

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

MOORESVILLE PUBLIC LIBRARY

MORGAN COUNTY, INDIANA

January 1, 2010 to December 31, 2012



FILED
11/21/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Diane Huerkamp	01-01-10 to 12-31-13
Treasurer	Steve Saucerman Laura Gutwiller	01-01-10 to 12-31-11 01-01-12 to 12-31-13
President of the Board	Susan Joyner Ed Brizendine	01-01-10 to 12-31-11 01-01-12 to 12-31-13
Business Manager	Lori Becker Sharon Hicks	01-01-10 to 12-31-10 01-01-11 to 12-31-13



STATE OF INDIANA
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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 MOORESVILLE PUBLIC LIBRARY, MORGAN COUNTY, INDIANA

We have examined the accompanying financial statements of the Mooresville 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 Indiana 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.

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.

INDEPENDENT ACCOUNTANT'S REPORT
(Continued)

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 Payables and Receivables, 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.

The Library's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Library's response and, accordingly, we express no opinion on it.


Paul D. Joyce, CPA
State Examiner

October 28, 2013

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.

MOORESVILLE 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
Collection Agency Fund	\$ 10	\$ 177	\$ 177	\$ 10
Public Copier/Printer	1,172	2,576	2,705	1,043
Operating Fund	355,484	841,048	718,297	478,235
Payroll Fund	363	68,423	65,604	3,182
Levy Excess Fund	-	2,264	-	2,264
Construction Fund	121,142	704	4,200	117,646
Gifts & Memorials	43,865	14,983	10,566	48,282
LIRF	81,297	77,263	64,176	94,384
PLAC	1,560	5,001	6,561	-
Rainy Day	110,808	150,022	-	260,830
Cyrus Whetzel Fund	12,989	61	250	12,800
Elsie Perce Fund	1,159	17	-	1,176
Grants	2,300	2,520	4,820	-
Target Grant	1,609	-	1,609	-
Kendricks Grant	3,650	-	2,194	1,456
State Technology Fund Grant	6,451	11,185	7,275	10,361
Cook Endowment	772	12,957	11,540	2,189
Marian Adams Memorial	4,292	-	-	4,292
Youth Project Fund	3,958	18	-	3,976
BIRF	126	130,610	88,198	42,538
Fund 80 Lease Rental	33,490	651,158	428,000	256,648
Capital Projects Fund	3,000	-	-	3,000
Totals	<u>\$ 789,497</u>	<u>\$ 1,970,987</u>	<u>\$ 1,416,172</u>	<u>\$ 1,344,312</u>

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

MOORESVILLE PUBLIC 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			Cash and Investments			Cash and Investments
	01-01-11	Receipts	Disbursements	12-31-11	Receipts	Disbursements	12-31-12
Rainy Day	\$ 260,830	\$ 11,123	\$ -	\$ 271,953	\$ 19,262	\$ -	\$ 291,215
Collection Agency Fund	10	80	80	10	-	10	-
Public Copier/Printer	1,043	2,213	2,692	564	4,812	1,120	4,256
Operating Fund	478,235	674,564	738,135	414,664	722,026	787,438	349,252
Payroll Fund	3,182	78,890	71,873	10,199	85,098	85,477	9,820
Levy Excess Fund	2,264	-	-	2,264	-	2,264	-
Construction Fund	117,646	408	73,861	44,193	19	6,247	37,965
Gifts & Memorials	48,282	10,216	12,318	46,180	42,655	9,560	79,275
LIRF	94,384	7,542	-	101,926	8,006	23,000	86,932
PLAC	-	500	450	50	400	350	100
Cyrus Whetzel Fund	12,800	54	250	12,604	54	250	12,408
Elsie Perce Fund	1,176	31	-	1,207	-	-	1,207
Grants	-	2,650	2,000	650	500	609	541
Target Grant	-	-	-	-	2,000	949	1,051
Kendricks Grant	1,456	15,000	1,624	14,832	468	15,300	-
State Technology Fund Grant	10,361	18,054	19,566	8,849	11,167	9,075	10,941
Cook Endowment	2,189	13,167	11,908	3,448	12,260	12,003	3,705
Marian Adams Memorial	4,292	-	-	4,292	-	-	4,292
Youth Project Fund	3,976	17	-	3,993	19	-	4,012
BIRF	42,538	50,237	90,528	2,247	100,630	93,104	9,773
Fund 80 Lease Rental	256,648	330,667	428,000	159,315	492,191	425,776	225,730
Capital Projects Fund	3,000	-	-	3,000	-	-	3,000
Totals	\$ 1,344,312	\$ 1,215,413	\$ 1,453,285	\$ 1,106,440	\$ 1,501,567	\$ 1,472,532	\$ 1,135,475

