



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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January 27, 2023

To: The Officials of Elkhart Public Library
Elkhart Public Library
300 S 2nd St
Elkhart, IN 46516

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of Elkhart Public Library. We have reviewed the audit report opined upon by CliftonLarsonAllen, LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2021. Per the *Independent Auditors' Report*, the financial statements present fairly the financial condition of Elkhart Public Library, as of December 31, 2021, and the results of its operations for the period then ended, on the basis of accounting described in the report.

In our opinion, CliftonLarsonAllen, LLP, prepared the audit report in accordance with the guidelines established by the State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in cursive script that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

ELKHART PUBLIC LIBRARY
FINANCIAL STATEMENTS AND
SUPPLEMENTARY INFORMATION
YEAR ENDED DECEMBER 31, 2021



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**ELKHART PUBLIC LIBRARY
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YEAR ENDED DECEMBER 31, 2021**

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**ELKHART PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
YEAR ENDED DECEMBER 31, 2021**

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Elizabeth J. Guedea Carreño	01/01/2021 – 12/31/2021
Treasurer	Jane A. Garoutte	01/01/2021 – 12/31/2021
President of the Library Board	James W. Rieckhoff	01/01/2021 – 12/31/2021



INDEPENDENT AUDITORS' REPORT

Board of Trustees
Elkhart Public Library
Elkhart County, Indiana

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis of Elkhart Public Library as of and for the year ended December 31, 2021 and the related notes to the financial statements, which collectively comprise the basic financial statements.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and changes in financial position of Elkhart Public Library, as of and for the year ended December 31, 2021, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significant matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the accompanying financial statements referred to above do not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of Elkhart Public Library as of December 31, 2021, or the results of its operations for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Elkhart Public Library and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As described in Note 1, the financial statements are prepared by Elkhart Public Library on the basis of financial reporting provisions of the Indiana State Board of Accounts, which is a 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 the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material and pervasive.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the financial reporting provisions of the Indiana State Board of Accounts, described in Note 1. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS, we:

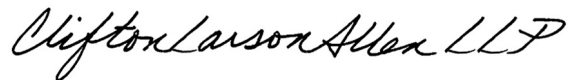
- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Elkhart Public Library's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Elkhart Public Library's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets but does not include the basic financial statements and our auditors’ report thereon. Our opinion on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.



CliftonLarsonAllen LLP

Indianapolis, Indiana
January 5, 2023

**ELKHART PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES – REGULATORY BASIS
YEAR ENDED DECEMBER 31, 2021**

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21
Operating Fund	\$ 6,992,435	\$ 8,159,831	\$ 6,732,990	\$ 8,419,276
Rainy Day Fund	1,120,206	-	81,584	1,038,622
State Technology Grant Fund	3,773	11,645	14,271	1,147
Library Improvement Reserve Fund	1,285,144	400,000	250,000	1,435,144
Self Insurance	22,767	-	-	22,767
PLAC	-	65	-	65
Bond Construction Fund	3,764,411	-	2,074,798	1,689,613
Bond & Interest Redemption Fund	11,455	488,349	402,213	97,591
Staff Fund	3,872	51	38	3,885
Gift Fund	88,865	5,689	2,183	92,371
Totals	<u>\$ 13,292,928</u>	<u>\$ 9,065,630</u>	<u>\$ 9,558,077</u>	<u>\$ 12,800,481</u>

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

**ELKHART PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

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 a governing board and provides culture services.

The accompanying financial statements 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. Amounts received from one or more of the following: property tax and vehicle excise tax.

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: local income tax, federal grants, state grants, financial institution tax received from the state, auto excise surtax received from the state, and commercial vehicle excise tax received from the state.

**ELKHART PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 1. Summary of Significant Accounting Policies (Continued)

Charges for services. Amounts received for services including, but not limited to, the following: copier, printer and fax machine charges, research and obituary fees, and overdue fines.

Other receipts. Amounts received from various sources, including, but not limited to, the following: net proceeds from investments, consortium sharing, refunds, reimbursements, incentive payments and transfers authorized by statute, ordinance, resolution, or court order.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. 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.

Debt service - principal and interest. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness. Also includes an aggregate value of library collections including books, audio, video and art materials whether circulating or reference copies.

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.

**ELKHART PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 1. Summary of Significant Accounting Policies (Continued)

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.

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 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 December 31 of the year preceding the budget year or January 15 of the budget year if the Library is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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.

**ELKHART PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 4. Deposits and Investments (Continued)

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.

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 is 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. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Library authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Library authority to contribute to the plan. The Elkhart Public Library has not chosen to participate in or offer this plan to new employees.

