

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

EXAMINATION REPORT
OF
HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
BOONE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/29/2008

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances	4
Notes to Financial Information	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7
Schedule of Long-Term Debt	8
Examination Result and Comment:	
Official Bond	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Martha E. Catt	01-01-06 to 12-31-08
Treasurer	Lisa Hull	01-01-06 to 09-29-07
	LeeAnn Biggs	10-01-07 to 12-31-07
	Monty Korte	01-01-08 to 12-31-08
President of the Board	LeeAnn Biggs	01-01-06 to 12-31-08



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE HUSSEY-MAYFIELD MEMORIAL
PUBLIC LIBRARY, BOONE COUNTY, INDIANA

We have examined the financial information presented herein of the Hussey-Mayfield Memorial Public Library (Library), for the period of January 1, 2006 to December 31, 2007. 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.

As discussed in Note 2, the financial information referred to above does not include a component unit of the Library which should have been included to fairly present the cash transactions of the Library.

In our opinion, except that the omission of the component unit of the Library referred to in the preceding paragraph, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2006 and 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

November 25, 2008

HUSSEY-MAYFIELD MEMORIAL 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 359,164	\$ 1,614,627	\$ 1,500,042	\$ 473,749
Rainy Day	1,095	29	1,000	124
Community Room	2,450	975	650	2,775
Grant	17	2,086	2,103	-
Levy Excess	6,874	51	6,925	-
State Technology	-	5,400	450	4,950
Library Improvement Reserve	403,972	24,766	142,337	286,401
Library Capital Projects	27,477	13,727	23,787	17,417
Library Lease Rental	74,740	738,962	664,500	149,202
Construction	88,609	310	88,919	-
Fiduciary Funds:				
Designated Gift	34,503	23,584	28,465	29,622
Undesignated Gift	306,811	20,132	6,867	320,076
Totals	<u>\$ 1,305,712</u>	<u>\$ 2,444,649</u>	<u>\$ 2,466,045</u>	<u>\$ 1,284,316</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 473,749	\$ 1,711,899	\$ 1,744,961	\$ 440,687
Rainy Day	124	204,207	-	204,331
Community Room	2,775	850	600	3,025
Grant	-	1,198	1,197	1
Levy Excess	-	716	-	716
State Technology	4,950	5,506	5,400	5,056
Library Improvement Reserve	286,401	59,089	85,941	259,549
Library Capital Projects	17,417	3,076	10,554	9,939
Library Lease Rental	149,202	471,586	537,360	83,428
Fiduciary Funds:				
Designated Gift	29,622	20,425	26,727	23,320
Undesignated Gift	320,076	14,738	5,938	328,876
Totals	<u>\$ 1,284,316</u>	<u>\$ 2,493,290</u>	<u>\$ 2,418,678</u>	<u>\$ 1,358,928</u>

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

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural services.

Note 2. Reporting Entity

The financial information presents the Library (primary government) and its significant component units. The component units discussed below are included in the Library's reporting entity because of their operational or financial relationship with the Library.

Management has chosen to omit from this financial information a component unit, Hussey-Mayfield Memorial Public Library Foundation, which has significant operational or financial relationships with the Library. Accordingly, the information does not include the data of the Library's component unit necessary to fairly present the financial information of the Library.

Note 3. 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 4. 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 5. 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).

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. 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.

Note 7. 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.

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2007

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 160,000
Buildings	9,566,882
Improvements other than buildings	549,960
Machinery and equipment	<u>838,732</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 11,115,574</u>

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2007

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One - Year
Governmental Activities:		
Capital leases:		
2002 Lease	\$ 1,960,000	\$ 282,000
2004 Lease	4,385,000	255,000
Total governmental activities debt	\$ 6,345,000	\$ 537,000

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OFFICIAL BONDS

The official bond for the Treasurer was not filed in the office of the County Recorder for the periods of January 20, 2006 to January 20, 2007, and January 20, 2007 to January 20, 2008.

Corrective action was taken and the bond was recorded for the periods on October 30, 2008.

Indiana Code 36-12-2-22 states in part:

"(g) The treasurer shall give a surety bond for the faithful performance of the treasurer's duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be: . . .

(7) deposited in the office of the recorder of the county in which the library district is located."

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

HUSSEY-MAYFIELD MEMORIAL PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 25, 2008, with Martha E. Catt, Director.
The official concurred with our finding.