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

MOORESVILLE 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. Receipt

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: 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.

MOORESVILLE 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.

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

MOORESVILLE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

MOORESVILLE PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 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.

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

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	Collection Agency Fund	Public Copier/Printer	Operating Fund	Payroll Fund	Levy Excess Fund	Construction Fund	Gifts & Memorials	LIRF	PLAC	Rainy Day	Cyrus Whetzel Fund	Elsie Perce Fund
Cash and investments - beginning	\$ 10	\$ 1,172	\$ 355,484	\$ 363	\$ -	\$ 121,142	\$ 43,865	\$ 81,297	\$ 1,560	\$ 110,808	\$ 12,989	\$ 1,159
Receipts:												
Taxes	-	-	337,547	67,740	2,264	-	-	-	-	-	-	-
Intergovernmental	-	-	433,221	-	-	-	-	-	-	118,439	-	17
Fines and forfeits	177	2,576	20,020	-	-	-	-	-	5,001	-	-	-
Other receipts	-	-	50,260	683	-	704	14,983	77,263	-	31,583	61	-
Total receipts	177	2,576	841,048	68,423	2,264	704	14,983	77,263	5,001	150,022	61	17
Disbursements:												
Personal services	-	-	353,616	-	-	-	-	-	-	-	-	-
Supplies	-	-	25,458	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	177,894	10,980	-	-	445	-	-	-	250	-
Capital outlay	-	-	124,735	-	-	4,200	1,739	-	-	-	-	-
Other disbursements	177	2,705	36,594	54,624	-	-	8,382	64,176	6,561	-	-	-
Total disbursements	177	2,705	718,297	65,604	-	4,200	10,566	64,176	6,561	-	250	-
Excess (deficiency) of receipts over disbursements	-	(129)	122,751	2,819	2,264	(3,496)	4,417	13,087	(1,560)	150,022	(189)	17
Cash and investments - ending	\$ 10	\$ 1,043	\$ 478,235	\$ 3,182	\$ 2,264	\$ 117,646	\$ 48,282	\$ 94,384	\$ -	\$ 260,830	\$ 12,800	\$ 1,176

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

	Grants	Target Grant	Kendricks Grant	State Technology Fund Grant	Cook Endowment	Marian Adams Memorial	Youth Project Fund	BIRF	Fund 80 Lease Rental	Capital Projects Fund	Totals
Cash and investments - beginning	\$ 2,300	\$ 1,609	\$ 3,650	\$ 6,451	\$ 772	\$ 4,292	\$ 3,958	\$ 126	\$ 33,490	\$ 3,000	\$ 789,497
Receipts:											
Taxes	-	-	-	-	-	-	-	117,767	587,567	-	1,112,885
Intergovernmental	-	-	-	11,185	-	-	-	12,590	62,492	-	637,944
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	27,774
Other receipts	2,520	-	-	-	12,957	-	18	253	1,099	-	192,384
Total receipts	2,520	-	-	11,185	12,957	-	18	130,610	651,158	-	1,970,987
Disbursements:											
Personal services	-	-	-	-	2,620	-	-	-	-	-	356,236
Supplies	61	704	-	-	1,349	-	-	-	-	-	27,572
Other services and charges	1,740	160	-	7,275	4,056	-	-	-	-	-	202,800
Capital outlay	1,500	358	2,194	-	399	-	-	-	-	-	135,125
Other disbursements	1,519	387	-	-	3,116	-	-	88,198	428,000	-	694,439
Total disbursements	4,820	1,609	2,194	7,275	11,540	-	-	88,198	428,000	-	1,416,172
Excess (deficiency) of receipts over disbursements	(2,300)	(1,609)	(2,194)	3,910	1,417	-	18	42,412	223,158	-	554,815
Cash and investments - ending	\$ -	\$ -	\$ 1,456	\$ 10,361	\$ 2,189	\$ 4,292	\$ 3,976	\$ 42,538	\$ 256,648	\$ 3,000	\$ 1,344,312

