

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

EXAMINATION REPORT

OF

LAPORTE COUNTY PUBLIC LIBRARY

LAPORTE COUNTY, INDIANA

January 1, 2005 to December 31, 2006



FILED
11/07/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Judy R. Hamilton	01-01-05 to 12-31-07
Treasurer	M. Sue Lawrence	01-01-05 to 12-31-07
President of the Board	Robert E. Burns Andrew Serafin Kenneth Moryl	01-01-05 to 12-31-05 01-01-06 to 12-31-06 01-01-07 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the LaPorte County Public Library (Library), for the period of January 1, 2005 to December 31, 2006. 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, 2005 and 2006, 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

August 30, 2007

LAPORTE 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, 2005 And 2006

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 865,835	\$ 3,404,499	\$ 3,228,508	\$ 1,041,826
Gift	63,857	13,617	13,667	63,807
Rainy Day	2,759	-	-	2,759
Grant	416	3,200	4,616	(1,000)
Lease Rental	151,630	367,796	346,000	173,426
Library Improvement Reserve	691,094	150,000	126,515	714,579
Library Capital Projects	254,866	156,480	369,777	41,569
Fiduciary Funds:				
Health Insurance Clearing	(378)	11,086	11,652	(944)
PLAC	-	84	84	-
Totals	\$ 2,030,079	\$ 4,106,762	\$ 4,100,819	\$ 2,036,022

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 1,041,826	\$ 4,001,327	\$ 3,970,515	\$ 1,072,638
Gift	63,807	15,964	16,609	63,162
Rainy Day	2,759	-	-	2,759
Grant	(1,000)	5,200	1,695	2,505
Levy Excess	-	52,618	-	52,618
Lease Rental	173,426	353,679	346,000	181,105
Library Improvement Reserve	714,579	100,000	64,882	749,697
Library Capital Projects	41,569	167,542	134,324	74,787
Fiduciary Funds:				
Health Insurance Clearing	(944)	8,912	7,968	-
PLAC	-	125	125	-
Totals	\$ 2,036,022	\$ 4,705,367	\$ 4,542,118	\$ 2,199,271

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

LAPORTE 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 culture 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.

LAPORTE 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

Tax Anticipation Warrants

On July 26, 2007, the Library Board of Trustees approved receiving tax anticipation warrants in an amount not to exceed \$2,200,000. Centier Bank was approved as the provider of the warrants at an interest rate of 4.03%.

Reassessment and Property Taxes

Reassessments were required prior to billing taxes in 2007. Significant delays in the reassessment process have resulted in delays in billing taxes in 2007. Taxes are normally billed in two installments, the first is due in May, and the second in November. As of September 11, 2007, the May installment has not been billed. Thus, the Library has not received a June tax distribution. It is not yet known when the taxes will be billed.

LAPORTE COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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	\$ 473,479
Buildings	1,225,123
Improvements other than buildings	3,374,993
Machinery and equipment	1,640,836
Books and periodicals	<u>6,887,643</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 13,602,074</u>

LAPORTE COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASES

The Library has entered into the following capital lease:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Improvements other than buildings and Machinery and equipment	\$ 935,000	\$ 280,000

LAPORTE COUNTY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

SUPPORTING DOCUMENTATION

In accordance with the Library Credit Card Policy and compliance guidelines, when purchases are made using a credit card, vendor invoices are to be retained and included with the credit card billing statement; otherwise, payment should not be made.

Claims for payment on credit cards used by employees did not always contain itemized receipts to support charges.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

LAPORTE COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2007, with M. Sue Lawrence, Treasurer; Judy R. Hamilton, Director; Cynthia M. Lane, Business Office Manager; and Cynthia B. Dye Apple, Business Office Professional. The officials concurred with our finding.