

B38010

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

EXAMINATION REPORT
OF
TIPPECANOE COUNTY CONTRACTUAL LIBRARY
TIPPECANOE COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
12/08/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Long-Term Debt	7
Examination Results and Comments:	
Capital Asset Records	8
Overdrawn Cash Balances.....	8
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jos Holman	01-01-08 to 12-31-10
Treasurer	Sarah Hicks Dinah McClure	01-01-08 to 12-31-09 01-01-10 to 12-31-10
President of the Board	Dinah McClure Sarah Hicks	01-01-08 to 12-31-09 01-01-10 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TIPPECANOE COUNTY CONTRACTUAL
LIBRARY, TIPPECANOE COUNTY, INDIANA

We have examined the financial information presented herein of the Tippecanoe County Contractual Library (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.

Except as described in the next paragraph, 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.

Our prior examination did not express an opinion on the financial statements, for the period January 1, 2006 to December 31, 2007, because the scope of our examination was limited due to a lack of bank reconciliements for the period and a significant amount of unidentified cash within the bank accounts. We were unable to satisfy ourselves as to the accuracy of the cash and investment balances as of January 1, 2008.

In our opinion, except for the adjustments, if any, that would be required to the cash and investment balances at January 1, 2008 should the bank reconciliements have been correctly prepared, 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 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

September 21, 2009

TIPPECANOE COUNTY CONTRACTUAL 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	\$ 982,128	\$ 5,882,541	\$ 6,550,250	\$ 314,419
Gift	401,633	255,426	119,882	537,177
Rainy Day	318,977	65,635	-	384,612
Levy Excess	25,864	-	-	25,864
Bond and Interest Redemption	40,115	732,607	816,472	(43,750)
Library Improvement Reserve	226,923	149,000	-	375,923
Library Capital Projects	59,553	30,173	39,681	50,045
Construction	6,878	-	-	6,878
Construction 2006	(132,790)	-	-	(132,790)
Fiduciary Fund:				
PLAC	682	120	180	622
Totals	<u>\$ 1,929,963</u>	<u>\$ 7,115,502</u>	<u>\$ 7,526,465</u>	<u>\$ 1,519,000</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 314,419	\$ 7,413,850	\$ 7,112,532	\$ 615,737
Gift	537,177	90,993	78,760	549,410
Rainy Day	384,612	73,608	-	458,220
Levy Excess	25,864	-	-	25,864
Bond and Interest Redemption	(43,750)	1,032,066	701,932	286,384
Library Improvement Reserve	375,923	88,000	-	463,923
Library Capital Projects	50,045	85,474	94,738	40,781
Construction	6,878	-	-	6,878
Construction 2006	(132,790)	-	-	(132,790)
Fiduciary Fund:				
PLAC	622	300	300	622
Totals	<u>\$ 1,519,000</u>	<u>\$ 8,784,291</u>	<u>\$ 7,988,262</u>	<u>\$ 2,315,029</u>

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

TIPPECANOE COUNTY CONTRACTUAL 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 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.

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.

TIPPECANOE COUNTY CONTRACTUAL 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.

TIPPECANOE COUNTY CONTRACTUAL 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:		
Bonds payable:		
General obligation bonds:		
2005 Bonds	\$ 1,345,000	\$ 315,000
2009 Bonds	<u>2,400,000</u>	<u>255,000</u>
Total governmental activities debt	<u>\$ 3,745,000</u>	<u>\$ 570,000</u>

TIPPECANOE COUNTY CONTRACTUAL LIBRARY
EXAMINATION RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The Library does not maintain capital asset records.

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)

OVERDRAWN CASH BALANCES

The cash balances of the Library Bond and Interest Fund and the Construction 2006 Fund were overdrawn at December 31, 2008, and the Construction 2006 Fund was overdrawn at December 31, 2009.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

TIPPECANOE COUNTY CONTRACTUAL LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 21, 2010, with Jos Holman, Director; Sarah Hicks, former Treasurer/President of the Board; and Dinah McClure, former President of the Board/current Treasurer.