

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

BOSWELL-GRANT TOWNSHIP PUBLIC LIBRARY

BENTON COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
12/22/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Andrea Bowman Marie Brown	01-01-12 to 10-30-15 10-31-15 to 12-31-16
Treasurer	Lymarie Fry Donna Musenbrock Megan Thompson	01-01-12 to 10-14-13 10-15-13 to 05-16-16 05-17-16 to 12-31-16
President of the Board	Rick Mickle JoAnn Treece	01-01-12 to 03-28-16 03-29-16 to 12-31-16



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

TO: THE OFFICIALS OF THE BOSWELL-GRANT TOWNSHIP  
PUBLIC LIBRARY, BENTON COUNTY, INDIANA

We have examined the accompanying financial statements of the Boswell-Grant Township Public Library (Library), for the period of January 1, 2012 to December 31, 2015. 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, 2012 to December 31, 2015.

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, 2012 to December 31, 2015, 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 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

September 28, 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.

BOSWELL-GRANT TOWNSHIP 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
General	\$ 132,049	\$ 116,569	\$ 94,212	\$ 154,406	\$ 101,472	\$ 102,504	\$ 153,374
Rainy Day	393	-	393	-	-	-	-
LIRF	5,037	-	-	5,037	-	1,608	3,429
Petty Cash-Change Fund	80	-	-	80	-	-	80
Gift Designated	5,023	7,400	9,404	3,019	5,210	4,579	3,650
Gifts Memorial	1,106	-	-	1,106	-	-	1,106
Wind Farm	705	960	-	1,665	960	1,375	1,250
L/R Repayment	36,546	30,070	43,750	22,866	40,190	42,750	20,306
Totals	<u>\$ 180,939</u>	<u>\$ 154,999</u>	<u>\$ 147,759</u>	<u>\$ 188,179</u>	<u>\$ 147,832</u>	<u>\$ 152,816</u>	<u>\$ 183,195</u>

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

BOSWELL-GRANT TOWNSHIP 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
General	\$ 153,374	\$ 115,467	\$ 110,941	\$ 157,900	\$ 119,040	\$ 116,656	\$ 160,284
LIRF	3,429	-	-	3,429	-	-	3,429
Petty Cash-Change Fund	80	-	-	80	-	-	80
Gift Designated	3,650	4,903	5,996	2,557	6,594	5,543	3,608
Gifts Memorial	1,106	-	-	1,106	-	-	1,106
Wind Farm	1,250	960	500	1,710	960	2,134	536
L/R Repayment	20,306	41,867	40,750	21,423	45,342	44,750	22,015
Totals	<u>\$ 183,195</u>	<u>\$ 163,197</u>	<u>\$ 158,187</u>	<u>\$ 188,205</u>	<u>\$ 171,936</u>	<u>\$ 169,083</u>	<u>\$ 191,058</u>

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

BOSWELL-GRANT TOWNSHIP 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, which can include 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, which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of these types of 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.

BOSWELL-GRANT TOWNSHIP 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 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, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service - principal and interest, which includes 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 includes 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.

BOSWELL-GRANT TOWNSHIP 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 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, 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.

BOSWELL-GRANT TOWNSHIP 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.

**Note 6. Holding Corporation**

The Library has entered into a capital lease with Boswell-Grant Township Public Library Building 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 2012, 2013, 2014, and 2015 totaled \$43,500, \$42,500, \$40,500, and \$44,500, respectively.

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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.

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

	General	Rainy Day	LIRF	Petty Cash-Change Fund	Gift Designated	Gifts Memorial	Wind Farm	L/R Repayment	Totals
Cash and investments - beginning	\$ 132,049	\$ 393	\$ 5,037	\$ 80	\$ 5,023	\$ 1,106	\$ 705	\$ 36,546	\$ 180,939
Receipts:									
Taxes	79,515	-	-	-	-	-	-	28,257	107,772
Intergovernmental receipts	35,351	-	-	-	-	-	-	1,813	37,164
Fines and forfeits	1,550	-	-	-	-	-	-	-	1,550
Other receipts	153	-	-	-	7,400	-	960	-	8,513
Total receipts	116,569	-	-	-	7,400	-	960	30,070	154,999
Disbursements:									
Personal services	52,806	-	-	-	-	-	-	-	52,806
Supplies	1,777	-	-	-	-	-	-	-	1,777
Other services and charges	29,213	393	-	-	9,404	-	-	250	39,260
Debt service - principal and interest	-	-	-	-	-	-	-	43,500	43,500
Capital outlay	10,416	-	-	-	-	-	-	-	10,416
Other disbursements	-	-	-	-	-	-	-	-	-
Total disbursements	94,212	393	-	-	9,404	-	-	43,750	147,759
Excess (deficiency) of receipts over disbursements	22,357	(393)	-	-	(2,004)	-	960	(13,680)	7,240
Cash and investments - ending	\$ 154,406	\$ -	\$ 5,037	\$ 80	\$ 3,019	\$ 1,106	\$ 1,665	\$ 22,866	\$ 188,179

