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

EXAMINATION REPORT
OF

GREENTOWN AND EASTERN HOWARD
SCHOOL PUBLIC LIBRARY
HOWARD COUNTY, INDIANA

January 1, 2009 to December 31, 2010

FILED
05/18/2011

TABLE OF CONTENTS

OFFICIALS

Office	Official	Term
Director	Marjorie Bontrager	01-01-09 to 12-31-11
Treasurer	Julie Matheny	01-01-09 to 12-31-11
President of the Board	Sheryl Dean	01-01-09 to 12-31-11

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GREENTOWN AND EASTERN HOWARD SCHOOL PUBLIC LIBRARY, HOWARD COUNTY, INDIANA

We have examined the financial information presented herein of the Greentown and Eastern Howard School Public Library (Library), for the period of January 1, 2009 to December 31, 2010. 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, 2009 and 2010, 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

April 12, 2011

GREENTOWN AND EASTERN HOWARD SCHOOL 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, 2009 And 2010

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	$ 172,356	$ 207,217	$ 312,934	$ 66,639
Gift	7,935	4,223	2,630	9,528
Rainy Day	2,306	-	1,671	635
Children	4,376	12,592	12,395	4,573
Community Room Clean Up	916	41	-	957
Levy Excess	1,701	-	1,701	-
Library Improvement Reserve	44,800	2,000	-	46,800
Fiduciary Funds:				
Payroll Withholdings	8,681	42,742	43,698	7,725
PLAC	30	240	180	90
Totals	$ 243,101	$ 269,055	$ 375,209	$ 136,947

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	$ 66,639	$ 319,087	$ 322,728	$ 62,998
Gift	9,528	5,524	4,800	10,252
Rainy Day	635	6,600	2,125	5,110
Children	4,573	18,890	18,878	4,585
Community Room Clean Up	957	100	-	1,057
Levy Excess	-	623	-	623
Library Improvement Reserve	46,800	2,000	-	48,800
Fiduciary Funds:				
Payroll Withholdings	7,725	44,527	43,951	8,301
PLAC	90	230	120	200
Totals	$ 136,947	$ 397,581	$ 392,602	$ 141,926

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

GREENTOWN AND EASTERN HOWARD SCHOOL 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.

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.

Note 7. Contributions

The Eastern Howard School Corporation provides space in its school buildings for the operation of the Library. The School Corporation does not charge rent or utilities to the Library. In return, the Library serves as a school library for the students and staff of the School Corporation. During 1991, the Library entered into an agreement with the School Corporation to pay for a portion of the School's building expansion. Since 1992, the Library pays $5,000 (five thousand) per year to the School Corporation. The Library will continue to pay a yearly payment until 2013.

GREENTOWN AND EASTERN HOWARD SCHOOL PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2010

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.

Primary Government	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Furniture and equipment	$ 27,154

GREENTOWN AND EASTERN HOWARD SCHOOL PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on April 12, 2011, with Marjorie Bontrager, Director. Our examination disclosed no material items that warrant comment at this time.