

LA PORTE COUNTY PUBLIC LIBRARY

Financial Management Report

Assumptions

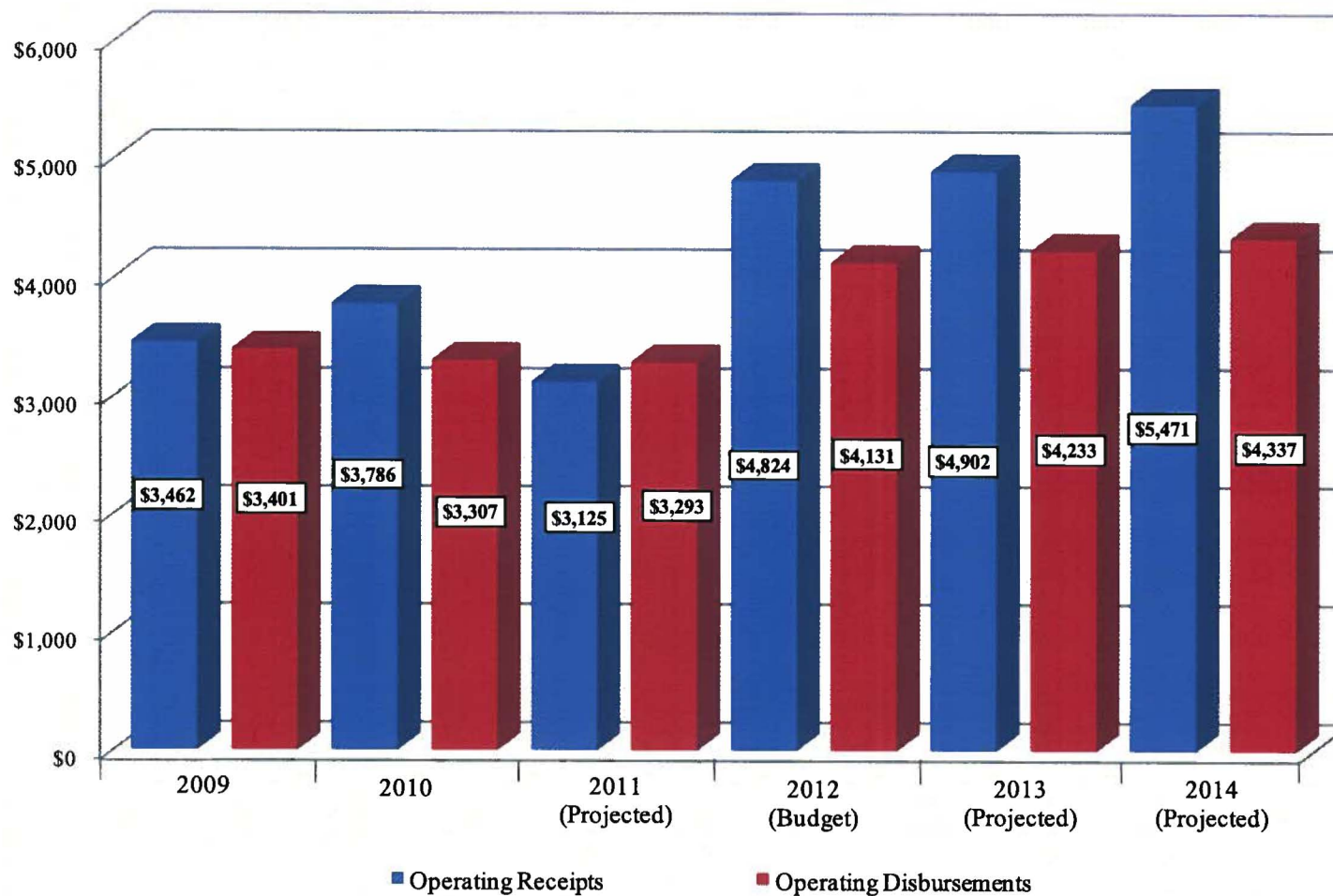
- Property tax growth factor:
 - 2011 and 2012: 2.9%
 - 2013 and 2014: 2.4%
- Uncollectible property taxes – 2% of the estimated tax levy
- Circuit Breaker Credits – based on report by Legislative Services Agency dated 12/31/2011
- Growth in miscellaneous receipts – 0% per year
- Growth in CAGIT – 0% per year (over 2011 advisory amounts)
- Growth in disbursements (except capital outlays) – 3% per year (over 2012 adopted budget)

