

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

EXAMINATION REPORT
OF
PORTER COUNTY PUBLIC LIBRARY
PORTER COUNTY, INDIANA
January 1, 2008 to December 31, 2010



FILED
02/08/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	James Cline	01-01-08 to 12-30-11
Treasurer	Sheila Minton	01-01-08 to 12-30-11
President of the Board	William Eckert, Jr. Gerrie Bowie Dave White	07-01-07 to 06-30-09 07-01-09 to 06-30-10 07-01-10 to 06-30-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Porter County Public Library (Library), for the period of January 1, 2008 to December 31, 2010. 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, 2009, and 2010, 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

January 20, 2011

PORTER COUNTY 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, 2009, And 2010

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 517,769	\$ 9,729,010	\$ 9,859,837	\$ 386,942
Gift	41,394	489,041	483,194	47,241
State Technology Grant	14,994	50,352	30,546	34,800
Bond and Interest Redemption	64,210	6,252,887	6,203,775	113,322
Library Improvement Reserve	120,409	1,103,306	1,100,000	123,715
Library Capital Projects	284,464	29,636,373	27,465,240	2,455,597
Fiduciary Funds:				
Payroll Withholdings	-	553,460	544,149	9,311
PLAC	-	300	300	-
Totals	<u>\$ 1,043,240</u>	<u>\$ 47,814,729</u>	<u>\$ 45,687,041</u>	<u>\$ 3,170,928</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 386,942	\$ 7,743,859	\$ 7,734,513	\$ 396,288
Gift	47,241	456,452	463,549	40,144
Rainy Day	-	250,000	-	250,000
State Technology Grant	34,800	29,400	34,800	29,400
Bond and Interest Redemption	113,322	3,816,952	3,354,461	575,813
Library Improvement Reserve	123,715	1,270,830	1,269,733	124,812
Library Capital Projects	2,455,597	29,749,932	27,861,524	4,344,005
Fiduciary Funds:				
Payroll Withholdings	9,311	533,107	533,268	9,150
PLAC	-	420	300	120
Totals	<u>\$ 3,170,928</u>	<u>\$ 43,850,952</u>	<u>\$ 41,252,148</u>	<u>\$ 5,769,732</u>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 396,288	\$ 6,738,444	\$ 6,874,193	\$ 260,539
Gift	40,144	542,265	529,279	53,130
Rainy Day	250,000	3,169,897	2,918,580	501,317
State Technology Grant	29,400	-	29,400	-
Levy Excess	-	16,082	-	16,082
Bond and Interest Redemption	575,813	8,710,560	8,697,485	588,888
Library Improvement Reserve	124,812	1,499,532	1,499,200	125,144
Library Capital Projects	4,344,005	50,596,778	49,899,430	5,041,353
Fiduciary Funds:				
Payroll Withholdings	9,150	558,238	558,360	9,028
PLAC	120	150	270	-
Totals	<u>\$ 5,769,732</u>	<u>\$ 71,831,946</u>	<u>\$ 71,006,197</u>	<u>\$ 6,595,481</u>

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

PORTER COUNTY 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 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.

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.

PORTER COUNTY 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.

PORTER COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2010

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	\$ 708,800
Buildings	12,908,000
Improvements other than buildings	564,440
Machinery and equipment	<u>217,784</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 14,399,024</u>

PORTER COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

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:		
Building Bond for 5 branches Refinanced 2009	\$ 5,165,000	\$ 1,234,498

PORTER COUNTY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

RECEIPTS

The receipts were not always marked in the area designating cash, check, or money order. Duplicate deposit slips were not maintained which would have indicated the amounts of cash and checks deposited to the bank. Therefore, we were unable to trace the composition of the receipts to the bank.

IC 5-13-6-1(c) states in part: "Public funds . . . shall be deposited in the same form in which they were received."

PORTER COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on January 20, 2011, with James Cline, Director, and Sheila Minton, Treasurer.