

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

EXAMINATION REPORT
OF
MICHIGAN CITY PUBLIC LIBRARY
LAPORTE COUNTY, INDIANA
January 1, 2006 to December 31, 2007



FILED
12/31/2008

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Don Glossinger	01-01-06 to 12-31-08
Controller	Beth Thiede	01-01-06 to 12-31-08
President of the Board	Joseph Ramion Kenneth Rottman Robert Reyher	01-01-06 to 03-31-07 04-01-07 to 12-31-07 01-01-08 to 12-31-08



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MICHIGAN CITY PUBLIC LIBRARY, LAPORTE COUNTY, INDIANA

We have examined the financial information presented herein of the Michigan City 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.

In our opinion, 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.

STATE BOARD OF ACCOUNTS

November 13, 2008

MICHIGAN CITY 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	\$ 246,258	\$ 4,407,589	\$ 4,360,885	\$ 292,962
Endowment Interest	13,374	18,174	12,531	19,017
Platt-Coffin Estate Interest	18,804	20,726	22,691	16,839
Gift/Forum Speakers	5,941	7,087	1,629	11,399
Library Improvement Reserve	1,032,430	250,000	200,815	1,081,615
Literacy	1,510	1,150	447	2,213
Programming/Writing Out Loud	104	6,535	6,417	222
Charles DeYoung Literacy Internship	1,800	-	-	1,800
Art Collection	253,705	152,512	406,217	-
Levy Excess	84,942	86,422	84,942	86,422
Fiduciary Funds:				
PLAC	-	186	155	31
Sinai Forum	-	1,130	1,130	-
Friends	2,041	16,315	18,093	263
Payroll Withholdings	12,749	393,484	392,863	13,370
Endowment Trust	222	10,251	10,198	275
Endowment Investment	410,748	428,495	-	839,243
Platt-Coffin Estate	444,632	21,385	-	466,017
Totals	\$ 2,529,260	\$ 5,821,441	\$ 5,519,013	\$ 2,831,688

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 292,962	\$ 2,982,280	\$ 2,810,877	\$ 464,365
Endowment Interest	19,017	27,039	22,580	23,476
Platt-Coffin Estate Interest	16,839	18,416	14,389	20,866
Gift/Forum Speakers	11,399	1,043	4,552	7,890
Library Improvement Reserve	1,081,615	280,000	1,015,628	345,987
Literacy	2,213	1,120	1,575	1,758
Programming/Writing Out Loud	222	4,276	4,429	69
Charles DeYoung Literacy Internship	1,800	-	50	1,750
Levy Excess	86,422	18,676	86,422	18,676
Fiduciary Funds:				
PLAC	31	90	91	30
Sinai Forum	-	720	720	-
Friends	263	11,832	11,713	382
Payroll Withholdings	13,370	397,456	398,346	12,480
Endowment Trust	275	24,490	24,325	440
Endowment Investment	839,243	50,762	-	890,005
Platt-Coffin Estate	466,017	15,587	-	481,604
Totals	\$ 2,831,688	\$ 3,833,787	\$ 4,395,697	\$ 2,269,778

The accompanying notes are an integral part of the schedules.

MICHIGAN CITY 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.

MICHIGAN CITY 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.

MICHIGAN CITY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed over the phone on November 13, 2008, with Beth Thiede, Comptroller. Our examination disclosed no material items that warrant comment at this time.