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

	General	Rainy Day	LIRF	Petty Cash-Change Fund	Gift Designated	Gifts Memorial	Wind Farm	L/R Repayment	Totals
Cash and investments - beginning	\$ 154,406	\$ -	\$ 5,037	\$ 80	\$ 3,019	\$ 1,106	\$ 1,665	\$ 22,866	\$ 188,179
Receipts:									
Taxes	69,348	-	-	-	-	-	-	37,616	106,964
Intergovernmental receipts	30,751	-	-	-	-	-	-	2,574	33,325
Fines and forfeits	1,198	-	-	-	-	-	-	-	1,198
Other receipts	175	-	-	-	5,210	-	960	-	6,345
Total receipts	101,472	-	-	-	5,210	-	960	40,190	147,832
Disbursements:									
Personal services	57,548	-	-	-	-	-	-	-	57,548
Supplies	1,838	-	-	-	-	-	-	-	1,838
Other services and charges	31,448	-	1,608	-	-	-	-	250	33,306
Debt service - principal and interest	-	-	-	-	-	-	-	42,500	42,500
Capital outlay	11,670	-	-	-	-	-	-	-	11,670
Other disbursements	-	-	-	-	4,579	-	1,375	-	5,954
Total disbursements	102,504	-	1,608	-	4,579	-	1,375	42,750	152,816
Excess (deficiency) of receipts over disbursements	(1,032)	-	(1,608)	-	631	-	(415)	(2,560)	(4,984)
Cash and investments - ending	\$ 153,374	\$ -	\$ 3,429	\$ 80	\$ 3,650	\$ 1,106	\$ 1,250	\$ 20,306	\$ 183,195

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

	General	LIRF	Petty Cash-Change Fund	Gift Designated	Gifts Memorial	Wind Farm	L/R Repayment	Totals
Cash and investments - beginning	\$ 153,374	\$ 3,429	\$ 80	\$ 3,650	\$ 1,106	\$ 1,250	\$ 20,306	\$ 183,195
Receipts:								
Taxes	80,447	-	-	-	-	-	39,485	119,932
Intergovernmental receipts	33,717	-	-	-	-	-	2,382	36,099
Fines and forfeits	1,259	-	-	-	-	-	-	1,259
Other receipts	44	-	-	4,903	-	960	-	5,907
Total receipts	<u>115,467</u>	<u>-</u>	<u>-</u>	<u>4,903</u>	<u>-</u>	<u>960</u>	<u>41,867</u>	<u>163,197</u>
Disbursements:								
Personal services	61,775	-	-	-	-	-	-	61,775
Supplies	1,883	-	-	-	-	-	-	1,883
Other services and charges	37,806	-	-	-	-	-	250	38,056
Debt service - principal and interest	-	-	-	-	-	-	40,500	40,500
Capital outlay	9,199	-	-	-	-	-	-	9,199
Other disbursements	278	-	-	5,996	-	500	-	6,774
Total disbursements	<u>110,941</u>	<u>-</u>	<u>-</u>	<u>5,996</u>	<u>-</u>	<u>500</u>	<u>40,750</u>	<u>158,187</u>
Excess (deficiency) of receipts over disbursements	<u>4,526</u>	<u>-</u>	<u>-</u>	<u>(1,093)</u>	<u>-</u>	<u>460</u>	<u>1,117</u>	<u>5,010</u>
Cash and investments - ending	<u>\$ 157,900</u>	<u>\$ 3,429</u>	<u>\$ 80</u>	<u>\$ 2,557</u>	<u>\$ 1,106</u>	<u>\$ 1,710</u>	<u>\$ 21,423</u>	<u>\$ 188,205</u>

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

	General	LIRF	Petty Cash-Change Fund	Gift Designated	Gifts Memorial	Wind Farm	L/R Repayment	Totals
Cash and investments - beginning	\$ 157,900	\$ 3,429	\$ 80	\$ 2,557	\$ 1,106	\$ 1,710	\$ 21,423	\$ 188,205
Receipts:								
Taxes	82,289	-	-	-	-	-	42,771	125,060
Intergovernmental receipts	35,386	-	-	-	-	-	2,571	37,957
Fines and forfeits	1,321	-	-	-	-	-	-	1,321
Other receipts	44	-	-	6,594	-	960	-	7,598
Total receipts	<u>119,040</u>	<u>-</u>	<u>-</u>	<u>6,594</u>	<u>-</u>	<u>960</u>	<u>45,342</u>	<u>171,936</u>
Disbursements:								
Personal services	62,848	-	-	-	-	-	-	62,848
Supplies	2,491	-	-	-	-	-	-	2,491
Other services and charges	38,056	-	-	-	-	-	250	38,306
Debt service - principal and interest	-	-	-	-	-	-	44,500	44,500
Capital outlay	13,261	-	-	-	-	-	-	13,261
Other disbursements	-	-	-	5,543	-	2,134	-	7,677
Total disbursements	<u>116,656</u>	<u>-</u>	<u>-</u>	<u>5,543</u>	<u>-</u>	<u>2,134</u>	<u>44,750</u>	<u>169,083</u>
Excess (deficiency) of receipts over disbursements	<u>2,384</u>	<u>-</u>	<u>-</u>	<u>1,051</u>	<u>-</u>	<u>(1,174)</u>	<u>592</u>	<u>2,853</u>
Cash and investments - ending	<u>\$ 160,284</u>	<u>\$ 3,429</u>	<u>\$ 80</u>	<u>\$ 3,608</u>	<u>\$ 1,106</u>	<u>\$ 536</u>	<u>\$ 22,015</u>	<u>\$ 191,058</u>

BOSWELL-GRANT TOWNSHIP PUBLIC LIBRARY  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Boswell-Grant Township Public Library Building Corporation	Building	\$ 42,500	7/15/2002	1/15/2018
Total of annual lease payments		<u>\$ 42,500</u>		

BOSWELL-GRANT TOWNSHIP 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	\$ 3,000
Buildings	1,026,602
Books and other	<u>280,461</u>
Total governmental activities	<u>1,310,063</u>
Total capital assets	<u>\$ 1,310,063</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/>.