

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

EXAMINATION REPORT
OF
TIPPECANOE COUNTY PUBLIC LIBRARY
TIPPECANOE COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
08/31/2006

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report	3
Schedules of Receipts, Disbursements, and Cash and Investment Balances.....	4
Notes to Schedules	5-6
Examination Result and Comment: Capital Asset Records	7
Exit Conference	8

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jos Holman	01-01-04 to 12-31-06
Treasurer	Patricia Garrott Dinah McClure	01-01-04 to 12-31-05 01-01-06 to 12-31-06
President of the Board	Van Phillips Patricia Garrott	01-01-04 to 12-31-05 01-01-06 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Tippecanoe County Public Library (Library), for the period of January 1, 2004 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, 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

July 27, 2006

TIPPECANOE 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, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 2,037,037	\$ 3,917,227	\$ 4,205,502	\$ 1,748,762
Gift	265,338	69,545	40,022	294,861
Bond and Interest Redemption	245,181	416,085	495,524	165,742
Library Improvement Reserve	204,725	150,000	-	354,725
Library Capital Projects	93,423	192,852	189,192	97,083
Construction	32,079	-	-	32,079
Rainy Day	-	404,113	-	404,113
Flex Benefits	39,410	-	8,778	30,632
Fiduciary Fund: PLAC	582	551	443	690
Totals	<u>\$ 2,917,775</u>	<u>\$ 5,150,373</u>	<u>\$ 4,939,461</u>	<u>\$ 3,128,687</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 1,748,762	\$ 4,058,104	\$ 4,503,964	\$ 1,302,902
Gift	294,861	161,944	163,880	292,925
Bond and Interest Redemption	165,742	263,246	294,336	134,652
Library Improvement Reserve	354,725	250,000	602,802	1,923
Library Capital Projects	97,083	199,409	235,826	60,666
Construction	32,079	-	-	32,079
Construction 2006	-	2,475,020	-	2,475,020
Rainy Day	404,113	300,000	-	704,113
Flex Benefits	30,632	232,931	223,265	40,298
Fiduciary Fund: PLAC	690	194	194	690
Totals	<u>\$ 3,128,687</u>	<u>\$ 7,940,848</u>	<u>\$ 6,024,267</u>	<u>\$ 5,045,268</u>

The accompanying notes are an integral part of the schedules.

TIPPECANOE COUNTY PUBLIC LIBRARY
NOTES TO SCHEDULES

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. 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.

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.

TIPPECANOE COUNTY PUBLIC LIBRARY
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 entered into various debts such as bonds for construction and a capital lease for a vehicle. The outstanding principal at December 31, 2005, was \$5,650,000 and \$6,985, respectively.

Note 8. Subsequent Event

The Tippecanoe County Public Library started construction of a new branch library in 2006. Bonds were issued in the amount of \$2,500,000. The total cost of the project was estimated to be around \$2,600,000.

TIPPECANOE COUNTY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

Capital asset records have not been established.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken 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)

TIPPECANOE COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 27, 2006, with Jos Holman, Director; Dinah McClure, Treasurer; and Patricia Garrott, former Treasurer and current President of the Board.