

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CROWN POINT COMMUNITY LIBRARY

LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2012



FILED
05/15/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Lynn M. Frank	01-01-11 to 12-31-13
Treasurer	Fiona C. McCarroll	01-01-11 to 12-31-13
President of the Board	Bonnie H. Hunter Patrick A. Schuster	01-01-11 to 12-31-12 01-01-13 to 12-31-13



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CROWN POINT COMMUNITY LIBRARY, LAKE COUNTY, INDIANA

We have examined the accompanying financial statement of the Crown Point Community Library (Library), for the period of January 1, 2011 to December 31, 2012. The financial statement is the responsibility of the Library's management. Our responsibility is to express an opinion on the financial statement 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 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 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 statement 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 statement referred to above does 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, 2011 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Library for the period of January 1, 2011 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 statement. 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 statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Bruce Hartman
State Examiner

March 21, 2013

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FINANCIAL STATEMENT

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

CROWN POINT COMMUNITY LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2011, and 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 625,735	\$ 2,094,574	\$ 1,257,106	\$ 1,463,203	\$ 1,478,277	\$ 1,382,317	\$ 1,559,163
Rainy Day	100,000	-	-	100,000	251,900	-	351,900
Levy Excess	3,554	-	3,554	-	-	-	-
Capital Projects	829,702	419,960	236,442	1,013,220	824	781,037	233,007
Library Improvement Reserve	297,922	156	92,412	205,666	340	15,938	190,068
Debt Service	-	1,175,266	1,149,279	25,987	1,309,074	915,755	419,306
State Technology Grant	8,380	7,676	9,150	6,906	11,095	11,355	6,646
Excess Welfare Distribution	27,901	-	-	27,901	-	-	27,901
Construction	1,061,628	10,442,081	4,307,886	7,195,823	28,133	6,760,467	463,489
Gift & Memorial	294,948	30,002	42,508	282,442	110,394	142,770	250,066
Payroll	-	1,196,436	1,196,436	-	1,345,206	1,345,206	-
Totals	<u>\$ 3,249,770</u>	<u>\$ 15,366,151</u>	<u>\$ 8,294,773</u>	<u>\$ 10,321,148</u>	<u>\$ 4,535,243</u>	<u>\$ 11,354,845</u>	<u>\$ 3,501,546</u>

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

CROWN POINT COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT

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 presents the financial information for the Library.

B. Basis of Accounting

The financial statement is 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 statement. 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: 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.

CROWN POINT COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(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 statement. 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.

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.

CROWN POINT COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(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.

CROWN POINT COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and 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.

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 statement 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.

CROWN POINT COMMUNITY LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Rainy Day	Levy Excess	Capital Projects	Library Improvement Reserve	Debt Service
Cash and investments - beginning	\$ 625,735	\$ 100,000	\$ 3,554	\$ 829,702	\$ 297,922	\$ -
Receipts:						
Taxes	1,927,086	-	-	182,529	-	859,902
Intergovernmental	116,376	-	-	-	-	78,922
Charges for services	5,785	-	-	-	-	-
Fines and forfeits	36,764	-	-	-	-	-
Other receipts	8,563	-	-	237,431	156	236,442
Total receipts	<u>2,094,574</u>	<u>-</u>	<u>-</u>	<u>419,960</u>	<u>156</u>	<u>1,175,266</u>
Disbursements:						
Personal services	861,244	-	-	-	-	-
Supplies	26,210	-	-	-	-	-
Other services and charges	153,136	-	-	-	36,965	-
Debt service - principal and interest	-	-	-	-	-	912,837
Capital outlay	216,516	-	-	-	55,447	-
Other disbursements	-	-	3,554	236,442	-	236,442
Total disbursements	<u>1,257,106</u>	<u>-</u>	<u>3,554</u>	<u>236,442</u>	<u>92,412</u>	<u>1,149,279</u>
Excess (deficiency) of receipts over disbursements	<u>837,468</u>	<u>-</u>	<u>(3,554)</u>	<u>183,518</u>	<u>(92,256)</u>	<u>25,987</u>
Cash and investments - ending	<u>\$ 1,463,203</u>	<u>\$ 100,000</u>	<u>\$ -</u>	<u>\$ 1,013,220</u>	<u>\$ 205,666</u>	<u>\$ 25,987</u>

