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April 14, 2016

TO: THE OFFICIALS OF OSGOOD-CENTER TOWNSHIP  
PUBLIC LIBRARY, RIPLEY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of Osgood-Center Township Public Library, (Library), for the period of January 1, 2013 to December 31, 2014, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Library's financial statement for the period of January 1, 2013 to December 31, 2014, is attached to this letter. Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Library's financial statement, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any financial statement of the Library.


Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Library's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/). For years 2011 and later, the Annual Financial Reports filed by the Library can be found on the Gateway website: <https://gateway.ifionline.org/>.

The procedures we performed did not indicate any instances of substantial noncompliance that warrant comment at this time. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

This letter is intended for the information and use of the governing body and management of the Library. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on August 6, 2015, with Richard Parks, Treasurer, and Kimberly M. Porter, Director. Any Official Response attached to this letter was not verified for accuracy.

  
Paul D. Joyce, CPA  
State Examiner

OSGOOD-CENTER TOWNSHIP PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Years Ended December 31, 2013 and 2014

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13	Receipts	Disbursements	Cash and Investments 12-31-14
Operating Fund	\$ 413,818	\$ 419,947	\$ 377,776	455,989	\$ 437,742	\$ 322,988	570,743
Rainy Day	107,137	42,250	5,185	144,202	-	1,096	143,106
Summer Reading Program	1,457	1,802	2,062	1,197	1,065	813	1,449
Excess Levy	1,131	-	1,131	-	5	-	5
L.I.R.F.	40,814	5,000	-	45,814	5,000	-	50,814
P.L.A.C.	51	-	51	-	-	-	-
DVD MEDIA GIFT FUND	226	-	226	-	-	-	-
Herman/Crum Grant	-	420	420	-	500	500	-
Tartar Grant	-	600	600	-	500	500	-
CHILDREN'S PROGRAM GIFT FUND	100	-	-	100	-	47	53
Roy and Hilda Black Grant	-	7,900	7,010	890	-	890	-
Friends Gift Fund	-	440	430	10	-	-	10
Lions Club Special Gift	-	500	500	-	-	-	-
Evergreen Pass-Through Fund	-	39	-	39	267	231	75
Postage/Freight ILL Pass-Through	-	20	13	7	14	14	7
Lois Mink Memorial	-	-	-	-	1,375	-	1,375
Reynolds Foundation Grant	-	-	-	-	2,500	2,500	-
Petty Cash	300	-	-	300	-	-	300
Cash Change	200	-	-	200	20	-	220
Gift Fund Osgood	301	233	107	427	197	469	155
Gift Fund Milan	2,467	211	-	2,678	319	934	2,063
Staff Fund	328	-	316	12	300	104	208
Rccf Grant	120	725	845	-	500	430	70
Mabel Lamb Memorial	20,785	-	-	20,785	-	-	20,785
Mary Gray Thompson Memorial	651	-	-	651	-	651	-
Isl Internet Connectivity	3,419	2,181	3,690	1,910	-	1,910	-
Rising Sun Reg Fdn Grant	7	-	-	7	-	-	7
Indiana Authors Award Grant	11	-	11	-	-	-	-
Bond Redemption	271,578	281,310	302,511	250,377	125,000	305,943	69,434
Def. Comp.	441	4,490	4,490	441	2,420	2,861	-
Federal Tax	1,072	11,506	11,778	800	8,729	8,948	581
State Tax	(481)	6,797	6,813	(497)	6,432	6,413	(478)
Fica & Medicare	893	15,247	14,995	1,145	14,612	14,562	1,195
County Tax	(150)	2,177	2,214	(187)	1,966	1,956	(177)
Insurance	-	1,192	1,192	-	-	-	-
<b>Totals</b>	<b>\$ 866,676</b>	<b>\$ 804,987</b>	<b>\$ 744,366</b>	<b>\$ 927,297</b>	<b>\$ 609,463</b>	<b>\$ 674,760</b>	<b>\$ 862,000</b>

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

OSGOOD-CENTER TOWNSHIP 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 library 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, 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, financial institution tax received from the state, and commercial vehicle excise tax received from the state.

Charges for services which can include, but are not limited to the following: copies of public records, copy machine charges and fines and fees.

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).

OSGOOD-CENTER TOWNSHIP PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

OSGOOD-CENTER TOWNSHIP PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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.