208,682	402,033	395,537
Fiduciary Funds:				
Payroll Withholdings	49	931,712	931,761	-
PLAC	30	210	120	120
Totals	<u>\$ 2,504,863</u>	<u>\$ 8,736,654</u>	<u>\$ 8,459,504</u>	<u>\$ 2,782,013</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 1,874,721	\$ 8,686,333	\$ 9,482,725	\$ 1,078,329
Gift	5,220	1,967	1,920	5,267
Rainy Day	145,089	54,313	-	199,402
Library Improvement Reserve	361,326	6,106	-	367,432
Library Capital Projects	395,537	350,687	465,024	281,200
Fiduciary Funds:				
Payroll Withholdings	-	968,259	968,259	-
PLAC	120	150	240	30
Totals	<u>\$ 2,782,013</u>	<u>\$ 10,067,815</u>	<u>\$ 10,918,168</u>	<u>\$ 1,931,660</u>

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

ELKHART 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 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.

ELKHART PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

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.

ELKHART PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
As of 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 193,947
Buildings	3,698,801
Improvements other than buildings	131,139
Machinery and equipment	<u>784,873</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 4,808,760</u>

ELKHART PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

PRESCRIBED FORMS

The following prescribed or approved forms were not in use: General Receipt Form 352 and General Receipt Register Form 370. This was mentioned in the prior Examination Report B29806.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ELKHART PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 24, 2010, with Deborah Stewart, Director (Interim); and Sandra Bevins, Business Manager/Human Resource Manager; and on July 6, 2010, with Brian Byrn, Treasurer.