

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

LOGANSPORT - CASS COUNTY PUBLIC LIBRARY

CASS COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/04/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David M. Ivey	01-01-10 to 12-31-12
Treasurer	Jeanne Kistler Jo Ellen Jackson	01-01-10 to 12-31-10 01-01-11 to 12-31-12
President of the Board	Patrick E. McNarny Sharon Kain	01-01-10 to 12-31-10 01-01-11 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF LOGANSPORT - CASS COUNTY
PUBLIC LIBRARY, CASS COUNTY, INDIANA

We have examined the accompanying financial statements of Logansport - Cass County Public Library (Library), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on the financial statements 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, 2010 and 2011, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Library's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, 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, Library Board, and others within the entity 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 6, 2012

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FINANCIAL STATEMENTS

The financial statements and accompanying notes were approved by management of the Library. The financial statements and notes are presented as intended by the Library.

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Operating Fund	\$ 745,180	\$ 1,472,326	\$ 1,555,190	\$ 662,316
Petty Cash	80	-	-	80
Gift Fund	740,354	19,735	565,921	194,168
Rainy Day Fund	15,132	18,623	14,934	18,821
Levy Excess Fund	-	2,459	-	2,459
LIRF Fund	453,968	80,940	421,469	113,439
PLAC Fund	90	450	470	70
Totals	<u>\$ 1,954,804</u>	<u>\$ 1,594,533</u>	<u>\$ 2,557,984</u>	<u>\$ 991,353</u>

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

LOGANSPORT - CASS COUNTY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Operating Fund	\$ 662,316	\$ 1,347,261	\$ 1,268,291	\$ 741,286
Rainy Day Fund	18,821	-	18,721	100
Levy Excess Fund	2,459	-	2,459	-
LIRF Fund	113,439	80,344	2,827	190,956
PLAC Fund	70	330	400	-
Petty Cash	80	-	-	80
Gift Fund	194,168	14,867	53,408	155,627
Totals	<u>\$ 991,353</u>	<u>\$ 1,442,802</u>	<u>\$ 1,346,106</u>	<u>\$ 1,088,049</u>

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

LOGANSPORT - CASS COUNTY 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.

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 include 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.

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: copies of public records, copy machine charges, lost book charges, and fines and fees.

LOGANSPOUR - CASS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 include 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.

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

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.

LOGANSPORT - CASS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

LOGANSPORT - CASS COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 any administration of the risks.

Note 6. Pension Plan

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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Library's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Library which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Library. It is presented as intended by the Library.

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

	General Operating Fund	Petty Cash	Gift Fund	Rainy Day Fund	Levy Excess Fund	LIRF Fund	PLAC Fund	Totals
Cash and investments - beginning	\$ 745,180	\$ 80	\$ 740,354	\$ 15,132	\$ -	\$ 453,968	\$ 90	\$ 1,954,804
Receipts:								
Intergovernmental	1,218,394	-	-	18,623	2,459	-	-	1,239,476
Charges for services	7,026	-	-	-	-	-	-	7,026
Fines and forfeits	38,281	-	-	-	-	-	-	38,281
Other receipts	208,625	-	19,735	-	-	80,940	450	309,750
Total receipts	<u>1,472,326</u>	<u>-</u>	<u>19,735</u>	<u>18,623</u>	<u>2,459</u>	<u>80,940</u>	<u>450</u>	<u>1,594,533</u>
Disbursements:								
Personal services	710,201	-	-	-	-	-	-	710,201
Supplies	44,543	-	-	-	-	-	-	44,543
Other services and charges	214,931	-	-	-	-	30,109	-	245,040
Capital outlay	505,195	-	-	14,934	-	391,360	-	911,489
Other disbursements	80,320	-	565,921	-	-	-	470	646,711
Total disbursements	<u>1,555,190</u>	<u>-</u>	<u>565,921</u>	<u>14,934</u>	<u>-</u>	<u>421,469</u>	<u>470</u>	<u>2,557,984</u>
Excess (deficiency) of receipts over disbursements	<u>(82,864)</u>	<u>-</u>	<u>(546,186)</u>	<u>3,689</u>	<u>2,459</u>	<u>(340,529)</u>	<u>(20)</u>	<u>(963,451)</u>
Cash and investments - ending	<u>\$ 662,316</u>	<u>\$ 80</u>	<u>\$ 194,168</u>	<u>\$ 18,821</u>	<u>\$ 2,459</u>	<u>\$ 113,439</u>	<u>\$ 70</u>	<u>\$ 991,353</u>

LOGANSPOUT - CASS COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General Operating Fund	Rainy Day Fund	Levy Excess Fund	LIRF Fund	PLAC Card	Petty Cash	Gift Fund	Totals
Cash and investments - beginning	\$ 662,316	\$ 18,821	\$ 2,459	\$ 113,439	\$ 70	\$ 80	\$ 194,168	\$ 991,353
Receipts:								
Taxes	917,673	-	-	-	-	-	-	917,673
Intergovernmental	332,725	-	-	-	-	-	-	332,725
Charges for services	7,899	-	-	-	300	-	-	8,199
Fines and forfeits	37,776	-	-	-	-	-	-	37,776
Other receipts	51,188	-	-	80,344	30	-	14,867	146,429
Total receipts	<u>1,347,261</u>	<u>-</u>	<u>-</u>	<u>80,344</u>	<u>330</u>	<u>-</u>	<u>14,867</u>	<u>1,442,802</u>
Disbursements:								
Personal services	701,807	-	-	-	-	-	-	701,807
Supplies	34,354	-	-	-	-	-	-	34,354
Other services and charges	174,672	-	-	2,827	-	-	-	177,499
Capital outlay	277,458	18,523	-	-	-	-	-	295,981
Other disbursements	80,000	198	2,459	-	400	-	53,408	136,465
Total disbursements	<u>1,268,291</u>	<u>18,721</u>	<u>2,459</u>	<u>2,827</u>	<u>400</u>	<u>-</u>	<u>53,408</u>	<u>1,346,106</u>
Excess (deficiency) of receipts over disbursements	<u>78,970</u>	<u>(18,721)</u>	<u>(2,459)</u>	<u>77,517</u>	<u>(70)</u>	<u>-</u>	<u>(38,541)</u>	<u>96,696</u>
Cash and investments - ending	<u>\$ 741,286</u>	<u>\$ 100</u>	<u>\$ -</u>	<u>\$ 190,956</u>	<u>\$ -</u>	<u>\$ 80</u>	<u>\$ 155,627</u>	<u>\$ 1,088,049</u>

LOGANSPORT - CASS COUNTY PUBLIC LIBRARY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
LEAF	Copier	\$ 1,782	10-15-2010	10-15-2013
LEAF	Copier	<u>2,013</u>	11-30-2011	11-30-2014
Total governmental activities		<u>3,795</u>		
Total of annual lease payments		<u>\$ 3,795</u>		

LOGANSPORT - CASS COUNTY PUBLIC LIBRARY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2011

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.

	Ending Balance
Governmental activities:	
Land	\$ 11,884
Buildings	5,925,583.00
Improvements other than buildings	164,901
Machinery, equipment and vehicles	126,906
Books and other	5,232,292
Total governmental activities	11,461,566
Total capital assets	\$ 11,461,566

LOGANSPORT - CASS COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 6, 2012 with David M. Ivey, Director; Jo Ellen Jackson, Treasurer; and Sandra L. Persinger, Office Coordinator. Our examination disclosed no material items that warrant comment at this time.