

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

EXAMINATION REPORT  
OF  
MORRISSON-REEVES LIBRARY  
WAYNE COUNTY, INDIANA  
January 1, 2006 to December 31, 2006



**FILED**  
10/11/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Carol B. McKey	01-01-06 to 12-31-07
Treasurer	Kent G. Klinge	01-01-06 to 12-31-07
President of the Board	Linda Ronald	01-01-06 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MORRISSON-REEVES LIBRARY, WAYNE COUNTY, INDIANA

We have examined the financial information presented herein of MorriSSon-Reeves Library (Library), for the period of January 1, 2006 to December 31, 2006. 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 year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

August 20, 2007

MORRISON-REEVES LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 272,598	\$ 2,797,661	\$ 2,881,898	\$ 188,361
Gift	461,773	173,523	351,129	284,167
Rainy Day	43,353	-	10,198	33,155
Construction	561	-	-	561
Library Improvement Reserve	362,363	63,782	133,934	292,211
Capital Projects	91,039	158,961	193,762	56,238
Fiduciary Funds:				
Payroll Withholdings	14,855	1,400,870	1,394,644	21,081
PLAC	9,804	3,721	3,714	9,811
Contractual Services	14,000	73,747	77,128	10,619
Totals	<u>\$ 1,270,346</u>	<u>\$ 4,672,265</u>	<u>\$ 5,046,407</u>	<u>\$ 896,204</u>

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

MORRISSON-REEVES 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. 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.

MORRISSON-REEVES 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.

Note 7. Subsequent Event

The Library started a construction project in 2006 to make improvements related to energy conservation. This project was not completed until 2007. The total cost of the improvements was \$1,304,554. Debt service on this amount is \$80,782.38 paid semiannually for 10 years. The final payment is scheduled to be made on July 11, 2016. The interest rate is 4.05%.

MORRISON-REEVES LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASES

The Library has entered into the following capital lease:

<u>Description of Asset</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:		
Capital leases:		
Energy Saving Construction & Equipment	\$ 1,271,285	\$ 96,120
	<u>-</u>	<u>-</u>
Total governmental activities long-term debt	<u>\$ 1,271,285</u>	<u>\$ 96,120</u>

MORRISSON-REEVES LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2007, with Carol B. McKey, Director; and Barbara Roll, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.