

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

EXAMINATION REPORT
OF
AKRON CARNEGIE PUBLIC LIBRARY
FULTON COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
06/20/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Velma Bright Janet Hawley (Interim)	01-01-09 to 12-31-10 01-01-11 to 12-31-11
Treasurer	Chad Hartzler	01-01-09 to 12-31-11
President of the Board	Jill Runkle Priscilla Burdge	01-01-09 to 12-31-09 01-01-10 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE AKRON CARNEGIE PUBLIC LIBRARY, FULTON COUNTY, INDIANA

We have examined the financial statements of the Akron Carnegie Public Library (Library), for the period of January 1, 2009 to December 31, 2010. The Library's management is responsible for the financial statements. 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above presents fairly, in all material respects, the financial position and results of operations of the Library for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedule(s), 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 financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Library's management, and the Library Board, and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 31, 2011

FINANCIAL STATEMENT(S)

AKRON CARNAGIE PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 169,779	\$ 193,013	\$ 153,639	\$ 209,153
State Tech Funds	2,999	-	72	2,927
Gift	3,133	2,246	1,041	4,338
Rainy Day	3,232	2,436	-	5,668
Gifts Building Fund	49,859	252	-	50,111
Debt Service	18,850	136,031	120,000	34,881
Library Capital Projects	4,126	8,176	12,302	-
Library Improvement Reserve	10,354	6	-	10,360
Marine Trust	4,500	-	-	4,500
Plac Card	-	180	180	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 266,832</u>	<u>\$ 342,340</u>	<u>\$ 287,234</u>	<u>\$ 321,938</u>

The notes to the financial statement(s) are an integral part of this statement.

AKRON CARNEGIE PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 209,153	\$ 234,394	\$ 175,269	\$ 268,278
State Tech Funds	2,927	1,193	2,034	2,086
Gift	4,338	1,789	2,600	3,527
Rainy Day	5,668	7,063	-	12,731
Levy Excess	-	10,540	-	10,540
Gifts Building Fund	50,111	9,039	5,361	53,789
Debt Service	34,881	159,103	121,542	72,442
Library Improvement Reserve	10,360	6	-	10,366
Payroll Withholding-Federal	-	11,308	11,308	-
Marine Trust	4,500	-	-	4,500
Plac Card	-	200	150	50
Payroll - Fica & Medicare	-	7,230	7,230	-
Payroll - State Tax	-	3,226	3,226	-
Payroll - Deferred Comp	-	900	900	-
Payroll - County Tax	-	1,339	1,339	-
	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Totals	<u>\$ 321,938</u>	<u>\$ 447,330</u>	<u>\$ 330,959</u>	<u>\$ 438,309</u>

The notes to the financial statement(s) are an integral part of this statement.

AKRON CARNEGIE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT(S)

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Library was established under the laws of the State of Indiana. The Library operates under an appointed governing board and provides culture services.

The accompanying financial statement(s) present(s) the financial information for the Library (primary government), and does not include financial information for any of the Library's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Library (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Library.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

AKRON CARNEGIE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Library. It includes all expenditures for the reduction of the principal and interest of the Library's general obligation indebtedness.

AKRON CARNEGIE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The Library may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the Library. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Library. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the Library in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the Library submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Library in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

AKRON CARNEGIE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The Library may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Library to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Library by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 percent 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

AKRON CARNEGIE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

AKRON CARNAGIE PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General	State Tech Funds	Gift	Rainy Day	Gifts Building Fund	Debt Service
Cash and investments - beginning	\$ 169,779	\$ 2,999	\$ 3,133	\$ 3,232	\$ 49,859	\$ 18,850
Receipts:						
Taxes	108,955	-	-	-	-	136,031
Intergovernmental	78,631	-	-	-	-	-
Fines and forfeits	4,957	-	-	-	-	-
Other receipts	470	-	2,246	2,436	252	-
Total receipts	<u>193,013</u>	<u>-</u>	<u>2,246</u>	<u>2,436</u>	<u>252</u>	<u>136,031</u>
Disbursements:						
Personal services	97,415	-	-	-	-	-
Supplies	3,134	-	-	-	-	-
Other services and charges	35,432	-	-	-	-	-
Capital outlay	14,886	-	-	-	-	-
Other disbursements	2,772	72	1,041	-	-	120,000
Total disbursements	<u>153,639</u>	<u>72</u>	<u>1,041</u>	<u>-</u>	<u>-</u>	<u>120,000</u>
Excess (deficiency) of receipts over disbursements	<u>39,374</u>	<u>(72)</u>	<u>1,205</u>	<u>2,436</u>	<u>252</u>	<u>16,031</u>
Cash and investments - ending	<u>\$ 209,153</u>	<u>\$ 2,927</u>	<u>\$ 4,338</u>	<u>\$ 5,668</u>	<u>\$ 50,111</u>	<u>\$ 34,881</u>