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

	Rainy Day	Collection Agency Fund	Public Copier/Printer	Operating Fund	Payroll Fund	Levy Excess Fund	Construction Fund	Gifts & Memorials	LIRF	PLAC	Cyrus Whetzel Fund
Cash and investments - beginning	\$ 260,830	\$ 10	\$ 1,043	\$ 478,235	\$ 3,182	\$ 2,264	\$ 117,646	\$ 48,282	\$ 94,384	\$ -	\$ 12,800
Receipts:											
Taxes	-	-	-	193,925	-	-	-	-	-	-	-
Intergovernmental	-	-	-	454,563	-	-	-	-	-	-	-
Charges for services	-	-	2,213	3,113	-	-	-	6,867	-	500	-
Fines and forfeits	-	80	-	16,516	-	-	-	-	-	-	-
Other receipts	11,123	-	-	6,447	78,890	-	408	3,349	7,542	-	54
Total receipts	11,123	80	2,213	674,564	78,890	-	408	10,216	7,542	500	54
Disbursements:											
Personal services	-	-	-	374,213	71,873	-	-	-	-	-	-
Supplies	-	-	-	22,005	-	-	-	-	-	-	-
Other services and charges	-	80	2,692	177,253	-	-	-	12,297	-	-	250
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	148,664	-	-	73,861	20	-	-	-
Other disbursements	-	-	-	16,000	-	-	-	1	-	450	-
Total disbursements	-	80	2,692	738,135	71,873	-	73,861	12,318	-	450	250
Excess (deficiency) of receipts over disbursements	11,123	-	(479)	(63,571)	7,017	-	(73,453)	(2,102)	7,542	50	(196)
Cash and investments - ending	\$ 271,953	\$ 10	\$ 564	\$ 414,664	\$ 10,199	\$ 2,264	\$ 44,193	\$ 46,180	\$ 101,926	\$ 50	\$ 12,604

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

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	Elsie Perce Fund	Grants	Kendricks Grant	State Technology Fund Grant	Cook Endowment	Marian Adams Memorial	Youth Project Fund	BIRF	Fund 80 Lease Rental	Capital Projects Fund	Totals
Cash and investments - beginning	\$ 1,176	\$ -	\$ 1,456	\$ 10,361	\$ 2,189	\$ 4,292	\$ 3,976	\$ 42,538	\$ 256,648	\$ 3,000	\$ 1,344,312
Receipts:											
Taxes	-	-	-	-	-	-	-	45,469	299,650	-	539,044
Intergovernmental	-	-	-	-	-	-	-	4,549	29,982	-	489,094
Charges for services	-	-	-	-	-	-	-	-	-	-	12,693
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	16,596
Other receipts	31	2,650	15,000	18,054	13,167	-	17	219	1,035	-	157,986
Total receipts	31	2,650	15,000	18,054	13,167	-	17	50,237	330,667	-	1,215,413
Disbursements:											
Personal services	-	-	-	-	-	-	-	-	-	-	446,086
Supplies	-	-	-	-	6,195	-	-	-	-	-	28,200
Other services and charges	-	2,000	-	19,566	3,243	-	-	-	-	-	217,381
Debt service - principal and interest	-	-	-	-	-	-	-	90,528	428,000	-	518,528
Capital outlay	-	-	1,624	-	2,470	-	-	-	-	-	226,639
Other disbursements	-	-	-	-	-	-	-	-	-	-	16,451
Total disbursements	-	2,000	1,624	19,566	11,908	-	-	90,528	428,000	-	1,453,285
Excess (deficiency) of receipts over disbursements	31	650	13,376	(1,512)	1,259	-	17	(40,291)	(97,333)	-	(237,872)
Cash and investments - ending	\$ 1,207	\$ 650	\$ 14,832	\$ 8,849	\$ 3,448	\$ 4,292	\$ 3,993	\$ 2,247	\$ 159,315	\$ 3,000	\$ 1,106,440

