

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

EXAMINATION REPORT
OF
LAGRANGE COUNTY PUBLIC LIBRARY
LAGRANGE COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
12/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary Hooley	01-01-07 to 12-31-10
Treasurer	Amber Taylor, CPA	01-01-07 to 12-31-10
President of the Board	Susan Pipher Diane Cameron	01-01-07 to 12-31-07 01-01-08 to 12-31-10



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LAGRANGE COUNTY
PUBLIC LIBRARY, LAGRANGE COUNTY, INDIANA

We have examined the financial information presented herein of the LaGrange County Public Library (Library), for the period of January 1, 2007 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 present fairly, in all material respects, the financial information of the Library for the years ended December 31, 2007, 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

October 20, 2010

LAGRANGE 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, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 396,586	\$ 715,709	\$ 889,653	\$ 222,642
Gift	7,812	550	380	7,982
Rainy Day	405,149	61,650	130,000	336,799
Grant	2,134	13,739	13,666	2,207
Library Improvement Reserve	329,067	143,256	242,854	229,469
Fiduciary Funds:				
McClaskey Trust Fund	2,000	-	-	2,000
PLAC	-	241	241	-
Totals	<u>\$ 1,142,748</u>	<u>\$ 935,145</u>	<u>\$ 1,276,794</u>	<u>\$ 801,099</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 222,642	\$ 928,825	\$ 868,866	\$ 282,601
Gift	7,982	5,486	3,708	9,760
Rainy Day	336,799	27,845	300,000	64,644
Grant	2,207	1,689	1,618	2,278
Library Improvement Reserve	229,469	145,934	65,347	310,056
Topeka Branch Construction	-	410,048	390,231	19,817
Fiduciary Funds:				
McClaskey Trust Fund	2,000	-	-	2,000
PLAC	-	181	181	-
Totals	<u>\$ 801,099</u>	<u>\$ 1,520,008</u>	<u>\$ 1,629,951</u>	<u>\$ 691,156</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 282,601	\$ 1,078,292	\$ 991,347	\$ 369,546
Gift	9,760	485	447	9,798
Rainy Day	64,644	262,309	228,751	98,202
Grant	2,278	2,484	2,319	2,443
Library Improvement Reserve	310,056	42,139	95,196	256,999
Topeka Branch Construction	19,817	970,449	746,209	244,057
LaGrange Construction	-	5,762,436	189,927	5,572,509
Fiduciary Funds:				
McClaskey Trust Fund	2,000	-	-	2,000
PLAC	-	330	330	-
Totals	<u>\$ 691,156</u>	<u>\$ 8,118,924</u>	<u>\$ 2,254,526</u>	<u>\$ 6,555,554</u>

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

LAGRANGE 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: 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.

LAGRANGE 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

On March 17, 2010, the Library accepted bids for approximately \$4,600,000 for renovations and an addition to the Main Branch building in LaGrange. On September 1, 2010, the Library issued General Obligation Bonds - Series A in the amount of \$705,000 for the purpose of funding renovations and an addition to the Main Branch in LaGrange. The Library also issued General Obligation Bonds - Series B in the amount of \$810,000 for the purpose of refunding outstanding Bond Anticipation Notes of 2009.

LAGRANGE COUNTY PUBLIC 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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 555,100
Buildings	114,333
Machinery and equipment	<u>184,809</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 854,242</u>

LAGRANGE COUNTY PUBLIC 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:		
Notes and loans payable	\$ 165,000	\$ 86,423
Bond anticipation notes payable	980,000	1,013,026
Bonds payable:		
General obligation bonds:		
LaGrange construction	<u>5,850,000</u>	<u>291,181</u>
Total governmental activities debt	<u>\$ 6,995,000</u>	<u>\$ 1,390,630</u>

LAGRANGE COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2010, with Mary Hooley, Director; Amber Taylor, CPA, Treasurer; and Jennifer Stewart, Accounts Payable Clerk. Our examination disclosed no material items that warrant comment at this time.