

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

EXAMINATION REPORT

OF

EVANSVILLE VANDERBURGH PUBLIC LIBRARY

VANDERBURGH COUNTY, INDIANA

January 1, 2007 to December 31, 2010



**FILED**  
04/12/2011



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedules of Receipts, Disbursements, and Cash and Investment Balances .....	4-5
Notes to Financial Information .....	6-7
Supplementary Information:	
Schedule of Capital Assets.....	8
Schedule of Long-Term Debt .....	9
Exit Conference.....	10

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marcia A. Learned-Au	01-01-07 to 12-31-11
Treasurer	Ted DeVries	01-01-07 to 01-11-07
	Joshua Claybourn	01-12-07 to 12-31-07
	Ted DeVries	01-01-08 to 12-31-08
	Michael Russ	01-01-09 to 12-31-10
	Walt Lowe	01-01-11 to 12-31-11
President of the Board	Michael Russ	01-01-07 to 01-10-08
	Rolland Eckels	01-11-08 to 12-31-08
	Joshua Claybourn	01-01-09 to 12-31-09
	Rebecca Conner	01-01-10 to 12-31-10
	Robery Reid	01-01-11 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE EVANSVILLE VANDERBURGH  
PUBLIC LIBRARY, VANDERBURGH COUNTY, INDIANA

We have examined the financial information presented herein of the Evansville Vanderburgh Public Library (Library), for the period of January 1, 2007 to December 31, 2010. The Library's management is responsible for the financial information presented herein. 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2007, 2008, 2009, and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

March 7, 2011

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, 2009, And 2010

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 4,452,305	\$ 36,300,421	\$ 36,324,026	\$ 4,428,700
Gifts and Bequests	69,952	29,341	35,672	63,621
Copy	32	23,943	21,957	2,018
Access Evansville	1,696	-	802	894
Parentech Grant	3	-	-	3
GIS Grant	185	-	-	185
Gates Foundation	1,270	-	-	1,270
Rainy Day	267,402	6,830,522	6,446,668	651,256
Indiana Tech Grant	-	38,685	-	38,685
Youth Program Grant	7,448	10,500	8,808	9,140
Bond and Interest Redemption	1,915,887	24,966,147	24,983,349	1,898,685
Library Improvement Reserve	542,797	5,848,600	5,799,511	591,886
Construction No. 3	4,586	570,082	383,207	191,461
<b>Fiduciary Funds:</b>				
Payroll Withholdings (PERF)	4,240	1,245,022	1,245,363	3,899
PLAC	5,175	22,209	22,652	4,732
Special Library - Willard	-	753,165	753,165	-
<b>Totals</b>	<b><u>\$ 7,272,978</u></b>	<b><u>\$ 76,638,637</u></b>	<b><u>\$ 76,025,180</u></b>	<b><u>\$ 7,886,435</u></b>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 4,428,700	\$ 35,053,905	\$ 35,452,629	\$ 4,029,976
Gifts and Bequests	63,621	31,178	46,807	47,992
Copy	2,018	22,967	20,480	4,505
Access Evansville	894	-	150	744
EVPL Foundation	-	25,000	6,082	18,918
Parentech Grant	3	-	-	3
GIS Grant	185	-	-	185
Gates Foundation	1,270	-	-	1,270
Rainy Day	651,256	12,999,350	12,699,274	951,332
Indiana Tech Grant	38,685	65,238	31,858	72,065
Youth Program Grant	9,140	7,000	5,623	10,517
Bond and Interest Redemption	1,898,685	23,933,889	24,006,061	1,826,513
Library Improvement Reserve	591,886	5,969,236	6,145,114	416,008
Construction No. 3	191,461	377,177	380,822	187,816
<b>Fiduciary Funds:</b>				
Payroll Withholdings (PERF)	3,899	1,329,121	1,328,634	4,386
Payroll Withholdings (Flex)	-	4,001	15	3,986
PLAC	4,732	40,926	22,470	23,188
Special Library - Willard	-	796,830	796,830	-
<b>Totals</b>	<b><u>\$ 7,886,435</u></b>	<b><u>\$ 80,655,818</u></b>	<b><u>\$ 80,942,849</u></b>	<b><u>\$ 7,599,404</u></b>

The accompanying notes are an integral part of the financial information.

