

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

FINANCIAL STATEMENTS  
EXAMINATION REPORT  
OF

KIRKLIN PUBLIC LIBRARY  
CLINTON COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
02/02/2017



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Accountant's Report.....	3
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	6-7
Notes to Financial Statements.....	8-11
Other Information - Unexamined:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	14-17
Schedule of Leases and Debt .....	18
Schedule of Capital Assets.....	19
Other Reports.....	20

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Heidi Turner	01-01-12 to 12-31-16
Treasurer	Andrea McIntire	01-01-12 to 12-31-16
President of the Board	Tammy Campbell	01-01-12 to 12-31-16



**STATE OF INDIANA**  
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE KIRKLIN PUBLIC LIBRARY, CLINTON COUNTY, INDIANA

We have examined the accompanying financial statements of the Kirclin Public Library (Library), for the period of January 1, 2012 to December 31, 2015. The Library's management is responsible for the financial statements. Our responsibility is to express an opinion 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 to the financial statements, 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, 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, 2012 to December 31, 2015.

In our opinion, the financial statements referred to above present, in all material respects, the financial position and results of operations of the Library for the period of January 1, 2012 to December 31, 2015, based on the prescribed 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

December 19, 2016

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## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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.

KIRKLIN PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
Evergreen IN Fund	\$ -	\$ 1	\$ -	\$ 1	\$ -	\$ -	\$ 1
Rainy Day	43,281	35,000	33,631	44,650	65,000	69,869	39,781
LIRF	21,000	3,000	-	24,000	-	-	24,000
Operating	37,011	138,451	167,544	7,918	200,645	196,261	12,302
Gift	9,529	5	-	9,534	54	179	9,409
Grant	270	-	-	270	-	-	270
BIRF	39,668	46,241	68,050	17,859	73,969	66,050	25,778
KHS Restoration	1,418	1	-	1,419	-	-	1,419
Totals	<u>\$ 152,177</u>	<u>\$ 222,699</u>	<u>\$ 269,225</u>	<u>\$ 105,651</u>	<u>\$ 339,668</u>	<u>\$ 332,359</u>	<u>\$ 112,960</u>

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



KIRKLIN PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2014 and 2015

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14	Receipts	Disbursements	Cash and Investments 12-31-15
Evergreen IN Fund	\$ 1	\$ 84	\$ 57	\$ 28	\$ 68	\$ 57	\$ 39
Rainy Day	39,781	30,000	30,500	39,281	-	4,458	34,823
LIRF	24,000	-	-	24,000	-	-	24,000
Levy Excess Fund	-	15	-	15	-	-	15
Operating	12,302	172,118	154,177	30,243	135,164	127,417	37,990
Gift	9,409	11,335	13,986	6,758	370	1,319	5,809
Grant	270	1,500	1,609	161	2,500	500	2,161
BIRF	25,778	74,366	65,050	35,094	65,737	68,050	32,781
KHS Restoration	1,419	-	-	1,419	1	836	584
Totals	<u>\$ 112,960</u>	<u>\$ 289,418</u>	<u>\$ 265,379</u>	<u>\$ 136,999</u>	<u>\$ 203,840</u>	<u>\$ 202,637</u>	<u>\$ 138,202</u>

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

KIRKLIN 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 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 statements. The aggregate receipts include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

KIRKLIN PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*Charges for services.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.* Amounts received 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.* Amounts received from various sources, including, but 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.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Other disbursements.* Amounts disbursed for various other purposes including, but 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, make transfers 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.

KIRKLIN PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Library. Each fund is used to account for amounts 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 amounts 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, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

KIRKLIN PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 5. Risk Management**

The Library may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Library to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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#### OTHER INFORMATION - UNEXAMINED

The Library's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Library's Annual Financial Report 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 other information presented was approved by management of the Library. It is presented as intended by the Library.

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

	Evergreen IN Fund	Rainy Day	LIRF	Operating	Gift	Grant	BIRF	KHS Restoration	Totals
Cash and investments - beginning	\$ -	\$ 43,281	\$ 21,000	\$ 37,011	\$ 9,529	\$ 270	\$ 39,668	\$ 1,418	\$ 152,177
Receipts:									
Taxes	-	-	-	58,796	-	-	44,266	-	103,062
Intergovernmental receipts	-	-	-	48,187	-	-	1,975	-	50,162
Charges for services	-	-	-	1,259	-	-	-	-	1,259
Other receipts	1	35,000	3,000	30,209	5	-	-	1	68,216
Total receipts	1	35,000	3,000	138,451	5	-	46,241	1	222,699
Disbursements:									
Personal services	-	-	-	75,366	-	-	-	-	75,366
Supplies	-	275	-	5,547	-	-	-	-	5,822
Other services and charges	-	3,356	-	30,188	-	-	1,050	-	34,594
Capital outlay	-	-	-	18,443	-	-	67,000	-	85,443
Other disbursements	-	30,000	-	38,000	-	-	-	-	68,000
Total disbursements	-	33,631	-	167,544	-	-	68,050	-	269,225
Excess (deficiency) of receipts over disbursements	1	1,369	3,000	(29,093)	5	-	(21,809)	1	(46,526)
Cash and investments - ending	\$ 1	\$ 44,650	\$ 24,000	\$ 7,918	\$ 9,534	\$ 270	\$ 17,859	\$ 1,419	\$ 105,651



