

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT

OF

AURORA PUBLIC LIBRARY DISTRICT

DEARBORN COUNTY, INDIANA

January 1, 2003 to December 31, 2005



FILED
7/21/06

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary Alice Horton	01-01-03 to 12-31-06
Treasurer	Roger L. Rullman	01-01-03 to 12-31-06
President of the Board	Jan Tyler	01-01-03 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE AURORA PUBLIC LIBRARY DISTRICT, DEARBORN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Aurora Public Library District (Library), for the period of January 1, 2003 to December 31, 2005. The Library's management is responsible for the schedules. 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 schedule of receipts, disbursements, and cash and investment balances 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 schedules referred to above present fairly, in all material respects, the cash transactions of the Library for the years ended December 31, 2003, 2004, and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

June 22, 2006

AURORA PUBLIC LIBRARY DISTRICT
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2003, 2004, And 2005

	Cash and Investments 01-01-03	Receipts	Disbursements	Cash and Investments 12-31-03
Governmental Funds:				
General	\$ 916,436	\$ 403,067	\$ 845,526	\$ 473,977
Gift	482,855	62,055	42,237	502,673
Rainy Day	200,012	84,748	-	284,760
Webpage	6,773	-	3,216	3,557
Bond and Interest Redemption	30,460	78,340	108,383	417
Library Improvement Reserve	733,777	211,256	36,500	908,533
Library Capital Projects	260,111	22,740	978	281,873
Construction	148,935	101,205	233,408	16,732
Fiduciary Fund:				
Postage	239	159	176	222
Totals	<u>\$ 2,779,598</u>	<u>\$ 963,570</u>	<u>\$ 1,270,424</u>	<u>\$ 2,472,744</u>

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 473,977	\$ 699,291	\$ 1,018,367	\$ 154,901
Gift	502,673	20,272	4,633	518,312
Rainy Day	284,760	154,977	-	439,737
Webpage	3,557	-	-	3,557
Bond and Interest Redemption	417	116,593	107,382	9,628
Library Improvement Reserve	908,533	405,210	28,427	1,285,316
Library Capital Projects	281,873	55,463	298	337,038
Grants General	-	4,000	-	4,000
Construction	16,732	33	33	16,732
Fiduciary Funds:				
Postage	222	128	156	194
PLAC	-	312	312	-
Totals	<u>\$ 2,472,744</u>	<u>\$ 1,456,279</u>	<u>\$ 1,159,608</u>	<u>\$ 2,769,415</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 154,901	\$ 1,145,188	\$ 1,114,224	\$ 185,865
Gift	518,312	23,643	14,095	527,860
Rainy Day	439,737	150,199	-	589,936
Webpage	3,557	-	-	3,557
Bond and Interest Redemption	9,628	195,372	142,270	62,730
Library Improvement Reserve	1,285,316	437,936	-	1,723,252
Library Capital Projects	337,038	63,375	-	400,413
Grants General	4,000	-	4,000	-
Construction	16,732	-	14,260	2,472
Fiduciary Funds:				
Postage	194	132	60	266
PLAC	-	280	280	-
Totals	<u>\$ 2,769,415</u>	<u>\$ 2,016,125</u>	<u>\$ 1,289,189</u>	<u>\$ 3,496,351</u>

The accompanying notes are an integral part of the schedules.

AURORA PUBLIC LIBRARY DISTRICT
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: library 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.

AURORA PUBLIC LIBRARY DISTRICT
NOTES TO SCHEDULES
(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.

Note 7. Long-Term Debt

The Library has issued general obligation bonds for the acquisition and construction of major capital facilities. The outstanding principal at December 31, 2005, was \$735,000.

AURORA PUBLIC LIBRARY DISTRICT
EXAMINATION RESULT AND COMMENT

ANNUAL REPORT

An annual report for the years 2004 and 2005 was not presented for audit.

Indiana Code 5-11-1-4 states, in part: "(a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. . . . (b) The following shall prepare, verify, and file the reports required under subsection (a) not later than sixty (60) days after the end of each fiscal year . . . (2) A public library."

AURORA PUBLIC LIBRARY DISTRICT
EXIT CONFERENCE

The contents of this report were discussed on June 22, 2006, with Mary Alice Horton, Director.