

B37742

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

EXAMINATION REPORT
OF
WARSAW COMMUNITY PUBLIC LIBRARY
KOSCIUSKO COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
11/05/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Ann M. Zydek	01-01-08 to 12-31-10
Treasurer	Ruth Jones	01-01-08 to 12-31-10
President of the Library Board of Trustees	Anthony D. Etienne Mark Morrison	01-01-08 to 06-30-10 07-01-10 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WARSAW COMMUNITY
PUBLIC LIBRARY, KOSCIUSKO COUNTY, INDIANA

We have examined the financial information presented herein of the Warsaw Community Public Library (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 a required part 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 12, 2010

WARSAW COMMUNITY 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	\$ 1,096,972	\$ 1,543,312	\$ 2,035,724	\$ 604,560
Gift	26,199	11,792	11,251	26,740
Rainy Day	-	64,595	-	64,595
Community Calendar	-	150	150	-
State Technology Grant	4,920	8,973	4,920	8,973
Interlibrary Loan	-	3	3	-
Bond and Interest Redemption	206,829	230,725	391,251	46,303
Library Improvement Reserve	215,104	22,180	-	237,284
Library Capital Projects	199,895	112,886	39,555	273,226
Fiduciary Funds:				
Health Insurance	-	6,137	6,126	11
Payroll Withholdings	632	35,265	27,706	8,191
PLAC	450	1,530	1,710	270
Totals	<u>\$ 1,751,001</u>	<u>\$ 2,037,548</u>	<u>\$ 2,518,396</u>	<u>\$ 1,270,153</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 604,560	\$ 2,773,258	\$ 2,310,807	\$ 1,067,011
Gift	26,740	8,381	8,666	26,455
Rainy Day	64,595	13,141	-	77,736
State Technology Grant	8,973	10,890	8,973	10,890
Bond and Interest Redemption	46,303	534,780	389,275	191,808
Library Improvement Reserve	237,284	31,967	10,730	258,521
Library Capital Projects	273,226	255,385	239,265	289,346
Fiduciary Funds:				
Health Insurance	11	6,548	6,559	-
Payroll Withholdings	8,191	38,247	45,559	879
PLAC	270	1,860	1,650	480
Totals	<u>\$ 1,270,153</u>	<u>\$ 3,674,457</u>	<u>\$ 3,021,484</u>	<u>\$ 1,923,126</u>

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

WARSAW COMMUNITY 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.

WARSAW COMMUNITY 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

The Library purchased a piece of land for \$130,192 to be used as a parking lot for the employees of the Library.

Note 8. Restatement

The December 31, 2007, Cash and Investments balance was decreased by \$32,068. The Gift – Kosciusko County Community Foundation Fund was mistakenly reported as an asset of the Library. The Library has an agreement with the Kosciusko County Community Foundation (Foundation) to receive investment income from the investments held and owned by the Foundation. The Library does not have the authority to make investment decisions or withdrawals on the principal.

WARSAW COMMUNITY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As of December 31, 2009

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	\$ 295,487
Buildings	5,671,020
Improvements other than buildings	108,000
Machinery and equipment	<u>574,800</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 6,649,307</u>

WARSAW COMMUNITY PUBLIC LIBRARY
 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:		
Refunding bonds, series 2001	\$ 1,685,000	\$ 391,485

WARSAW COMMUNITY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 12, 2010, with Ruth Jones, Treasurer; Ann M. Zydek, Director; and Renee Sweeny, Business Manager. Our examination disclosed no material items that warrant comment at this time.