KIRKLIN PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2013

	Evergreen IN Fund	Rainy Day	LIRF	Operating	Gift	Grant	BIRF	KHS Restoration	Totals
Cash and investments - beginning	\$ 1	\$ 44,650	\$ 24,000	\$ 7,918	\$ 9,534	\$ 270	\$ 17,859	\$ 1,419	\$ 105,651
Receipts:									
Taxes	-	-	-	90,485	-	-	69,024	-	159,509
Intergovernmental receipts	-	-	-	48,386	-	-	4,945	-	53,331
Charges for services	-	-	-	1,506	-	-	-	-	1,506
Other receipts	-	65,000	-	60,268	54	-	-	-	125,322
Total receipts	-	65,000	-	200,645	54	-	73,969	-	339,668
Disbursements:									
Personal services	-	-	-	77,004	-	-	-	-	77,004
Supplies	-	-	-	5,267	179	-	-	-	5,446
Other services and charges	-	9,869	-	36,165	-	-	1,050	-	47,084
Capital outlay	-	-	-	12,825	-	-	65,000	-	77,825
Other disbursements	-	60,000	-	65,000	-	-	-	-	125,000
Total disbursements	-	69,869	-	196,261	179	-	66,050	-	332,359
Excess (deficiency) of receipts over disbursements	-	(4,869)	-	4,384	(125)	-	7,919	-	7,309
Cash and investments - ending	\$ 1	\$ 39,781	\$ 24,000	\$ 12,302	\$ 9,409	\$ 270	\$ 25,778	\$ 1,419	\$ 112,960

KIRKLIN PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	Evergreen IN Fund	Rainy Day	LIRF	Levy Excess Fund	Operating	Gift	Grant	BIRF	KHS Restoration	Totals
Cash and investments - beginning	\$ 1	\$ 39,781	\$ 24,000	\$ -	\$ 12,302	\$ 9,409	\$ 270	\$ 25,778	\$ 1,419	\$ 112,960
Receipts:										
Taxes	-	-	-	15	89,001	-	-	67,601	-	156,617
Intergovernmental receipts	-	-	-	-	51,399	-	-	6,765	-	58,164
Charges for services	-	-	-	-	1,604	-	-	-	-	1,604
Fines and forfeits	84	-	-	-	-	-	-	-	-	84
Other receipts	-	30,000	-	-	30,114	11,335	1,500	-	-	72,949
Total receipts	84	30,000	-	15	172,118	11,335	1,500	74,366	-	289,418
Disbursements:										
Personal services	-	-	-	-	72,396	-	-	-	-	72,396
Supplies	-	-	-	-	3,775	-	1,609	-	-	5,384
Other services and charges	-	500	-	-	35,395	-	-	1,050	-	36,945
Capital outlay	-	-	-	-	12,611	5,395	-	64,000	-	82,006
Other disbursements	57	30,000	-	-	30,000	8,591	-	-	-	68,648
Total disbursements	57	30,500	-	-	154,177	13,986	1,609	65,050	-	265,379
Excess (deficiency) of receipts over disbursements	27	(500)	-	15	17,941	(2,651)	(109)	9,316	-	24,039
Cash and investments - ending	\$ 28	\$ 39,281	\$ 24,000	\$ 15	\$ 30,243	\$ 6,758	\$ 161	\$ 35,094	\$ 1,419	\$ 136,999

KIRKLIN PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	Evergreen IN Fund	Rainy Day	LIRF	Levy Excess Fund	Operating	Gift	Grant	BIRF	KHS Restoration	Totals
Cash and investments - beginning	\$ 28	\$ 39,281	\$ 24,000	\$ 15	\$ 30,243	\$ 6,758	\$ 161	\$ 35,094	\$ 1,419	\$ 136,999
Receipts:										
Taxes	-	-	-	-	85,454	-	-	61,915	-	147,369
Intergovernmental receipts	-	-	-	-	47,494	-	-	3,822	-	51,316
Charges for services	-	-	-	-	871	-	-	-	-	871
Fines and forfeits	68	-	-	-	969	-	-	-	-	1,037
Other receipts	-	-	-	-	376	370	2,500	-	1	3,247
Total receipts	68	-	-	-	135,164	370	2,500	65,737	1	203,840
Disbursements:										
Personal services	-	-	-	-	74,454	-	-	-	-	74,454
Supplies	-	2,359	-	-	4,657	417	-	-	836	8,269
Other services and charges	-	1,000	-	-	36,154	902	500	1,050	-	39,606
Debt service - principal and interest	-	-	-	-	-	-	-	67,000	-	67,000
Capital outlay	-	1,099	-	-	12,152	-	-	-	-	13,251
Other disbursements	57	-	-	-	-	-	-	-	-	57
Total disbursements	57	4,458	-	-	127,417	1,319	500	68,050	836	202,637
Excess (deficiency) of receipts over disbursements	11	(4,458)	-	-	7,747	(949)	2,000	(2,313)	(835)	1,203
Cash and investments - ending	\$ 39	\$ 34,823	\$ 24,000	\$ 15	\$ 37,990	\$ 5,809	\$ 2,161	\$ 32,781	\$ 584	\$ 138,202

KIRKLIN PUBLIC LIBRARY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: The Farmers Bank	Expansion Project	<u>\$ 64,000</u>	6/30/2002	12/31/2021

KIRKLIN PUBLIC LIBRARY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2015

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	\$ 20,000
Infrastructure	40,000
Buildings	1,500,000
Machinery, equipment, and vehicles	17,000
Books and other	<u>160,000</u>
Total capital assets	<u><u>\$ 1,737,000</u></u>

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Library. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.