

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

EXAMINATION REPORT

OF

GOSHEN PUBLIC LIBRARY

ELKHART COUNTY, INDIANA

January 1, 2006 to December 31, 2007



**FILED**  
05/13/2008



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Andrew Waters	01-01-06 to 12-31-08
Treasurer	Nancy Lantz	01-01-06 to 01-01-06
	Jeannine Johnston	01-01-07 to 12-31-07
	Michael Rozelle	01-01-08 to 12-31-08
President of the Board	Tim Hoogenboom	01-01-06 to 12-31-06
	Michael Rozelle	01-01-07 to 12-31-07
	Jane Erickson	01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE GOSHEN PUBLIC LIBRARY, ELKHART COUNTY, INDIANA

We have examined the financial information presented herein of the Goshen Public Library (Library), for the period of January 1, 2006 to December 31, 2007. 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, 2006 and 2007, 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

March 12, 2008

GOSHEN 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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 509,944	\$ 1,610,859	\$ 1,623,989	\$ 496,814
Gift	211,654	15,503	8,015	219,142
Lambert Lehman Gift	127,191	5,426	4,500	128,117
Levy Excess	44,624	23,385	44,624	23,385
Bond and Interest Redemption	2,001	270,860	266,993	5,868
Library Improvement Reserve	1,539,820	74,342	29,651	1,584,511
Library Capital Projects	-	164,510	35,067	129,443
Fiduciary Funds:				
Payroll	6,741	1,106,707	1,107,476	5,972
PLAC	56	372	335	93
Totals	<u>\$ 2,442,031</u>	<u>\$ 3,271,964</u>	<u>\$ 3,120,650</u>	<u>\$ 2,593,345</u>

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 496,814	\$ 1,849,623	\$ 1,811,652	\$ 534,785
Gift	219,142	116,737	21,326	314,553
Lambert Lehman Gift	128,117	4,682	6,000	126,799
Rainy Day	-	4,831	-	4,831
Levy Excess	23,385	-	23,385	-
Bond and Interest Redemption	5,868	258,138	257,269	6,737
Library Improvement Reserve	1,584,511	95,281	-	1,679,792
Library Capital Projects	129,443	218,819	76,049	272,213
Fiduciary Funds:				
Payroll	5,972	1,116,583	1,115,854	6,701
PLAC	93	120	213	-
Totals	<u>\$ 2,593,345</u>	<u>\$ 3,664,814</u>	<u>\$ 3,311,748</u>	<u>\$ 2,946,411</u>

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

GOSHEN 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.

GOSHEN 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.

GOSHEN PUBLIC LIBRARY  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For the Year Ended December 31, 2007

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 262,373
Buildings	4,469,000
Improvements other than buildings	75,350
Machinery and equipment	<u>350,591</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 5,157,314</u>

GOSHEN PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
Refunding bonds of 2003	\$ 1,170,000	\$ 261,130
 Total governmental activities debt	 <u>\$ 1,170,000</u>	 <u>\$ 261,130</u>

GOSHEN PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

FINANCE CHARGES

The Library incurred, and subsequently paid, finance charges for late payment of credit card invoices during 2006 in the amount of \$52.35.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPORTING DOCUMENTATION

Three items on one credit card claim of the thirteen claims tested did not contain adequate supporting documentation. The one credit card payment made without documentation for the three (3) items totaled \$785.33 for lodging and car rental. Supporting documentation such as receipts, invoices, and other public records are necessary before payment can be made. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

GOSHEN PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on March 12, 2008, with Andrew Waters, Director; Michael Rozelle, Treasurer; and Gregory Laughlin, Business Manager. The officials concurred with our findings.