

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

EXAMINATION REPORT

OF

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY

STARKE COUNTY, INDIANA

January 1, 2009 to December 31, 2010



FILED
08/24/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jane Ellen Felchuk	01-01-09 to 12-31-11
Treasurer	Connie Miller Kim Powell	01-01-09 to 06-09-09 06-10-09 to 12-31-11
President of the Board	Larry Wickert	01-01-09 to 12-31-11



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NORTH JUDSON-WAYNE TOWNSHIP
PUBLIC LIBRARY, STARKE COUNTY, INDIANA

We have examined the financial statement(s) of North Judson-Wayne Township Public Library (Library), for the period of January 1, 2009 to December 31, 2010. The Library's management is responsible for the financial statement(s). 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 statement(s) 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 statement(s) 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. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statement(s) referred to above present 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) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 statement(s). They have not been subjected to the examination procedures applied to the financial statement(s) 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

July 26, 2011

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FINANCIAL STATEMENT(S)

NORTH JUDSON - WAYNE TOWNSHIP PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2009 and 2010

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Operating	\$ 63,450	\$ 199,264	\$ 208,777	\$ 53,937
Petty Cash	100	-	-	100
Change	50	-	-	50
State Grant	1,800	1,800	1,800	1,800
Rainy Day	40,846	1,231	37,489	4,588
Special Projects	378	362	554	186
Memorial	26,760	26,923	26,128	27,555
Levy Excess	9,367	-	9,367	-
Insurance Proceeds	-	15,275	15,275	-
Bond And Interest Redemption	36,488	72,828	72,000	37,316
Library Capital Projects	22,155	17,806	23,236	16,725
Unencumbered Miscellaneous Services	855	-	855	-
Payroll	-	25	25	-
Video Deposits	5,792	145	-	5,937
	<u>208,041</u>	<u>335,659</u>	<u>395,506</u>	<u>148,194</u>
Totals	<u>\$ 208,041</u>	<u>\$ 335,659</u>	<u>\$ 395,506</u>	<u>\$ 148,194</u>

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 53,937	\$ 207,006	\$ 167,602	\$ 93,341
Petty Cash	100	-	-	100
Cash Change	50	-	-	50
State Grant	1,800	-	1,800	-
Rainy Day	4,588	1,876	-	6,464
Special Projects	186	893	786	293
Memorial	27,555	2,916	-	30,471
Levy Excess	-	511	-	511
Bond And Interest Redemption	37,316	77,397	72,000	42,713
Library Capital Projects	16,725	19,568	18,194	18,099
Video Deposits	5,937	115	-	6,052
	<u>148,194</u>	<u>310,282</u>	<u>260,382</u>	<u>198,094</u>
Totals	<u>\$ 148,194</u>	<u>\$ 310,282</u>	<u>\$ 260,382</u>	<u>\$ 198,094</u>

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

NORTH JUDSON - WAYNE TOWNSHIP 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.

NORTH JUDSON - WAYNE TOWNSHIP 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).

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.

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

NORTH JUDSON - WAYNE TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

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.

NORTH JUDSON - WAYNE TOWNSHIP 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.

SUPPLEMENTARY INFORMATION – UNAUDITED

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

NORTH JUDSON - WAYNE TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	<u>Operating</u>	<u>Petty Cash</u>	<u>Change</u>	<u>State Grant</u>	<u>Rainy Day</u>
Cash and investments - beginning	\$ 63,450	\$ 100	\$ 50	\$ 1,800	\$ 40,846
Receipts:					
Taxes	111,949	-	-	-	-
Intergovernmental	43,142	-	-	-	411
Charges for services	1,746	-	-	-	-
Fines and forfeits	924	-	-	1,800	-
Other receipts	41,503	-	-	-	820
Total receipts	<u>199,264</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>1,231</u>
Disbursements:					
Personal services	114,386	-	-	-	-
Supplies	2,954	-	-	-	-
Other services and charges	51,875	-	-	1,800	37,489
Capital outlay	15,562	-	-	-	-
Other disbursements	24,000	-	-	-	-
Total disbursements	<u>208,777</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>37,489</u>
Excess (deficiency) of receipts over disbursements	<u>(9,513)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,258)</u>
Cash and investments - ending	<u>\$ 53,937</u>	<u>\$ 100</u>	<u>\$ 50</u>	<u>\$ 1,800</u>	<u>\$ 4,588</u>

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

	Special Projects	Memorial	Levy Excess	Insurance Proceeds	Bond And Interest Redemption
Cash and investments - beginning	\$ 378	\$ 26,760	\$ 9,367	\$ -	\$ 36,488
Receipts:					
Taxes	-	-	-	-	63,497
Intergovernmental	-	-	-	-	9,331
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other receipts	362	26,923	-	15,275	-
Total receipts	<u>362</u>	<u>26,923</u>	<u>-</u>	<u>15,275</u>	<u>72,828</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	2,128	-	-	-
Capital outlay	-	-	-	-	-
Other disbursements	554	24,000	9,367	15,275	72,000
Total disbursements	<u>554</u>	<u>26,128</u>	<u>9,367</u>	<u>15,275</u>	<u>72,000</u>
Excess (deficiency) of receipts over disbursements	<u>(192)</u>	<u>795</u>	<u>(9,367)</u>	<u>-</u>	<u>828</u>
Cash and investments - ending	<u>\$ 186</u>	<u>\$ 27,555</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 37,316</u>