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

	Rainy Day	Collection Agency Fund	Public Copier/Printer	Operating Fund	Payroll Fund	Levy Excess Fund	Construction Fund	Gifts & Memorials	LIRF	PLAC	Cyrus Whetzel Fund	Elsie Perce Fund
Cash and investments - beginning	\$ 271,953	\$ 10	\$ 564	\$ 414,664	\$ 10,199	\$ 2,264	\$ 44,193	\$ 46,180	\$ 101,926	\$ 50	\$ 12,604	\$ 1,207
Receipts:												
Taxes	-	-	-	207,815	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	489,769	-	-	-	-	-	-	-	-
Charges for services	-	-	4,812	1,035	-	-	-	345	-	400	-	-
Fines and forfeits	-	-	-	16,468	-	-	-	-	-	-	-	-
Other receipts	19,262	-	-	6,939	85,098	-	19	42,310	8,006	-	54	-
Total receipts	19,262	-	4,812	722,026	85,098	-	19	42,655	8,006	400	54	-
Disbursements:												
Personal services	-	-	-	391,642	19,791	-	-	-	-	-	-	-
Supplies	-	-	-	21,873	-	-	-	-	-	-	-	-
Other services and charges	-	10	-	189,933	-	-	6,247	109	15,000	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	132,506	-	-	-	-	8,000	-	-	-
Other disbursements	-	-	1,120	51,484	65,686	2,264	-	9,451	-	350	250	-
Total disbursements	-	10	1,120	787,438	85,477	2,264	6,247	9,560	23,000	350	250	-
Excess (deficiency) of receipts over disbursements	19,262	(10)	3,692	(65,412)	(379)	(2,264)	(6,228)	33,095	(14,994)	50	(196)	-
Cash and investments - ending	\$ 291,215	\$ -	\$ 4,256	\$ 349,252	\$ 9,820	\$ -	\$ 37,965	\$ 79,275	\$ 86,932	\$ 100	\$ 12,408	\$ 1,207

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

	Grants	Target Grant	Kendricks Grant	State Technology Fund Grant	Cook Endowment	Marian Adams Memorial	Youth Project Fund	BIRF	Fund 80 Lease Rental	Capital Projects Fund	Totals
Cash and investments - beginning	\$ 650	\$ -	\$ 14,832	\$ 8,849	\$ 3,448	\$ 4,292	\$ 3,993	\$ 2,247	\$ 159,315	\$ 3,000	\$ 1,106,440
Receipts:											
Taxes	-	-	-	-	-	-	-	92,613	452,340	-	752,768
Intergovernmental	-	-	-	-	-	-	-	8,008	39,113	-	536,890
Charges for services	-	-	-	-	-	-	-	-	-	-	6,592
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	16,468
Other receipts	500	2,000	468	11,167	12,260	-	19	9	738	-	188,849
Total receipts	500	2,000	468	11,167	12,260	-	19	100,630	492,191	-	1,501,567
Disbursements:											
Personal services	-	-	-	-	-	-	-	-	-	-	411,433
Supplies	-	-	-	-	6,514	-	-	-	-	-	28,387
Other services and charges	-	-	125	9,075	2,080	-	-	440	-	-	223,019
Debt service - principal and interest	-	-	-	-	-	-	-	92,505	425,000	-	517,505
Capital outlay	609	-	14,896	-	3,409	-	-	-	-	-	159,420
Other disbursements	-	949	279	-	-	-	-	159	776	-	132,768
Total disbursements	609	949	15,300	9,075	12,003	-	-	93,104	425,776	-	1,472,532
Excess (deficiency) of receipts over disbursements	(109)	1,051	(14,832)	2,092	257	-	19	7,526	66,415	-	29,035
Cash and investments - ending	\$ 541	\$ 1,051	\$ -	\$ 10,941	\$ 3,705	\$ 4,292	\$ 4,012	\$ 9,773	\$ 225,730	\$ 3,000	\$ 1,135,475

