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

EXAMINATION REPORT

OF

MORGAN COUNTY PUBLIC LIBRARY

MORGAN COUNTY, INDIANA

January 1, 2008 to December 31, 2009

FILED
04/11/2011

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OFFICIALS

Office	Official	Term
Director	David Ross	01-01-08 to 12-31-08
	Krista Ledbetter	01-01-09 to 12-31-11
Treasurer	Judy Rumbaugh	01-01-08 to 12-31-11
President of the Board	Joseph Colborn	01-01-08 to 12-31-11

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the Morgan County Public 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 29, 2010

MORGAN 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, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	$ 293,280	$ 1,289,737	$ 1,121,275	$ 461,742
Gift	9,457	7,244	3,836	12,865
Barry Schroeder Memorial	65	-	-	65
Summer Reading Program	3,623	5,280	3,312	5,591
WalMart Literacy Grant	1,193	1,000	1,296	897
Levy Excess	139	-	139	-
Martin Gift Fund	-	50,000	50,000	-
Morgan County Foundation	750	1,110	750	1,110
Rainy Day	19,772	60,498	9,819	70,451
Bond and Interest Redemption	18,533	298,037	294,350	22,220
Debt Service - 2007 Bond	-	87,270	69,227	18,043
Library Capital Projects	201,476	452,655	196,512	457,619
Construction	147,039	3,765	1,120	149,684
2007 Construction	1,553,775	15,824	1,563,751	5,848
Library Improvement Reserve	349,405	9,521	-	358,926
Fiduciary Funds:				
Payroll Withholdings	(159)	160,371	159,382	830
PLAC	240	960	1,020	180
Totals	$ 2,598,588	$ 2,443,272	$ 3,475,789	$ 1,566,071

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	$ 461,742	$ 1,864,263	$ 1,404,016	$ 921,989
Gift	12,865	7,248	4,142	15,971
Barry Schroeder Memorial	65	-	-	65
Summer Reading Program	5,591	4,002	5,239	4,354
WalMart Literacy Grant	897	-	-	897
Kendrick Grant	-	5,000	3,923	1,077
Levy Excess	-	40,754	-	40,754
Morgan County Foundation	1,110	385	1,089	406
Rainy Day	70,451	264,741	-	335,192
Bond and Interest Redemption	22,220	217,550	225,554	14,216
Debt Service - 2007 Bond	18,043	60,466	71,736	6,773
Library Capital Projects	457,619	21,566	347,998	131,187
Construction	149,684	592	150,276	-
2007 Construction	5,848	56	5,904	-
Construction - Hasser Retainage	-	21,566	21,566	-
Library Improvement Reserve	358,926	7,263	-	366,189
Fiduciary Funds:				
Payroll Withholdings	830	150,317	150,709	438
PLAC	180	750	570	360
Totals	$ 1,566,071	$ 2,666,519	$ 2,392,722	$ 1,839,868

The accompanying notes are an integral part of the 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.

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.

MORGAN COUNTY PUBLIC LIBRARY
SUPPLEMENTAL INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2009

Primary Government

Governmental activities:		
Capital assets, not being depreciated:		
Land and buildings	$	6,717,748
Paintings and sculptures		19,750
Machinery and equipment		81,936
Furniture		156,469
Books		2,625,006
Computers		224,020
Total governmental activities, capital assets not being depreciated	$	9,824,929

MORGAN COUNTY PUBLIC LIBRARAY
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:		
2007 Monrovia Branch	$ 1,745,000	$ 227,356

MORGAN COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 29, 2010, with Judy Rumbaugh, Treasurer; Krista Ledbetter, Director; Denise Burpo, Business Manager; and Christine Brewster-Wray, Administrative Assistant. Our examination disclosed no material items that warrant comment at this time.