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

EXAMINATION REPORT  
OF  
GARRETT PUBLIC LIBRARY  
DEKALB COUNTY, INDIANA  
January 1, 2007 to December 31, 2009



**FILED**  
08/11/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Catherine Birdseye	01-01-07 to 12-31-10
Treasurer	Donald Chaffin Ryan Myers	01-01-07 to 12-31-08 01-01-09 to 12-31-10
President of the Board	Carl Baker	01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GARRETT PUBLIC LIBRARY, DEKALB COUNTY, INDIANA

We have examined the financial information presented herein of the Garrett 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.

STATE BOARD OF ACCOUNTS

July 7, 2010

GARRETT 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	\$ 10,803	\$ 537,153	\$ 495,723	\$ 52,233
Gift	23,686	2,379	-	26,065
Rainy Day	4,301	1,274	-	5,575
Grant	4,750	5,241	6,847	3,144
State Technology Grant Fund	-	3,600	1,500	2,100
Library Improvement Reserve	266,894	305,102	200,000	371,996
Library Capital Projects	2,499	32,538	25,269	9,768
Fiduciary Funds:				
Payroll Withholdings	12	55,187	55,181	18
PLAC	31	450	421	60
Totals	<u>\$ 312,976</u>	<u>\$ 942,924</u>	<u>\$ 784,941</u>	<u>\$ 470,959</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 52,233	\$ 787,374	\$ 634,234	\$ 205,373
Gift	26,065	19,611	32,289	13,387
Rainy Day	5,575	13,233	-	18,808
Grant	3,144	15,369	18,313	200
State Technology Grant Fund	2,100	5,400	3,600	3,900
Library Improvement Reserve	371,996	273,543	289,662	355,877
Library Capital Projects	9,768	63,951	19,409	54,310
Fiduciary Funds:				
Payroll Withholdings	18	56,396	56,389	25
PLAC	60	480	390	150
Totals	<u>\$ 470,959</u>	<u>\$ 1,235,357</u>	<u>\$ 1,054,286</u>	<u>\$ 652,030</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 205,373	\$ 687,651	\$ 653,190	\$ 239,834
Gift	13,387	7,833	10,682	10,538
Rainy Day	18,808	7,423	-	26,231
Grant	200	110	35	275
State Technology Grant	3,900	5,400	7,200	2,100
Library Improvement Reserve	355,877	295,372	201,800	449,449
Library Capital Projects	54,310	34,978	49,090	40,198
Fiduciary Funds:				
Payroll Withholdings	25	51,419	51,414	30
PLAC	150	301	300	151
Totals	<u>\$ 652,030</u>	<u>\$ 1,090,487</u>	<u>\$ 973,711</u>	<u>\$ 768,806</u>

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

GARRETT 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 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.

GARRETT 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.

GARRETT PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on July 7, 2010, with Catherine Birdseye, Director; and Ryan Myers, Treasurer. Our examination disclosed no material items that warrant comment at this time.