Assumptions

- Provisional bills assumed at 74% of the applicable tax levies
- Scenario #1:
 - Final property tax distributions are assumed to be settled as follows:
 - Pay 2008 and 2009 in year 2012
 - Pay 2010 and 2011 in year 2013
 - Pay 2012 and 2013 in year 2014
 - Pay 2014 in year 2015
- Scenario #2:
 - Final property tax distributions are assumed to be settled as follows:

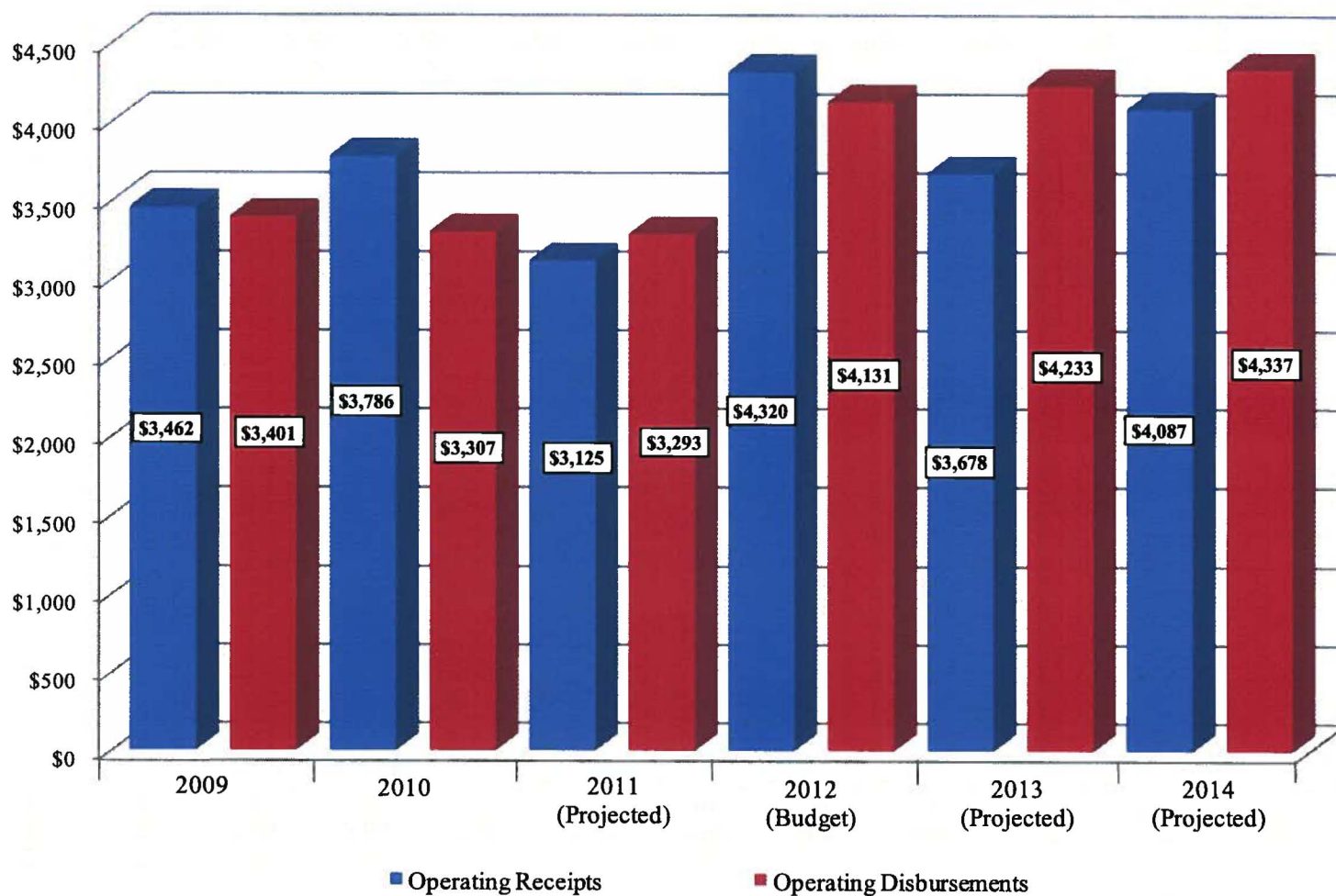
• Pay 2008 in 2012	• Pay 2012 in 2016
• Pay 2009 in 2013	• Pay 2013 in 2017
• Pay 2010 in 2014	• Pay 2014 in 2018
• Pay 2011 in 2015	