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MOORESVILLE PUBLIC LIBRARY
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2012

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 59,214</u>	<u>\$ -</u>

MOORESVILLE PUBLIC LIBRARY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	G.O. Bonds of 2001 purchase property & book security system	\$ 385,000	\$ 89,250
Notes and loans payable	Fund 80 Lease Rental funds for building addition	<u>4,314,000</u>	<u>384,000</u>
Total governmental activities		<u>4,699,000</u>	<u>473,250</u>
Totals		<u><u>\$ 4,699,000</u></u>	<u><u>\$ 473,250</u></u>

MOORESVILLE 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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 701,437
Machinery, equipment, and vehicles	30,240
Books and other	<u>343,473</u>
Total governmental activities	<u>1,075,150</u>
Total capital assets	<u>\$ 1,075,150</u>

MOORESVILLE PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

BANK ACCOUNT RECONCILIATIONS

Depository reconciliations of the fund balances to the bank account balances were presented; however, the reconciliation contained errors for 2010, 2011, and 2012. Each month-end bank reconciliation included checks that were written after the period. At December 31, 2012, there was an unidentified variance of \$2,484.94.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

<u>Fund</u>	<u>Years</u>	<u>Excess Amount Expended</u>
BIRF	2011	\$ 2,330
BIRF	2012	598

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

INTERNAL CONTROLS

Internal controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient. The Library has no controls in place over the posting of transfers between line items as well as corrections made. No documentation was available to show the approval of transfers or of corrections.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

MOORESVILLE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on October 28, 2013, with Diane Huerkamp, Director, and Sharon Hicks, Business Manager. The Official Response has been made a part of this report and may be found on page 26.



October 31, 2013

On behalf of the Board and administrators of the Mooresville Public Library, we extend our gratitude for the services (audit) performed by the Indiana State Board of Accounts.

At the Exit Interview, Beth Kelly and Kylee Johnson shared the results of the 2010-2013 Audit. Included were overspending appropriations on the BIRF fund, 2012 funds were not in balance and suggested we review our internal controls over recording and reporting.

After reviewing our BIRF, I can't determine where we overspend appropriations. We paid the invoices we received and according to our draws, they matched.

In regards to the 2012 funds being out of balance, I would like to share that our Business Manager of 9 years left employment @ MPL the end of 2011, but was retained and paid to train and assist our new Business Manager during 2012. With the introduction of Gateway, a new Business Manager, and an Accounting System, CompuTrain, that we update as recommended, yet it always creates a problem that we end up spending days finding a solution, that there were many human errors that could have taken place along with technology. Both Sharon, our current MPL Business Manager, and Lori Becker, past Business Manager, are still working on balancing 2012. This leads us into the internal controls recommendation. We are going to implement:

1. Schedule a meeting with the Plainfield and Avon Public Libraries Bookkeepers to review the Accounting System and also their practices and procedures that we could implement @ MPL.
2. Have two people count and sign a form for all cash collections
3. Hire a Financial Auditor to reconcile bank statements and review recording and reporting (besides the Board Treasurer).

We have several internal controls already in place, but we can all improve and that is the intention of the administrative team of the Mooresville Public Library to do.

Cordially,

Diane Huerkamp, MLS
Director

220 West Harrison Street
Mooresville, IN 46158 USA
(317)831-7323
(317) 831-7383
www.mooresvillelib.org