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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

LACROSSE PUBLIC LIBRARY

LAPORTE COUNTY, INDIANA

January 1, 2010 to December 31, 2011

FILED
11/07/2014

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SCHEDULE OF OFFICIALS

Office	Official	Term
Director	Patricia L. Spiess	01-01-10 to 12-31-14
Treasurer	Shirley R. Frank	01-01-10 to 12-31-11
	Judith V. Kasten	01-01-12 to 09-05-13
	Joan Schafer	09-06-13 to 12-31-14
President of the Board	Judith V. Kasten	01-01-10 to 12-31-11
	Angie Vernon	01-01-12 to 12-31-14

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Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LACROSSE PUBLIC LIBRARY, LAPORTE COUNTY, INDIANA

We have examined the accompanying financial statement of the LaCrosse Public Library (Library), for the period of January 1, 2010 to December 31, 2011. 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 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 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.

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, 2010 to December 31, 2011.

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, 2010 to December 31, 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 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.

Paul D. Joyce

Paul D. Joyce, CPA
State Examiner

September 30, 2014

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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.

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LACROSSE PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2010 and 2011

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10	Receipts	Disbursements	Cash and Investments 12-31-11
Library Operating	$ 54,937	$ 102,401	$ 89,992	$ 67,346	$ 81,421	$ 131,409	$ 17,358
Petty Cash	20	30	-	50	-	-	50
Cash Change	20	-	-	20	-	-	20
Gift	23,527	6,203	24,101	5,629	19,831	15,073	10,387
Rainy Day	232	-	-	232	-	-	232
Technology	1,800	2,320	2,220	1,900	2,087	2,110	1,877
Win Tax	338	5,000	5,250	88	5,000	2,500	2,588
Lease Rental Fund	-	55,000	55,000	-	54,000	54,000	-
Construction	26,904	-	26,104	800	-	800	-
LIRF	7,268	4,037	11,250	55	4,000	-	4,055
Payroll	-	7,584	7,584	-	8,013	8,013	-
							-
Totals	$ 115,046	$ 182,575	$ 221,501	$ 76,120	$ 174,352	$ 213,905	$ 36,567

The notes to the financial statement are an integral part of this 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 cultural 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

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.

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.

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. Holding Corporation

The Library has entered into a capital lease with LaCrosse Public Library Leasing Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Library. The lessor has been determined to be a related party of the Library. Lease payments during the years 2010 and 2011 totaled $55,500 and $54,500, respectively.

Note 7. Subsequent Events

In 2014 LaPorte County will complete the settlement of the 2012 payable 2013 property tax bills to local units of government. These and prior year delays and uncertainties have resulted in lower than budgeted property tax collection rates throughout the County. Provisional bills were issued for several prior years. It is undeterminable how much property tax collections the Library will receive once all past year taxes have been calculated and collected.

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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 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.

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

	Library Operating	Petty Cash	Cash Change	Gift	Rainy Day	Technology
Cash and investments - beginning	$ 54,937	$ 20	$ 20	$ 23,527	$ 232	$ 1,800
Receipts:						
Taxes	86,309	-	-	-	-	-
Intergovernmental	13,275	-	-	-	-	2,320
Charges for services	471	-	-	-	-	-
Fines and forfeits	2,287	-	-	-	-	-
Other receipts	59	30	-	6,203	-	-
Total receipts	102,401	30	-	6,203	-	2,320
Disbursements:						
Personal services	39,354	-	-	-	-	-
Supplies	2,203	-	-	706	-	-
Other services and charges	9,310	-	-	830	-	2,220
Capital outlay	14,125	-	-	22,565	-	-
Other disbursements	25,000	-	-	-	-	-
Total disbursements	89,992	-	-	24,101	-	2,220
Excess (deficiency) of receipts over disbursements	12,409	30	-	(17,898)	-	100
Cash and investments - ending	$ 67,346	$ 50	$ 20	$ 5,629	$ 232	$ 1,900

