

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

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



FILED
09/19/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	E. Hope Wilson	01-01-04 to 12-31-06
Treasurer	Kay J. Smith Glenna Pinkham	01-01-04 to 12-31-04 01-20-05 to 12-31-06
President of the Board	Harold Arndt Maryann Wehrenberg Brian Kaiser	01-01-04 to 12-31-04 01-01-05 to 12-31-05 01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE FREMONT PUBLIC LIBRARY, STEUBEN COUNTY, INDIANA

We have examined the schedules of receipts, disbursements, and cash and investment balances of the Fremont 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

August 14, 2006

FREMONT 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	\$ 136,196	\$ 354,606	\$ 367,908	\$ 122,894
Gift	974	25,588	24,911	1,651
Breast Cancer	-	1,000	238	762
Art Grant	61	595	656	-
Brick	19,895	1,700	732	20,863
Bond and Interest Redemption	-	348,989	348,989	-
Library Improvement Reserve	101,474	229,264	115,237	215,501
Building	287,569	997	206,703	81,863
Fiduciary Funds:				
Payroll Withholdings	-	28,413	28,413	-
PLAC	209	650	781	78
Totals	<u>\$ 546,378</u>	<u>\$ 991,802</u>	<u>\$ 1,094,568</u>	<u>\$ 443,612</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 122,894	\$ 1,034,682	\$ 418,650	\$ 738,926
Gift	1,651	2,482	1,749	2,384
Breast Cancer	762	-	268	494
Brick	20,863	-	-	20,863
Bond and Interest Redemption	-	349,697	297,561	52,136
Library Improvement Reserve	215,501	183,677	8,416	390,762
Building	81,863	18,000	34,602	65,261
Fiduciary Funds:				
Payroll Withholdings	-	30,922	30,922	-
PLAC	78	392	358	112
Totals	<u>\$ 443,612</u>	<u>\$ 1,619,852</u>	<u>\$ 792,526</u>	<u>\$ 1,270,938</u>

The accompanying notes are an integral part of the schedules.

FREMONT PUBLIC LIBRARY
NOTES TO SCHEDULES

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture and recreation 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.

FREMONT PUBLIC LIBRARY
NOTES TO SCHEDULES

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 bonds for construction of a library building. The outstanding principal at December 31, 2005, was \$2,020,000.

FREMONT PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 14, 2006, with Glenna Pinkham, Treasurer; and Brian Kaiser, President of the Board. Our examination disclosed no material items that warrant comment at this time.