

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

EXAMINATION REPORT

OF

EVANSVILLE VANDERBURGH PUBLIC LIBRARY

VANDERBURGH COUNTY, INDIANA

January 1, 2005 to December 31, 2006



**FILED**  
11/16/2007



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marcia A. Learned-Au	01-01-05 to 12-31-07
Treasurer	Samuel Clifford	01-14-04 to 01-12-06
	Ted DeVries	01-13-06 to 01-11-07
	Joshua Claybourn	01-12-07 to 01-10-08
President of the Board	Michael Russ	01-16-04 to 01-13-05
	Brenda Scheidler	01-14-05 to 01-12-06
	Michael Russ	01-13-06 to 01-10-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EVANSVILLE VANDERBURGH  
PUBLIC LIBRARY, VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of the Evansville Vanderburgh 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

October 10, 2007

EVANSVILLE VANDERBURGH 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	\$ 4,443,386	\$ 9,835,009	\$ 10,298,112	\$ 3,980,283
Gifts and Bequests	62,195	31,289	31,624	61,860
Copy	3,452	25,892	28,252	1,092
Access Evansville	1,696	-	-	1,696
Parentech Grant	3	-	-	3
GIS Grant	185	-	-	185
Gates Foundation	1,270	1,000	-	2,270
Rainy Day	406,212	371,355	53,944	723,623
Bond and Interest Redemption	1,952,623	3,937,819	4,094,114	1,796,328
Library Improvement Reserve	567,329	54,447	9,618	612,158
Construction No. 2	145,155	1,714	139,660	7,209
Construction No. 3	1,282,955	8,916	1,265,730	26,141
Construction No. 4	349,079	3,073	85,909	266,243
Fiduciary Funds:				
Payroll Withholdings	3,449	1,198,753	1,201,523	679
PLAC	4,556	23,144	22,014	5,686
Totals	<u>\$ 9,223,545</u>	<u>\$ 15,492,411</u>	<u>\$ 17,230,500</u>	<u>\$ 7,485,456</u>

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 3,980,283	\$ 10,370,765	\$ 9,898,743	\$ 4,452,305
Gifts and Bequests	61,860	28,274	20,182	69,952
Copy	1,092	22,494	23,554	32
Access Evansville	1,696	-	-	1,696
Parentech Grant	3	-	-	3
GIS Grant	185	-	-	185
Gates Foundation	2,270	-	1,000	1,270
Rainy Day	723,623	29,529	485,750	267,402
Special Library	-	733,641	733,641	-
Youth Program Grant	-	8,823	1,375	7,448
Bond and Interest Redemption	1,796,328	3,827,477	3,707,918	1,915,887
Library Improvement Reserve	612,158	90,581	159,942	542,797
Construction No. 2	7,209	948	8,157	-
Construction No. 3	26,141	1,709	23,264	4,586
Construction No. 4	266,243	2,599	268,842	-
Fiduciary Funds:				
Payroll Withholdings	679	1,221,779	1,218,218	4,240
PLAC	5,686	23,045	23,556	5,175
Totals	<u>\$ 7,485,456</u>	<u>\$ 16,361,664</u>	<u>\$ 16,574,142</u>	<u>\$ 7,272,978</u>

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

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides cultural 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.

EVANSVILLE VANDERBURGH 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. Holding Corporation

The Library has entered into a capital lease with the Evansville Vanderburgh Public Library Leasing Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the government. Lease payments during the years 2005 and 2006 totaled \$2,975,000 and \$2,958,000, respectively.

EVANSVILLE VANDERBURGH 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	\$ 1,035,892
Buildings	49,308,300
Improvements other than buildings	18,489
Machinery and equipment	<u>27,737,997</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 78,100,678</u>

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

The Library has entered into the following long-term debt:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
Central Library building	\$ 32,525,000	\$ 665,000
Bonds payable:		
General obligation bonds:		
2001 \$4,720,000 Oaklyn Branch	4,090,000	90,000
2001B \$4,540,000 North Park Branch	<u>3,820,000</u>	<u>95,000</u>
Total governmental activities long-term debt	<u>\$ 40,435,000</u>	<u>\$ 850,000</u>

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2007, with Marcia A. Learned-Au, Director; and Jan Craddock, Administrative Assistant. Our examination disclosed no material items that warrant comment at this time.