NORTH JUDSON - WAYNE TOWNSHIP 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	Unencumbered Miscellaneous Services	Payroll	Video Deposits	Totals
Cash and investments - beginning	\$ 22,155	\$ 855	\$ -	\$ 5,792	\$ 208,041
Receipts:					
Taxes	15,552	-	-	-	190,998
Intergovernmental	2,254	-	-	-	55,138
Charges for services	-	-	-	-	1,746
Fines and forfeits	-	-	-	-	2,724
Other receipts	-	-	25	145	85,053
Total receipts	<u>17,806</u>	<u>-</u>	<u>25</u>	<u>145</u>	<u>335,659</u>
Disbursements:					
Personal services	4,800	-	25	-	119,211
Supplies	-	-	-	-	2,954
Other services and charges	18,436	855	-	-	112,583
Capital outlay	-	-	-	-	15,562
Other disbursements	-	-	-	-	145,196
Total disbursements	<u>23,236</u>	<u>855</u>	<u>25</u>	<u>-</u>	<u>395,506</u>
Excess (deficiency) of receipts over disbursements	<u>(5,430)</u>	<u>(855)</u>	<u>-</u>	<u>145</u>	<u>(59,847)</u>
Cash and investments - ending	<u>\$ 16,725</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,937</u>	<u>\$ 148,194</u>

NORTH JUDSON - WAYNE TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Petty Cash	Cash Change	State Grant	Rainy Day	Special Projects
Cash and investments - beginning	\$ 53,937	\$ 100	\$ 50	\$ 1,800	\$ 4,588	\$ 186
Receipts:						
Taxes	145,514	-	-	-	-	-
Intergovernmental	49,757	-	-	-	1,876	-
Charges for services	4,906	-	-	-	-	-
Fines and forfeits	1,042	-	-	-	-	-
Other receipts	5,787	-	-	-	-	893
Total receipts	<u>207,006</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,876</u>	<u>893</u>
Disbursements:						
Personal services	108,327	-	-	-	-	-
Supplies	2,723	-	-	-	-	-
Other services and charges	42,391	-	-	-	-	-
Capital outlay	14,161	-	-	-	-	-
Other disbursements	-	-	-	1,800	-	786
Total disbursements	<u>167,602</u>	<u>-</u>	<u>-</u>	<u>1,800</u>	<u>-</u>	<u>786</u>
Excess (deficiency) of receipts over disbursements	<u>39,404</u>	<u>-</u>	<u>-</u>	<u>(1,800)</u>	<u>1,876</u>	<u>107</u>
Cash and investments - ending	<u>\$ 93,341</u>	<u>\$ 100</u>	<u>\$ 50</u>	<u>\$ -</u>	<u>\$ 6,464</u>	<u>\$ 293</u>

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

	Memorial	Levy Excess	Bond And Interest Redemption	Library Capital Projects	Video Deposits	Totals
Cash and investments - beginning	\$ 27,555	\$ -	\$ 37,316	\$ 16,725	\$ 5,937	\$ 148,194
Receipts:						
Taxes	2,916	511	68,002	17,194	-	234,137
Intergovernmental	-	-	9,395	2,374	-	63,402
Charges for services	-	-	-	-	-	4,906
Fines and forfeits	-	-	-	-	-	1,042
Other receipts	-	-	-	-	115	6,795
Total receipts	<u>2,916</u>	<u>511</u>	<u>77,397</u>	<u>19,568</u>	<u>115</u>	<u>310,282</u>
Disbursements:						
Personal services	-	-	-	-	-	108,327
Supplies	-	-	-	-	-	2,723
Other services and charges	-	-	-	-	-	42,391
Capital outlay	-	-	-	-	-	14,161
Other disbursements	-	-	72,000	18,194	-	92,780
Total disbursements	<u>-</u>	<u>-</u>	<u>72,000</u>	<u>18,194</u>	<u>-</u>	<u>260,382</u>
Excess (deficiency) of receipts over disbursements	<u>2,916</u>	<u>511</u>	<u>5,397</u>	<u>1,374</u>	<u>115</u>	<u>49,900</u>
Cash and investments - ending	<u>\$ 30,471</u>	<u>\$ 511</u>	<u>\$ 42,713</u>	<u>\$ 18,099</u>	<u>\$ 6,052</u>	<u>\$ 198,094</u>

NORTH JUDSON-WAYNE TOWNSHIP 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:	
Buildings	\$ 913,650
Machinery and equipment	<u>170,182</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 1,083,832</u></u>

NORTH JUDSON-WAYNE 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:		
Library Addition	\$ 348,943	\$ 72,000

NORTH JUDSON-WAYNE TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 26, 2011, with Jane Ellen Felchuk, Director, and with Larry Wickert, President of the Board. Our examination disclosed no material items that warrant comment at this time.