New employees hired into eligible positions are automatically enrolled in the PERF Hybrid Plan.

Financial Report

INPRS 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:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

**ELKHART PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2021**

Note 6. Pension Plan(s) (Continued)

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

Additional Pension Plan(s)

The Library also contributes to (an) additional pension plan(s) unique to the Library. Information regarding (these/this) plan(s) may be obtained from the Library.

Note 7. Other Postemployment Benefits

The Library provides to eligible retirees and their spouses the following benefits: medical, dental, and vision insurance can be paid in full by the retiree. These benefits pose a liability to the Library for this year and in future years. Information regarding the benefits can be obtained by contacting the Library.

**ELKHART PUBLIC LIBRARY
OTHER INFORMATION – UNAUDITED
YEAR ENDED DECEMBER 31, 2021**

The Library's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifonline.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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditors' Report.

The other information presented was approved by management of the Library. It is presented as intended by the Library.

ELKHART PUBLIC LIBRARY
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS
YEAR ENDED DECEMBER, 31 2021

	Operating Fund	Rainy Day Fund	State Technology Grant Fund	Library Improvement Reserve Fund	Self Insurance	PLAC	Bond Construction Fund	Bond & Interest Redemption Fund	Staff Fund	Gift Fund	Totals
Cash and investments - beginning	\$ 6,992,435	\$ 1,120,206	\$ 3,773	\$ 1,285,144	\$ 22,767	\$ -	\$ 3,764,411	\$ 11,455	\$ 3,872	\$ 88,865	\$ 13,292,928
Receipts:											
Taxes	5,584,139	-	-	-	-	-	-	447,245	-	-	6,031,384
Intergovernmental receipts	2,475,482	-	11,645	-	-	-	-	31,015	-	-	2,518,142
Charges for services	23,631	-	-	-	-	65	-	-	-	-	23,696
Other receipts	76,579	-	-	400,000	-	-	-	10,089	51	5,689	492,408
Total receipts	8,159,831	-	11,645	400,000	-	65	-	488,349	51	5,689	9,065,630
Disbursements:											
Personal services	4,606,255	81,584	-	-	-	-	-	-	-	-	4,687,839
Supplies	111,337	-	-	-	-	-	15,566	-	-	1,267	128,170
Other services and charges	1,240,386	-	14,271	13,572	-	-	224,998	300	38	837	1,494,402
Debt service - principal and interest	-	-	-	-	-	-	-	401,913	-	-	401,913
Capital outlay	375,012	-	-	236,428	-	-	1,834,234	-	-	79	2,445,753
Other disbursements	400,000	-	-	-	-	-	-	-	-	-	400,000
Total disbursements	6,732,990	81,584	14,271	250,000	-	-	2,074,798	402,213	38	2,183	9,558,077
Excess (deficiency) of receipts over disbursements	1,426,841	(81,584)	(2,626)	150,000	-	65	(2,074,798)	86,136	13	3,506	(492,447)
Cash and investments - ending	\$ 8,419,276	\$ 1,038,622	\$ 1,147	\$ 1,435,144	\$ 22,767	\$ 65	\$ 1,689,613	\$ 97,591	\$ 3,885	\$ 92,371	\$ 12,800,481

**ELKHART PUBLIC LIBRARY
SCHEDULE OF PAYABLES AND RECEIVABLES
DECEMBER, 31 2021**

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 208,236</u>	<u>\$ 2,298</u>

**ELKHART PUBLIC LIBRARY
SCHEDULE OF LEASES AND DEBT
DECEMBER, 31 2021**

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Branch Renovations 2020 - 2021	\$ 3,667,013	\$ 469,488
Total governmental activities		<u>3,667,013</u>	<u>469,488</u>
Totals		<u>\$ 3,667,013</u>	<u>\$ 469,488</u>

**ELKHART PUBLIC LIBRARY
SCHEDULE OF CAPITAL ASSETS
DECEMBER, 31 2021**

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	\$	188,647
Buildings		5,203,720
Improvements other than buildings		127,627
Machinery, equipment, and vehicles		735,511
Construction in progress		1,742,736
Books and other		5,580,978
Total governmental activities		13,579,219
Total capital assets	\$	13,579,219

**ELKHART PUBLIC LIBRARY
EXIT CONFERENCE
DECEMBER 31, 2021**

The contents of this report were discussed on January 5, 2023, with Jane A. Garoutte, Treasurer; Elizabeth J. Guedea Carreño, Director; and James W. Rieckhoff, President of the Library Board.



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