

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

EXAMINATION REPORT
OF
KOKOMO HOWARD COUNTY PUBLIC LIBRARY
HOWARD COUNTY, INDIANA
January 1, 2007 to December 31, 2008



FILED
12/30/2009

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Charles N. Joray	01-01-07 to 12-31-09
Treasurer	Charles W. Zook	01-01-07 to 12-31-09
President of the Board of Trustees	William C. Sahn Susan Luttrell	01-01-07 to 12-31-08 01-01-09 to 12-31-09



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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 KOKOMO HOWARD COUNTY
PUBLIC LIBRARY, HOWARD COUNTY, INDIANA

We have examined the financial information presented herein of the Kokomo Howard County Public Library (Library), for the period of January 1, 2007 to December 31, 2008. 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, 2007 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets 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

November 4, 2009

KOKOMO HOWARD 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, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 10,254	\$ 4,859,496	\$ 4,866,857	\$ 2,893
Gift	12,970	8,932	2,067	19,835
Rainy Day	60,290	-	6,016	54,274
Desktop Publishing	15,692	1,539	20	17,211
State Technology Grant	10,572	10,950	10,572	10,950
Vending	2,861	4,704	3,508	4,057
Library Improvement Reserve	4,359,961	582,463	357,359	4,585,065
Fiduciary Funds:				
Payroll Withholdings	20,328	805,210	806,617	18,921
2006 Medical Spending	59,302	744	60,046	-
2007 Medical Spending		93,751	36,267	57,484
PLAC	744	5,403	3,145	3,002
Elizabeth B Handley Fund	10,865	528	-	11,393
Totals	\$ 4,563,839	\$ 6,373,720	\$ 6,152,474	\$ 4,785,085
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 2,893	\$ 5,145,086	\$ 5,057,985	\$ 89,994
Gift	19,835	7,972	1,359	26,448
Rainy Day	54,274	55,490	27,208	82,556
Desktop Publishing	17,211	326	24	17,513
State Technology Grant	10,950	3,044	10,950	3,044
Vending	4,057	4,194	5,641	2,610
Main Library Vending	-	8,839	3,947	4,892
Library Improvement Reserve	4,585,065	429,686	-	5,014,751
Fiduciary Funds:				
Payroll Withholdings	18,921	851,963	846,697	24,187
2007 Medical Spending	57,484	916	58,400	-
2008 Medical Spending	-	106,647	43,620	63,027
PLAC	3,002	5,340	7,470	872
Elizabeth B Handley Fund	11,393	295	-	11,688
Totals	\$ 4,785,085	\$ 6,619,798	\$ 6,063,301	\$ 5,341,582

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

KOKOMO HOWARD COUNTY PUBLIC 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: public safety, health and social 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 or highway use taxes are received 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.

KOKOMO HOWARD COUNTY PUBLIC 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 is undergoing a major renovation of their main library location. Cost of the project is \$3,685,000 which will be paid from the Library Improvement Reserve Fund.

KOKOMO HOWARD COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 446,450
Buildings	5,648,176
Improvements other than buildings	5,518,274
Machinery and equipment	<u>2,310,181</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 13,923,081</u></u>

KOKOMO HOWARD COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 9, 2009, with Charles N. Joray, Director; Charles W. Zook, Treasurer; Susan Luttrell, President of the Board of Trustees; and Beverly Evans, Assistant Treasurer. Our examination disclosed no material items that warrant comment at this time.