CROWN POINT COMMUNITY LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	State Technology Grant	Excess Welfare Distribution	Construction	Gift & Memorial	Payroll	Totals
Cash and investments - beginning	\$ 8,380	\$ 27,901	\$ 1,061,628	\$ 294,948	\$ -	\$ 3,249,770
Receipts:						
Taxes	-	-	-	-	-	2,969,517
Intergovernmental	-	-	-	-	-	195,298
Charges for services	7,676	-	-	-	-	13,461
Fines and forfeits	-	-	-	288	-	37,052
Other receipts	-	-	10,442,081	29,714	1,196,436	12,150,823
Total receipts	<u>7,676</u>	<u>-</u>	<u>10,442,081</u>	<u>30,002</u>	<u>1,196,436</u>	<u>15,366,151</u>
Disbursements:						
Personal services	-	-	-	-	-	861,244
Supplies	-	-	-	4,840	-	31,050
Other services and charges	9,150	-	-	37,668	-	236,919
Debt service - principal and interest	-	-	-	-	-	912,837
Capital outlay	-	-	4,307,886	-	-	4,579,849
Other disbursements	-	-	-	-	1,196,436	1,672,874
Total disbursements	<u>9,150</u>	<u>-</u>	<u>4,307,886</u>	<u>42,508</u>	<u>1,196,436</u>	<u>8,294,773</u>
Excess (deficiency) of receipts over disbursements	<u>(1,474)</u>	<u>-</u>	<u>6,134,195</u>	<u>(12,506)</u>	<u>-</u>	<u>7,071,378</u>
Cash and investments - ending	<u>\$ 6,906</u>	<u>\$ 27,901</u>	<u>\$ 7,195,823</u>	<u>\$ 282,442</u>	<u>\$ -</u>	<u>\$ 10,321,148</u>

CROWN POINT COMMUNITY LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	General	Rainy Day	Levy Excess	Capital Projects	Library Improvement Reserve	Debt Service
Cash and investments - beginning	\$ 1,463,203	\$ 100,000	\$ -	\$ 1,013,220	\$ 205,666	\$ 25,987
Receipts:						
Taxes	1,306,316	-	-	-	-	1,207,320
Intergovernmental	110,121	-	-	-	-	101,754
Charges for services	4,092	-	-	-	-	-
Fines and forfeits	38,970	-	-	-	-	-
Other receipts	18,778	251,900	-	824	340	-
Total receipts	<u>1,478,277</u>	<u>251,900</u>	<u>-</u>	<u>824</u>	<u>340</u>	<u>1,309,074</u>
Disbursements:						
Personal services	962,664	-	-	-	-	-
Supplies	31,684	-	-	-	-	-
Other services and charges	170,784	-	-	236,777	-	-
Debt service - principal and interest	-	-	-	-	-	915,755
Capital outlay	217,185	-	-	292,360	15,938	-
Other disbursements	-	-	-	251,900	-	-
Total disbursements	<u>1,382,317</u>	<u>-</u>	<u>-</u>	<u>781,037</u>	<u>15,938</u>	<u>915,755</u>
Excess (deficiency) of receipts over disbursements	<u>95,960</u>	<u>251,900</u>	<u>-</u>	<u>(780,213)</u>	<u>(15,598)</u>	<u>393,319</u>
Cash and investments - ending	<u>\$ 1,559,163</u>	<u>\$ 351,900</u>	<u>\$ -</u>	<u>\$ 233,007</u>	<u>\$ 190,068</u>	<u>\$ 419,306</u>

CROWN POINT COMMUNITY LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	State Technology Grant	Excess Welfare Distribution	Construction	Gift & Memorial	Payroll	Totals
Cash and investments - beginning	\$ 6,906	\$ 27,901	\$ 7,195,823	\$ 282,442	\$ -	\$ 10,321,148
Receipts:						
Taxes	-	-	-	-	-	2,513,636
Intergovernmental	-	-	-	-	-	211,875
Charges for services	-	-	-	1,262	-	5,354
Fines and forfeits	-	-	-	-	-	38,970
Other receipts	11,095	-	28,133	109,132	1,345,206	1,765,408
Total receipts	<u>11,095</u>	<u>-</u>	<u>28,133</u>	<u>110,394</u>	<u>1,345,206</u>	<u>4,535,243</u>
Disbursements:						
Personal services	-	-	-	-	-	962,664
Supplies	-	-	-	13,045	-	44,729
Other services and charges	11,355	-	-	106,109	-	525,025
Debt service - principal and interest	-	-	-	-	-	915,755
Capital outlay	-	-	6,760,467	23,616	-	7,309,566
Other disbursements	-	-	-	-	1,345,206	1,597,106
Total disbursements	<u>11,355</u>	<u>-</u>	<u>6,760,467</u>	<u>142,770</u>	<u>1,345,206</u>	<u>11,354,845</u>
Excess (deficiency) of receipts over disbursements	<u>(260)</u>	<u>-</u>	<u>(6,732,334)</u>	<u>(32,376)</u>	<u>-</u>	<u>(6,819,602)</u>
Cash and investments - ending	<u>\$ 6,646</u>	<u>\$ 27,901</u>	<u>\$ 463,489</u>	<u>\$ 250,066</u>	<u>\$ -</u>	<u>\$ 3,501,546</u>

