

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

EXAMINATION REPORT
OF
DUBOIS COUNTY CONTRACTUAL LIBRARY
DUBOIS COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/17/2010

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
Exit Conference.....	9

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Rita C. Douthitt	01-01-08 to 12-31-10
Treasurer	Deborah J. Stemle	01-01-08 to 12-31-10
Bookkeeper	Rita Lovell	01-01-08 to 12-31-10
President of the Board	Kathleen J. Tretter	01-01-08 to 12-31-10



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 DUBOIS COUNTY
CONTRACTUAL LIBRARY, DUBOIS COUNTY, INDIANA

We have examined the financial information presented herein of the Dubois County Contractual Library (Library), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, 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

September 9, 2010

DUBOIS COUNTY CONTRACTUAL 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 169,295	\$ 592,670	\$ 516,210	\$ 245,755
Gift	1,401	958	1,100	1,259
Rainy Day	63,172	66,701	-	129,873
State Technology Grant	1,707	3,335	1,707	3,335
Construction	-	3,968,822	32,861	3,935,961
Library Improvement Reserve	657,317	100,565	148,849	609,033
Fiduciary Funds:				
Payroll Withholdings	3,236	120,695	119,825	4,106
Other	-	296	294	2
Totals	<u>\$ 896,128</u>	<u>\$ 4,854,042</u>	<u>\$ 820,846</u>	<u>\$ 4,929,324</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 245,755	\$ 618,754	\$ 491,678	\$ 372,831
Gift	1,259	1,242	346	2,155
Gift - Dubois Branch Project	-	39,985	25,000	14,985
Rainy Day	129,873	75,357	-	205,230
State Technology Grant	3,335	3,825	3,649	3,511
Levy Excess	-	1,522	-	1,522
Debt Service	-	664,009	634,572	29,437
Construction	3,935,961	209,136	1,065,542	3,079,555
Library Improvement Reserve	609,033	177,201	152,526	633,708
Fiduciary Funds:				
Payroll Withholdings	4,106	130,333	130,471	3,968
Other	2	211	213	-
Totals	<u>\$ 4,929,324</u>	<u>\$ 1,921,575</u>	<u>\$ 2,503,997</u>	<u>\$ 4,346,902</u>

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

DUBOIS COUNTY CONTRACTUAL 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.

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.

DUBOIS COUNTY CONTRACTUAL 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

Dubois Branch Library

On January 25, 2010, the Library entered into a contract with Universal Design Associates to provide designs, bidding coordination, and construction observation for the new Dubois Branch Library. On May 21, 2010, the Library entered into a contract with Jasper Lumber for \$1,021,395 to serve as general contractor for this project. In 2010, the Library was a sub-recipient of a Dubois County \$500,000 Community Focus Fund Grant, through the U.S. Department of Housing and Urban Development, to be used to construct a library in the unincorporated Town of Dubois. This grant requires a local match of \$471,000 that will be made with Library Improvement Reserve Funds. The Library was also awarded a \$200,000 Rural Development Grant to be used to purchase equipment and accessories for the new library. In addition, the Library was awarded a \$9,420 LSTA Technology grant to be used to purchase computers and printers for the Dubois Branch Library.

DUBOIS COUNTY CONTRACTUAL LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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.

The Dubois County Contractual Library is a small unit with revenue falling within the Phase III category; therefore, the Library has been reporting infrastructure as of January 1, 2004, and thereafter. However, there has been no change to date in infrastructure since January 1, 2004.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after January 1, 2004, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 51,000
Machinery and equipment	31,559
Library materials (books, etc.)	<u>845,325</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 927,884</u>

DUBOIS COUNTY CONTRACTUAL LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General Obligation Bonds of 2008; Used for the renovation and improvement of the Ferdinand Library	\$ 3,930,000	\$ 163,585

DUBOIS COUNTY CONTRACTUAL LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 9, 2010, with Deborah J. Stemle, Treasurer; Rita C. Douthitt, Director; and Rita Lovell, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.