

**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, 2007 to December 31, 2009



**FILED**  
11/17/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Judy R. Hamilton	01-01-07 to 12-31-10
Treasurer	M. Sue Lawrence Kenneth J. Moryl	01-01-07 to 12-31-09 01-01-10 to 12-31-10
President of the Board	Kenneth J. Moryl Daniel D. Kaminski Kenneth J. Moryl William J. Mack	01-01-07 to 12-31-07 01-01-08 to 03-27-08 03-28-08 to 12-31-08 01-01-09 to 12-31-10



**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, 2007 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, 2007, 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, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. The schedule has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on the schedule.

STATE BOARD OF ACCOUNTS

September 8, 2010

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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 1,072,638	\$ 1,266,131	\$ 3,401,935	\$ (1,063,166)
Gift	63,162	14,082	16,822	60,422
Rainy Day	2,759	-	-	2,759
Grant	2,505	14,854	15,512	1,847
Levy Excess	52,618	5,897	52,618	5,897
Lease Rental	181,105	87,044	346,000	(77,851)
Library Improvement Reserve	749,697	100,000	53,960	795,737
Library Capital Projects	74,787	46,409	133,397	(12,201)
<b>Fiduciary Funds:</b>				
Health Insurance Clearing	-	3,875	3,875	-
Tax Anticipation Warrant	-	1,000,000	-	1,000,000
PLAC	-	152	152	-
<b>Totals</b>	<b><u>\$ 2,199,271</u></b>	<b><u>\$ 2,538,444</u></b>	<b><u>\$ 4,024,271</u></b>	<b><u>\$ 713,444</u></b>

  

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ (1,063,166)	\$ 4,249,967	\$ 3,574,778	\$ (387,977)
Gift	60,422	14,080	12,549	61,953
Rainy Day	2,759	15,329	-	18,088
Grant	1,847	-	1,847	-
Levy Excess	5,897	-	-	5,897
Lease Rental	(77,851)	417,487	-	339,636
Library Improvement Reserve	795,737	100,000	99,042	796,695
Library Capital Projects	(12,201)	226,554	179,737	34,616
<b>Fiduciary Funds:</b>				
Tax Anticipation Warrant	1,000,000	300,000	1,300,000	-
PLAC	-	60	60	-
<b>Totals</b>	<b><u>\$ 713,444</u></b>	<b><u>\$ 5,323,477</u></b>	<b><u>\$ 5,168,013</u></b>	<b><u>\$ 868,908</u></b>

  

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ (387,977)	\$ 3,461,717	\$ 3,401,352	\$ (327,612)
Gift	61,953	15,800	12,520	65,233
Rainy Day	18,088	-	-	18,088
Levy Excess	5,897	-	-	5,897
Lease Rental	339,636	427,423	10	767,049
Library Improvement Reserve	796,695	-	9,551	787,144
Library Capital Projects	34,616	177,890	203,907	8,599
<b>Fiduciary Funds:</b>				
NILBA Meeting	-	1,760	1,760	-
Tax Anticipation Warrant	-	700,000	700,000	-
PLAC	-	120	120	-
<b>Totals</b>	<b><u>\$ 868,908</u></b>	<b><u>\$ 4,784,710</u></b>	<b><u>\$ 4,329,220</u></b>	<b><u>\$ 1,324,398</u></b>

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 the following services: cultural, educational, and 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.

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 Events

County Property Tax Assessment

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established. These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the Library. It is undeterminable how much property tax collections the Library will receive once all the reconciliation bills have been distributed and the collections received. Provisional bills for taxes payable in 2009 were due January 29, 2010. The Library received its distribution on February 11, 2010. Provisional bills for taxes payable in 2010, based upon the 2006 pay 2007 tax rates, were mailed in June 2010 and are due in two installments, July 9, 2010, and November 10, 2010.

LAPORTE COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Debt Service Fund

The Library (lessee) was scheduled to continue to make capital lease payments on the Library building through 2010. During 2008, the Library was informed by the LaPorte County Library Leasing Corporation (lessor) that sufficient funds had been accumulated in trust to settle the debt of the lessor, effectively retiring all long-term debt of the Library.

At December 31, 2009, the Lease Rental Fund of the Library had a cash balance of \$767,049. During 2010, the Lease Rental has continued to receive receipts in the amount of \$257,892, primarily from property tax receipts. An amount of \$1,024,941 has been transferred from the Lease Rental Fund to the Rainy Day Fund during 2010, and the Lease Rental Fund has a cash balance at August 26, 2010, of zero.

LAPORTE COUNTY PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 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	\$ 473,479
Buildings	1,233,073
Improvements other than buildings	3,374,993
Machinery and equipment	1,703,858
Books and periodicals	<u>8,114,162</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 14,899,565</u>

LAPORTE COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 8, 2010, with Judy R. Hamilton, Director; Cynthia M. Lane, HR/Business Office Manager; C.B. Dye Apple, Business Office Professional; and Kenneth J. Moryl, Treasurer. Our examination disclosed no material items that warrant comment at this time.