

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY

ST. JOSEPH COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED
05/01/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Stephen Boggs	01-01-10 to 12-31-13
Treasurer	Wendy Glon Valarie Seemiller	01-01-10 to 12-31-11 01-01-12 to 12-31-13
President of the Board	Lori Kemmel Steve Vojtko	01-01-10 to 12-31-11 01-01-12 to 12-31-13



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NEW CARLISLE-OLIVE TOWNSHIP
PUBLIC LIBRARY, ST. JOSEPH COUNTY, INDIANA

We have examined the accompanying financial statements of the New Carlisle-Olive Township Public Library (Library), for the period of January 1, 2010 to December 31, 2012. 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 effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Library for the period of January 1, 2010 to December 31, 2012.

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 period of January 1, 2010 to December 31, 2012, 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.

Bruce Hartman
State Examiner

March 21, 2013

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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.

NEW CARLISLE-OLIVE TOWNSHIP 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
Operating Fund	\$ 1,175,392	\$ 779,980	\$ 749,453	\$ 1,205,919
Gift Fund	4,580	1,489	1,733	4,336
Rainy Day Fund	256,329	20,055	-	276,384
Friends Of The Library	4,054	1,981	1,760	4,275
Cafe	2,374	14,102	13,615	2,861
Levy Excess Fund	-	2,608	-	2,608
Birf	189,397	405,216	233,195	361,418
Wells Fargo Construction Fund	-	442,630	59,522	383,108
Lirf	12,183	30	-	12,213
Lcpf	22,617	-	22,617	-
Payroll	-	73,667	73,667	-
Totals	<u>\$ 1,666,926</u>	<u>\$ 1,741,758</u>	<u>\$ 1,155,562</u>	<u>\$ 2,253,122</u>

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

NEW CARLISLE-OLIVE TOWNSHIP 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
Operating Fund	\$ 1,205,919	\$ 780,194	\$ 742,360	\$ 1,243,753
Rainy Day Fund	276,384	211,060	70,255	417,189
Levy Excess Fund	2,608	-	2,608	-
Lif	12,213	21	-	12,234
Gift Fund	4,336	1,808	4,609	1,535
Friends Of The Library	4,275	4,162	1,818	6,619
Cafe	2,861	15,419	14,460	3,820
Bif	361,418	359,587	663,611	57,394
Wells Fargo Construction Fund	383,108	54	27,009	356,153
Payroll	-	79,563	79,563	-
Totals	<u>\$ 2,253,122</u>	<u>\$ 1,451,868</u>	<u>\$ 1,606,293</u>	<u>\$ 2,098,697</u>

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

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Operating Fund	\$ 1,243,752	\$ 156,893	\$ 681,582	\$ 719,063
Rainy Day Fun	417,189	174,806	177,269	414,726
Lirf	12,234	14	-	12,248
Transfers	-	404,939	404,939	-
Gift Fund	1,536	1,521	2,083	974
Friends Of The Library	6,620	2,524	3,785	5,359
Cafe	3,820	11,318	10,834	4,304
Birf	57,395	559,912	617,306	1
Wells Fargo Construction Fund	356,152	26	57,463	298,715
Payroll	-	82,986	82,986	-
Totals	<u>\$ 2,098,698</u>	<u>\$ 1,394,939</u>	<u>\$ 2,038,247</u>	<u>\$ 1,455,390</u>

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

NEW CARLISLE-OLIVE TOWNSHIP 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 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.

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, ordinance violations, fines and fees.

NEW CARLISLE-OLIVE TOWNSHIP 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 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, 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.

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

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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.

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.

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Library's Annual Report information for years 2011 and later 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.

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Operating Fund	Gift Fund	Rainy Day Fund	Friends Of The Library	Cafe	Levy Excess Fund	Birf	Wells Fargo Construction Fund	Lirf	Lcpf	Payroll	Totals
Cash and investments - beginning	\$ 1,175,392	\$ 4,580	\$ 256,329	\$ 4,054	\$ 2,374	\$ -	\$ 189,397	\$ -	\$ 12,183	\$ 22,617	\$ -	\$ 1,666,926
Receipts:												
Taxes	571,496	-	-	-	-	-	389,609	-	-	-	-	961,105
Intergovernmental	153,418	-	20,055	-	-	-	15,607	-	-	-	-	189,080
Charges for services	5,172	-	-	-	-	-	-	-	-	-	-	5,172
Fines and forfeits	10,393	-	-	-	-	-	-	-	-	-	-	10,393
Other receipts	39,501	1,489	-	1,981	14,102	2,608	-	442,630	30	-	73,667	576,008
Total receipts	779,980	1,489	20,055	1,981	14,102	2,608	405,216	442,630	30	-	73,667	1,741,758
Disbursements:												
Personal services	410,497	-	-	-	-	-	-	-	-	-	-	410,497
Supplies	17,459	1,624	-	-	13,615	-	-	-	-	-	-	32,698
Other services and charges	165,602	109	-	-	-	-	209,000	46,338	-	-	-	421,049
Capital outlay	122,770	-	-	1,760	-	-	-	13,184	-	-	-	137,714
Other disbursements	33,125	-	-	-	-	-	24,195	-	-	22,617	73,667	153,604
Total disbursements	749,453	1,733	-	1,760	13,615	-	233,195	59,522	-	22,617	73,667	1,155,562
Excess (deficiency) of receipts over disbursements	30,527	(244)	20,055	221	487	2,608	172,021	383,108	30	(22,617)	-	586,196
Cash and investments - ending	\$ 1,205,919	\$ 4,336	\$ 276,384	\$ 4,275	\$ 2,861	\$ 2,608	\$ 361,418	\$ 383,108	\$ 12,213	\$ -	\$ -	\$ 2,253,122