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

	Win Tax	Lease Rental Fund	Construction	LIRF	Payroll	Totals
Cash and investments - beginning	$ 338	$ -	$ 26,904	$ 7,268	$ -	$ 115,046
Receipts:						
Taxes	-	-	-	-	-	86,309
Intergovernmental	5,000	-	-	-	-	20,595
Charges for services	-	-	-	-	-	471
Fines and forfeits	-	-	-	-	-	2,287
Other receipts	-	55,000	-	4,037	7,584	72,913
Total receipts	5,000	55,000	-	4,037	7,584	182,575
Disbursements:						
Personal services	-	-	-	-	-	39,354
Supplies	-	-	-	-	-	2,909
Other services and charges	-	55,000	8,604	-	-	75,964
Capital outlay	-	-	-	-	-	36,690
Other disbursements	5,250	-	17,500	11,250	7,584	66,584
Total disbursements	5,250	55,000	26,104	11,250	7,584	221,501
Excess (deficiency) of receipts over disbursements	(250)	-	(26,104)	(7,213)	-	(38,926)
Cash and investments - ending	$ 88	$ -	$ 800	$ 55	$ -	$ 76,120

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

	Library Operating	Petty Cash	Cash Change	Gift	Rainy Day	Technology
Cash and investments - beginning	$ 67,346	$ 50	$ 20	$ 5,629	$ 232	$ 1,900
Receipts:						
Taxes	65,082	-	-	-	-	-
Intergovernmental	12,983	-	-	-	-	-
Charges for services	680	-	-	-	-	-
Fines and forfeits	2,038	-	-	-	-	-
Other receipts	638	-	-	19,831	-	2,087
Total receipts	81,421	-	-	19,831	-	2,087
Disbursements:						
Personal services	40,844	-	-	-	-	-
Supplies	2,572	-	-	3,221	-	-
Other services and charges	18,563	-	-	2,481	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	13,930	-	-	9,371	-	-
Other disbursements	55,500	-	-	-	-	2,110
Total disbursements	131,409	-	-	15,073	-	2,110
Excess (deficiency) of receipts over disbursements	(49,988)	-	-	4,758	-	(23)
Cash and investments - ending	$ 17,358	$ 50	$ 20	$ 10,387	$ 232	$ 1,877

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

	Win Tax	Lease Rental Fund	Construction	LIRF	Payroll	Totals
Cash and investments - beginning	$ 88	$ -	$ 800	$ 55	$ -	$ 76,120
Receipts:						
Taxes	-	-	-	-	-	65,082
Intergovernmental	5,000	-	-	-	-	17,983
Charges for services	-	-	-	-	-	680
Fines and forfeits	-	-	-	-	-	2,038
Other receipts	-	54,000	-	4,000	8,013	88,569
Total receipts	5,000	54,000	-	4,000	8,013	174,352
Disbursements:						
Personal services	-	-	-	-	-	40,844
Supplies	-	-	-	-	-	5,793
Other services and charges	-	-	800	-	-	21,844
Debt service - principal and interest	-	54,000	-	-	-	54,000
Capital outlay	-	-	-	-	-	23,301
Other disbursements	2,500	-	-	-	8,013	68,123
Total disbursements	2,500	54,000	800	-	8,013	213,905
Excess (deficiency) of receipts over disbursements	2,500	-	(800)	4,000	-	(39,553)
Cash and investments - ending	$ 2,588	$ -	$ -	$ 4,055	$ -	$ 36,567

LACROSSE PUBLIC LIBRARY
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
LaCrosse Public Library Leasing Corporation	New Library Building	$ 53,000	10/30/2008	1/15/2028

LACROSSE 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	$	58,000
Infrastructure		2,500
Buildings		846,576
Improvements other than buildings		13,713
Machinery, equipment, and vehicles		41,915
Books and other		250,000
Total governmental activities	$	1,212,704

LACROSSE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 30, 2014, with Patricia L. Spiess, Director, and Joan Schafer, Treasurer.