

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

EXAMINATION REPORT
OF
EDINBURGH WRIGHT-HAGEMAN PUBLIC LIBRARY
JOHNSON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
01/03/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Cathy J. Hamm	01-01-08 to 12-31-10
Treasurer	Cindy Bechtel	01-01-08 to 12-31-10
President of the Board	Gail Hoffman	01-01-08 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EDINBURGH WRIGHT-HAGEMAN
PUBLIC LIBRARY, JOHNSON COUNTY, INDIANA

We have examined the financial information presented herein of the Edinburgh Wright-Hageman Public 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.

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 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

October 5, 2010

EDINBURGH WRIGHT-HAGEMAN 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	\$ 79,498	\$ 373,289	\$ 354,176	\$ 98,611
Gift	10,754	14,294	12,571	12,477
Rainy Day	21,972	10,610	-	32,582
Johnson County Foundation	2,099	677	2,776	-
Bond and Interest Redemption	46,768	94,335	95,500	45,603
Library Improvement Reserve	177,988	4,430	-	182,418
State Technology	3,900	3,600	3,600	3,900
Fiduciary Funds:				
Payroll Withholdings	-	33,670	33,670	-
PLAC	-	330	330	-
Totals	<u>\$ 342,979</u>	<u>\$ 535,235</u>	<u>\$ 502,623</u>	<u>\$ 375,591</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 98,611	\$ 257,614	\$ 286,363	\$ 69,862
Gift	12,477	12,825	12,820	12,482
Rainy Day	32,582	7,775	-	40,357
Bond and Interest Redemption	45,603	69,808	95,918	19,493
Library Improvement Reserve	182,418	2,482	12,000	172,900
State Technology	3,900	3,600	3,300	4,200
Gates Grant Match	-	3,375	-	3,375
Fiduciary Funds:				
Payroll Withholdings	-	32,535	32,535	-
PLAC	-	150	150	-
Totals	<u>\$ 375,591</u>	<u>\$ 390,164</u>	<u>\$ 443,086</u>	<u>\$ 322,669</u>

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

EDINBURGH WRIGHT-HAGEMAN 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.

EDINBURGH WRIGHT-HAGEMAN 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.

EDINBURGH WRIGHT-HAGEMAN 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 lease payable:		
Building Addition and Renovation	<u>\$ 267,880</u>	<u>\$ 99,000</u>
Notes payable:		
Line of Credit:		
Operational needs	<u>\$ 65,000</u>	<u>\$ 17,382</u>
Total governmental activities debt	<u><u>\$ 332,880</u></u>	<u><u>\$ 116,382</u></u>

EDINBURGH WRIGHT-HAGEMAN PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

Annual reports presented for 2008 and 2009 were incomplete and not reflective of all of the funds activity and balances.

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)

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
General	2008	\$ 80,247
General	2009	30,047

IC 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

EDINBURGH WRIGHT-HAGEMAN PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2010, with Cathy J. Hamm, Director; Cindy Bechtel, Treasurer; and Gail Hoffman, President of the Board. The officials concurred with our findings.