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES  
As Of And For The Years Ended December 31, 2007, 2008, 2009, And 2010  
(Continued)

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 4,029,976	\$ 23,689,719	\$ 23,485,104	\$ 4,234,591
Gifts and Bequests	47,992	49,937	43,604	54,325
Copy	4,505	22,936	20,334	7,107
Access Evansville	744	-	586	158
EVPL Foundation	18,918	-	14,254	4,664
Parentech Grant	3	-	3	-
GIS Grant	185	-	185	-
Gates Foundation	1,270	-	-	1,270
Rainy Day	951,332	4,511,649	4,333,582	1,129,399
Indiana Tech Grant	72,065	37,515	53,821	55,759
Youth Program Grant	10,517	13,203	12,325	11,395
Bond and Interest Redemption	1,826,513	11,208,877	11,228,433	1,806,957
Library Improvement Reserve	416,008	1,674,027	1,842,699	247,336
Construction No. 3	187,816	190,279	377,397	698
Fiduciary Funds:				
Payroll Withholdings (PERF)	4,386	1,297,538	1,297,235	4,689
Payroll Withholdings (Flex)	3,986	41,873	38,804	7,055
PLAC	23,188	23,670	41,646	5,212
Special Library - Willard	-	822,001	822,001	-
Totals	<u>\$ 7,599,404</u>	<u>\$ 43,583,224</u>	<u>\$ 43,612,013</u>	<u>\$ 7,570,615</u>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Governmental Funds:				
General	\$ 4,234,591	\$ 15,833,814	\$ 15,754,499	\$ 4,313,906
Gifts and Bequests	54,325	51,001	50,242	55,084
Copy	7,107	22,657	14,256	15,508
Access Evansville	158	-	-	158
EVPL Foundation	4,664	50	1,324	3,390
Gates Foundation	1,270	9,750	11,020	-
Rainy Day	1,129,399	680,662	195,222	1,614,839
Indiana Tech Grant	55,759	26,954	51,152	31,561
Youth Program Grant	11,395	10,105	13,479	8,021
Bond and Interest Redemption	1,806,957	3,838,753	4,001,829	1,643,881
Library Improvement Reserve	247,336	200,609	67,089	380,856
Construction No. 3	698	566,931	378,579	189,050
Fiduciary Funds:				
Payroll Withholdings (PERF)	4,689	1,265,118	1,265,105	4,702
Payroll Withholdings (Flex)	7,055	45,121	43,355	8,821
PLAC	5,212	26,070	26,110	5,172
Levy Excess	-	36,746	-	36,746
Special Library - Willard	-	823,097	823,097	-
Totals	<u>\$ 7,570,615</u>	<u>\$ 23,437,438</u>	<u>\$ 22,696,358</u>	<u>\$ 8,311,695</u>

The accompanying notes are an integral part of the financial information.

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture and recreation services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 PERF 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% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

Note 7. The Library has entered into a capital lease with the Evansville Vanderburgh 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 government. Lease payments during the years 2007, 2008, 2009, and 2010, totaled \$2,952,000, \$2,952,000, \$2,954,000, and \$2,956,000, respectively.

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2010

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>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated	
Land	\$ 1,035,892
Buildings	49,308,300
Improvements other than buildings	18,489
Machinery and equipment	<u>29,673,029</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 80,035,710</u></u>

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Central Library Building	\$ 27,350,000	\$ 770,000
Bonds payable:		
General obligation bonds:		
2001 \$4,720,000 Oaklyn Branch	3,290,000	194,361
2001B \$4,540,000 North Park Branch	<u>2,995,000</u>	<u>190,861</u>
Total governmental activities debt	<u>\$ 33,635,000</u>	<u>\$ 1,155,222</u>

EVANSVILLE VANDERBURGH PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on March 8, 2011, with Marcia A. Learned-Au, Director; and Jan Craddock, Administrative Assistant. Our examination disclosed no material items that warrant comment at this time.