AKRON CARNAGIE PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Library Capital Projects	Library Improvement Reserve	Marine Trust	Plac Card	Totals
Cash and investments - beginning	\$ 4,126	\$ 10,354	\$ 4,500	\$ -	\$ 266,832
Receipts:					
Taxes	7,386	-	-	-	252,372
Intergovernmental	790	-	-	-	79,421
Fines and forfeits	-	-	-	-	4,957
Other receipts	-	6	-	180	5,590
Total receipts	<u>8,176</u>	<u>6</u>	<u>-</u>	<u>180</u>	<u>342,340</u>
Disbursements:					
Personal services	-	-	-	-	97,415
Supplies	-	-	-	-	3,134
Other services and charges	-	-	-	-	35,432
Capital outlay	12,302	-	-	-	27,188
Other disbursements	-	-	-	180	124,065
Total disbursements	<u>12,302</u>	<u>-</u>	<u>-</u>	<u>180</u>	<u>287,234</u>
Excess (deficiency) of receipts over disbursements	<u>(4,126)</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>55,106</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 10,360</u>	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ 321,938</u>

AKRON CARNEGIE PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	State Tech Funds	Gift	Rainy Day	Levy Excess	Gifts Building Fund
Cash and investments - beginning	\$ 209,153	\$ 2,927	\$ 4,338	\$ 5,668	\$ -	\$ 50,111
Receipts:						
Taxes	157,938	-	-	-	-	-
Intergovernmental	71,854	1,193	-	-	4,859	6,377
Fines and forfeits	4,597	-	-	-	-	-
Other receipts	5	-	1,789	7,063	5,681	2,662
Total receipts	<u>234,394</u>	<u>1,193</u>	<u>1,789</u>	<u>7,063</u>	<u>10,540</u>	<u>9,039</u>
Disbursements:						
Personal services	104,255	-	320	-	-	-
Supplies	2,506	-	2,170	-	-	4,193
Other services and charges	50,826	2,034	10	-	-	1,097
Capital outlay	14,043	-	-	-	-	-
Other disbursements	3,639	-	100	-	-	71
Total disbursements	<u>175,269</u>	<u>2,034</u>	<u>2,600</u>	<u>-</u>	<u>-</u>	<u>5,361</u>
Excess (deficiency) of receipts over disbursements	<u>59,125</u>	<u>(841)</u>	<u>(811)</u>	<u>7,063</u>	<u>10,540</u>	<u>3,678</u>
Cash and investments - ending	<u>\$ 268,278</u>	<u>\$ 2,086</u>	<u>\$ 3,527</u>	<u>\$ 12,731</u>	<u>\$ 10,540</u>	<u>\$ 53,789</u>

AKRON CARNEGIE PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Debt Service	Library Improvement Reserve	Payroll Withholding-Federal	Marine Trust	Plac Card
Cash and investments - beginning	\$ 34,881	\$ 10,360	\$ -	\$ 4,500	\$ -
Receipts:					
Taxes	147,449	-	-	-	-
Intergovernmental	11,654	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	-	6	11,308	-	200
Total receipts	<u>159,103</u>	<u>6</u>	<u>11,308</u>	<u>-</u>	<u>200</u>
Disbursements:					
Personal services	-	-	11,308	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	150
Capital outlay	-	-	-	-	-
Other disbursements	121,542	-	-	-	-
Total disbursements	<u>121,542</u>	<u>-</u>	<u>11,308</u>	<u>-</u>	<u>150</u>
Excess (deficiency) of receipts over disbursements	<u>37,561</u>	<u>6</u>	<u>-</u>	<u>-</u>	<u>50</u>
Cash and investments - ending	<u>\$ 72,442</u>	<u>\$ 10,366</u>	<u>\$ -</u>	<u>\$ 4,500</u>	<u>\$ 50</u>

AKRON CARNEGIE PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Payroll - Fica & Medicare	Payroll - State Tax	Payroll - Deferred Comp	Payroll - County Tax	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 321,938
Receipts:					
Taxes	-	-	-	-	305,387
Intergovernmental	-	-	-	-	95,937
Fines and forfeits	-	-	-	-	4,597
Other receipts	7,230	3,226	900	1,339	41,409
Total receipts	7,230	3,226	900	1,339	447,330
Disbursements:					
Personal services	7,230	3,226	900	1,339	128,578
Supplies	-	-	-	-	8,869
Other services and charges	-	-	-	-	54,117
Capital outlay	-	-	-	-	14,043
Other disbursements	-	-	-	-	125,352
Total disbursements	7,230	3,226	900	1,339	330,959
Excess (deficiency) of receipts over disbursements	-	-	-	-	116,371
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 438,309

AKRON CARNEGIE PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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	\$ 131,500
Buildings	1,972,000
Machinery and equipment	<u>245,541</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 2,349,041</u>

AKRON - HENRY TOWNSHIP PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Akron Public Library Building Corporation	\$ 1,075,000	\$ 121,500

AKRON CARNEGIE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on May 31, 2011, with Velma Bright, former Director; Janet Hawley, Interim Director; and Beverly Cowell, Bookkeeper. Our examination disclosed no material items that warrant comment at this time.