

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

EXAMINATION REPORT

OF

JACKSON COUNTY PUBLIC LIBRARY

JACKSON COUNTY, INDIANA

January 1, 2004 to December 31, 2005



**FILED**  
09/20/2006



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Julia Aker	01-01-04 to 12-31-06
Treasurer	Mary L. Reed	01-01-04 to 12-31-06
President of the Board	Shirley Lewis Janis C. Brett	01-01-04 to 12-31-05 01-01-06 to 12-31-06



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INDEPENDENT ACCOUNTANT'S REPORT

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

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

August 21, 2006

JACKSON 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	\$ 339,822	\$ 1,183,261	\$ 1,335,420	\$ 187,663
Gift	83,745	179,472	226,029	37,188
Rainy Day	91,558	1,103	3,782	88,879
Building Fund	-	9,145	-	9,145
Bond and Interest Redemption	-	561,238	558,234	3,004
Library Improvement Reserve	95,577	26,174	102,669	19,082
Library Capital Projects	4,187	223,319	122,664	104,842
Construction	2,886,135	18,217	1,972,608	931,744
Fiduciary Funds:				
Payroll Withholdings	-	167,604	167,604	-
PLAC	-	182	156	26
Totals	<u>\$ 3,501,024</u>	<u>\$ 2,369,715</u>	<u>\$ 4,489,166</u>	<u>\$ 1,381,573</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 187,663	\$ 2,087,990	\$ 1,677,952	\$ 597,701
Gift	37,188	217,037	129,986	124,239
Rainy Day	88,879	4,412	85,000	8,291
Building Fund	9,145	15,935	24,261	819
Bond and Interest Redemption	3,004	857,429	798,482	61,951
Library Improvement Reserve	19,082	110,144	4,382	124,844
Library Capital Projects	104,842	363,274	329,030	139,086
Construction	931,744	100,690	1,032,434	-
Fiduciary Funds:				
Payroll Withholdings	-	185,511	185,511	-
PLAC	26	112	138	-
Totals	<u>\$ 1,381,573</u>	<u>\$ 3,942,534</u>	<u>\$ 4,267,176</u>	<u>\$ 1,056,931</u>

The accompanying notes are an integral part of the schedules.

JACKSON 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: cultural 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.

JACKSON 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 debt such as bonds for improvements to the Library Building. The outstanding principal at December 31, 2005, was \$2,375,000.

JACKSON COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2007, with Julia Aker, Director; Janis C. Brett, President of the Library Board; and Mary L. Reed, Treasurer. Our examination disclosed no material items that warrant comment at this time.