CROWN POINT COMMUNITY LIBRARY
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
GE Capital Information Technology Solutions	Lease of Copier	\$ 2,499	09-27-12	09-26-17
Pitney Bowes	Lease of Postage Meter	936	02-28-10	02-27-13
Township of Winfield	Lease of Winfield Branch Library	18,000	05-01-08	04-30-13
U.S. Bancorp	Lease of Copier	<u>2,640</u>	05-21-09	05-20-14
Total governmental activities		<u>24,075</u>		
Total of annual lease payments		<u>\$ 24,075</u>		

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose	
Governmental activities:		
General obligation bonds	Construction of New Library - 2010 Bonds	\$ 555,000
General obligation bonds	Construction of New Library - 2011 Bonds	<u>10,315,000</u>
Total governmental activities		<u>10,870,000</u>
Totals		<u>\$ 10,870,000</u>
		<u>\$ 895,186</u>

CROWN POINT COMMUNITY 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	\$ 295,360
Improvements other than buildings	294,945
Machinery, equipment and vehicles	62,154
Construction in progress	6,760,467
Books and other	191,214
Total governmental activities	7,604,140
Total capital assets	\$ 7,604,140

CROWN POINT COMMUNITY LIBRARY
EXAMINATION RESULTS AND COMMENTS

ANNUAL REPORT

The annual reports for 2011 and 2012 contained a number of errors and did not properly reflect the financial activity of the Crown Point Community Library. Both annual reports failed to include the balances and activity of the Payroll Fund. The 2011 annual report did not properly reflect the temporary interfund loan activity of \$236,442 in both the receipts and disbursements of the Debt Service Fund. Both funds were included in the records of the Library.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

TRANSACTION RECORDING FOR CONSTRUCTION FUND

The Library issued general obligation bonds in 2011. The Construction Fund should be used to record the activity of the general obligation bond issue. The bond proceeds were deposited into a bank trust account. The activity of this trust account was not recorded in the Ledgers of the Library. The activity of the trust account included: receipt of the bond proceeds of \$10,427,600, interest earned, and disbursements for construction of the new library building. The annual report for the Library was revised to include the activity of the bank trust account.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CROWN POINT COMMUNITY LIBRARY
EXAMINATION RESULTS AND COMMENTS
(Continued)

CONSTRUCTION FUND APPROPRIATION

The Library issued general obligation bonds (GOB) in 2010 and 2011 totaling \$11,980,000. On September 28, 2010, the Library Board of Trustees approved an additional continuing appropriation for the Construction Fund for the total of both bond issues. No budget appropriation amount was recorded in the Ledgers for the Construction Fund for either 2011 or 2012. The cumulative disbursements of the Construction Fund did not exceed the amount of the combined bond issues.

The Library Financial and Appropriation Record should be posted as follows . . .

Additional Appropriations. All approved additional appropriations are to be noted on Line 1, added to the original appropriation, and the total amount carried forward to Line 1 of the next page. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 3)

CAPITAL ASSET RECORDS

The Library has not properly maintained a complete inventory of capital assets owned. The capital assets reported in the computerized annual reports for 2011 and 2012 were not complete. No land or buildings were reported in 2011, when the Library has both land and buildings at its former locations. Only the 2012 additions to land were reported in 2012. No buildings were reported in 2012. Only the amounts of the additions for each year were reported for the categories of: machinery, equipment, and vehicles; and books and other. Construction work in progress for 2012 only reported the 2012 additions to the construction. The construction work in progress for 2011 was properly reported.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CROWN POINT COMMUNITY LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on March 21, 2013, with Kate Lodovisi, Business Manager; Lynn M. Frank, Director; Fiona C. McCarroll, Treasurer; and Patrick A. Schuster, President of the Board. The officials concurred with our findings.