

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

EXAMINATION REPORT
OF
ALEXANDRIA-MONROE PUBLIC LIBRARY
MADISON COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
10/05/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Montie Manning	01-01-09 to 12-31-11
Treasurer	Laura Rowe Joyce P. Hall	01-01-09 to 12-31-09 01-01-10 to 12-31-11
President of the Board	Judy Cullen	01-01-09 to 12-31-11



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STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE ALEXANDRIA-MONROE
PUBLIC LIBRARY, MADISON COUNTY, INDIANA

We have examined the financial statements of the Alexandria-Monroe 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. The basis noted above is a different basis than that used in the prior year.

In our opinion, the financial statements 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 Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, as listed in the Table of Contents, is presented for additional analysis and is 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 Board of Directors, 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

August 25, 2011

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FINANCIAL STATEMENTS

ALEXANDRIA-MONROE 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
Operating	\$ 567,181	\$ 578,137	\$ 443,179	\$ 702,139
State	3,600	6,720	3,600	6,720
Gift	2,929	2,275	4,014	1,190
Rainy Day Fund	48,811	444	-	49,255
Lirf	207,269	13,983	109,509	111,743
Withholdings	-	59,824	59,669	155
Plac Card Fund	60	270	210	120
Totals	<u>\$ 829,850</u>	<u>\$ 661,653</u>	<u>\$ 620,181</u>	<u>\$ 871,322</u>

The notes to the financial statements are an integral part of this statement.

ALEXANDRIA-MONROE 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
Operating	\$ 702,139	\$ 813,190	\$ 494,785	\$ 1,020,544
Levy Excess	-	1,166	-	1,166
State	6,720	4,529	5,970	5,279
Gift	1,190	2,023	2,922	291
Rainy Day Fund	49,255	871	-	50,126
Lirf	111,743	9,391	25,935	95,199
Withholdings	155	59,002	59,015	142
Plac Card Fund	120	350	370	100
Totals	<u>\$ 871,322</u>	<u>\$ 890,522</u>	<u>\$ 588,997</u>	<u>\$ 1,172,847</u>

The notes to the financial statements are an integral part of this statement.

ALEXANDRIA-MONROE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS

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 statements present 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.

Special assessments which includes amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

License and permits which includes 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 license and permits include: peddler licenses; dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits; and gun permits.

ALEXANDRIA-MONROE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

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 which includes 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 includes 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.

ALEXANDRIA-MONROE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Debt service principle and interest which includes 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 includes all outflows for land, infrastructure, buildings, improvements, machinery and equipment having an appreciable and calculable period of usefulness.

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

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.

ALEXANDRIA-MONROE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 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.

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.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

	Operating	State	Gift	Rainy Day Fund	Lirf	Withholdings	Plac Card Fund	Totals
Cash and investments - beginning	\$ 567,181	\$ 3,600	\$ 2,929	\$ 48,811	\$ 207,269	\$ -	\$ 60	\$ 829,850
Receipts:								
Taxes	415,431	-	-	-	-	-	-	415,431
Intergovernmental	135,218	6,720	-	-	-	-	-	141,938
Charges for services	3,264	-	-	-	-	-	-	3,264
Fines and forfeits	10,072	-	-	-	-	-	-	10,072
Other receipts	14,152	-	2,275	444	13,983	59,824	270	90,948
Total receipts	<u>578,137</u>	<u>6,720</u>	<u>2,275</u>	<u>444</u>	<u>13,983</u>	<u>59,824</u>	<u>270</u>	<u>661,653</u>
Disbursements:								
Personal services	294,281	-	157	-	-	-	-	294,438
Supplies	13,900	-	-	-	-	-	-	13,900
Other services and charges	56,355	3,600	3,663	-	9,795	-	-	73,413
Capital outlay	73,643	-	194	-	99,714	-	-	173,551
Other disbursements	5,000	-	-	-	-	59,669	210	64,879
Total disbursements	<u>443,179</u>	<u>3,600</u>	<u>4,014</u>	<u>-</u>	<u>109,509</u>	<u>59,669</u>	<u>210</u>	<u>620,181</u>
Excess (deficiency) of receipts over disbursements	<u>134,958</u>	<u>3,120</u>	<u>(1,739)</u>	<u>444</u>	<u>(95,526)</u>	<u>155</u>	<u>60</u>	<u>41,472</u>
Cash and investments - ending	<u>\$ 702,139</u>	<u>\$ 6,720</u>	<u>\$ 1,190</u>	<u>\$ 49,255</u>	<u>\$ 111,743</u>	<u>\$ 155</u>	<u>\$ 120</u>	<u>\$ 871,322</u>

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

	Operating	Levy Excess	State	Gift	Rainy Day Fund	Lirf	Withholdings	Plac Card Fund	Totals
Cash and investments - beginning	\$ 702,139	\$ -	\$ 6,720	\$ 1,190	\$ 49,255	\$ 111,743	\$ 155	\$ 120	\$ 871,322
Receipts:									
Taxes	644,154	-	-	-	-	-	-	-	644,154
Intergovernmental	142,795	-	4,529	-	687	-	-	-	148,011
Charges for services	3,592	-	-	-	-	-	-	-	3,592
Fines and forfeits	11,191	-	-	-	-	-	-	-	11,191
Other receipts	11,458	1,166	-	2,023	184	9,391	59,002	350	83,574
Total receipts	813,190	1,166	4,529	2,023	871	9,391	59,002	350	890,522
Disbursements:									
Personal services	265,732	-	-	-	-	-	-	-	265,732
Supplies	22,932	-	-	273	-	-	-	-	23,205
Other services and charges	77,730	-	5,970	2,649	-	11,974	-	-	98,323
Capital outlay	128,391	-	-	-	-	13,961	-	-	142,352
Other disbursements	-	-	-	-	-	-	59,015	370	59,385
Total disbursements	494,785	-	5,970	2,922	-	25,935	59,015	370	588,997
Excess (deficiency) of receipts over disbursements	318,405	1,166	(1,441)	(899)	871	(16,544)	(13)	(20)	301,525
Cash and investments - ending	\$ 1,020,544	\$ 1,166	\$ 5,279	\$ 291	\$ 50,126	\$ 95,199	\$ 142	\$ 100	\$ 1,172,847

ALEXANDRIA-MONROE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 25, 2011, with Montie Manning, Director; Joyce P. Hall, Treasurer; and Judy Cullen, President of the Board. Our examination disclosed no material items that warrant comment at this time.