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Operating Fund	Rainy Day Fund	Levy Excess Fund	Lif	Gift Fund	Friends Of The Library	Cafe	Birf	Wells Fargo Construction Fund	Payroll	Totals
Cash and investments - beginning	\$ 1,205,919	\$ 276,384	\$ 2,608	\$ 12,213	\$ 4,336	\$ 4,275	\$ 2,861	\$ 361,418	\$ 383,108	\$ -	\$ 2,253,122
Receipts:											
Taxes	604,674	-	-	-	-	-	-	277,974	-	-	882,648
Intergovernmental	134,144	-	-	-	-	-	-	11,358	-	-	145,502
Charges for services	14,737	-	-	-	-	-	-	-	-	-	14,737
Fines and forfeits	-	-	-	-	-	-	15,419	-	-	-	15,419
Other receipts	26,639	211,060	-	21	1,808	4,162	-	70,255	54	79,563	393,562
Total receipts	780,194	211,060	-	21	1,808	4,162	15,419	359,587	54	79,563	1,451,868
Disbursements:											
Personal services	447,957	-	-	-	-	-	-	-	-	-	447,957
Supplies	16,130	-	-	-	-	-	-	-	-	-	16,130
Other services and charges	170,321	-	-	-	-	-	-	9,051	-	-	179,372
Debt service - principal and interest	-	-	-	-	-	-	-	443,500	-	-	443,500
Capital outlay	107,952	-	-	-	-	-	-	-	27,009	-	134,961
Other disbursements	-	70,255	2,608	-	4,609	1,818	14,460	211,060	-	79,563	384,373
Total disbursements	742,360	70,255	2,608	-	4,609	1,818	14,460	663,611	27,009	79,563	1,606,293
Excess (deficiency) of receipts over disbursements	37,834	140,805	(2,608)	21	(2,801)	2,344	959	(304,024)	(26,955)	-	(154,425)
Cash and investments - ending	\$ 1,243,753	\$ 417,189	\$ -	\$ 12,234	\$ 1,535	\$ 6,619	\$ 3,820	\$ 57,394	\$ 356,153	\$ -	\$ 2,098,697

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	Operating Fund	Rainy Day Fun	Lirf	Transfers	Gift Fund	Friends Of The Library	Cafe	Birf	Wells Fargo Construction Fund	Payroll	Totals
Cash and investments - beginning	\$ 1,243,752	\$ 417,189	\$ 12,234	\$ -	\$ 1,536	\$ 6,620	\$ 3,820	\$ 57,395	\$ 356,152	\$ -	\$ 2,098,698
Receipts:											
Taxes	8,006	-	-	-	-	-	-	367,176	-	-	375,182
Intergovernmental	117,321	-	-	-	-	-	-	15,467	-	-	132,788
Charges for services	14,844	-	-	-	-	-	-	-	-	-	14,844
Fines and forfeits	15,030	-	-	-	-	-	-	-	-	-	15,030
Other receipts	1,692	174,806	14	404,939	1,521	2,524	11,318	177,269	26	82,986	857,095
Total receipts	156,893	174,806	14	404,939	1,521	2,524	11,318	559,912	26	82,986	1,394,939
Disbursements:											
Personal services	465,886	-	-	-	-	-	-	-	-	-	465,886
Supplies	16,265	-	-	-	-	-	-	-	-	-	16,265
Other services and charges	124,187	-	-	-	-	-	-	-	48,345	-	172,532
Debt service - principal and interest	-	-	-	-	-	-	-	432,675	-	-	432,675
Capital outlay	75,244	-	-	-	-	-	-	-	9,118	-	84,362
Other disbursements	-	177,269	-	404,939	2,083	3,785	10,834	184,631	-	82,986	866,527
Total disbursements	681,582	177,269	-	404,939	2,083	3,785	10,834	617,306	57,463	82,986	2,038,247
Excess (deficiency) of receipts over disbursements	(524,689)	(2,463)	14	-	(562)	(1,261)	484	(57,394)	(57,437)	-	(643,308)
Cash and investments - ending	\$ 719,063	\$ 414,726	\$ 12,248	\$ -	\$ 974	\$ 5,359	\$ 4,304	\$ 1	\$ 298,715	\$ -	\$ 1,455,390

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: GE Capital	Copier	<u>\$ 2,347</u>	04-26-11	04-01-16

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: General obligation bonds	New building in 2001 Leasing Corporation sold bonds	<u>\$ 3,370,000</u>	<u>\$ 436,225</u>

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2012

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	\$ 168,000
Infrastructure	8,800
Buildings	6,093,626
Machinery, equipment and vehicles	803,905
Books and other	3,093,626
Total governmental activities	10,167,957
Total capital assets	\$ 10,167,957

NEW CARLISLE-OLIVE TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on March 21, 2013, with Valarie Seemiller, Treasurer, and Stephen Boggs, Director. Our examination disclosed no material items that warrant comment at this time.