General Fund *SCENARIO #1*
Comparison of Operating Receipts and Disbursements for 2009-2014
(In Thousands)

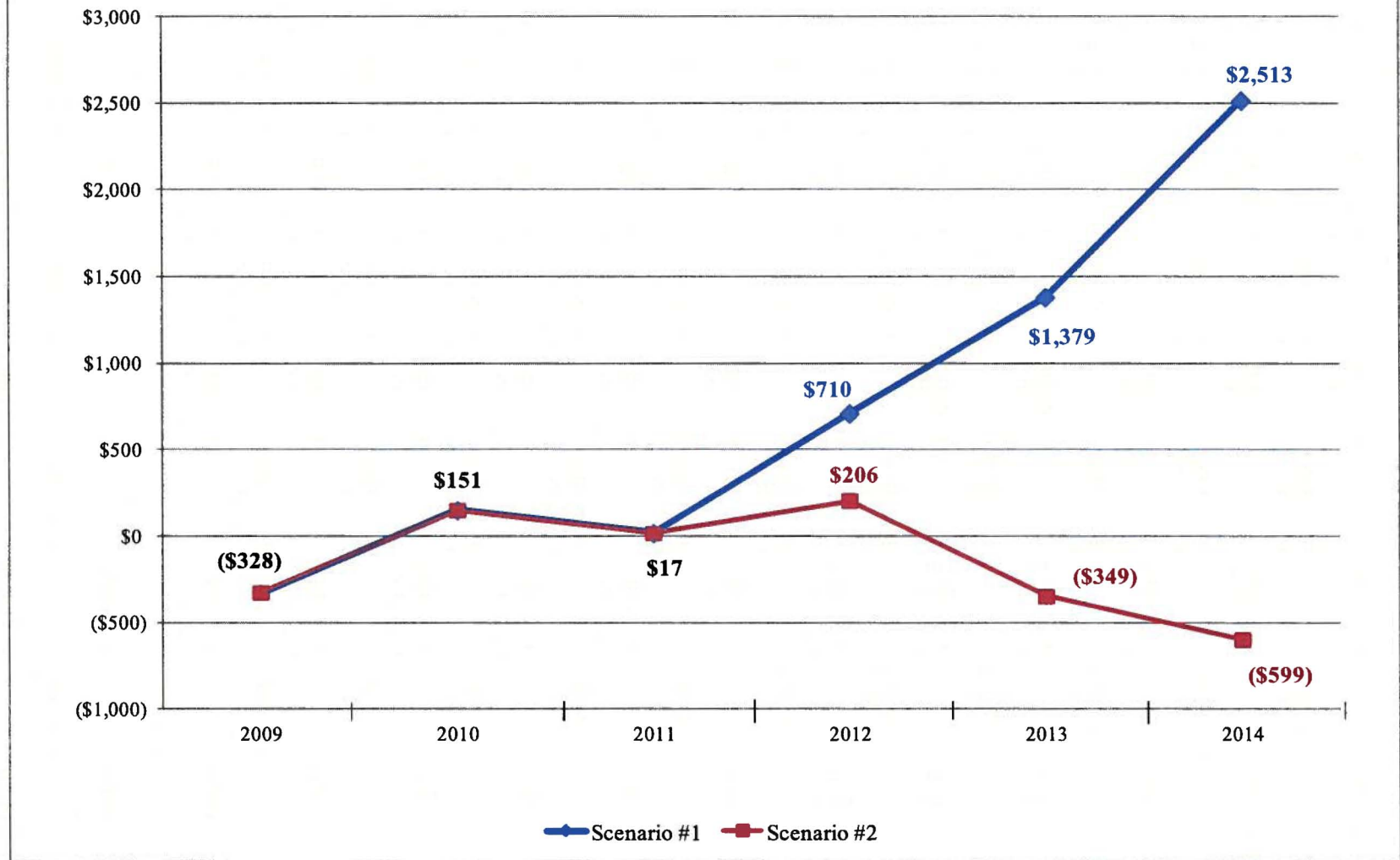


It's all about experience.

General Fund
Comparison of Operating Receipts and Disbursements for 2009-2014
(In Thousands) *SCENARIO #2*



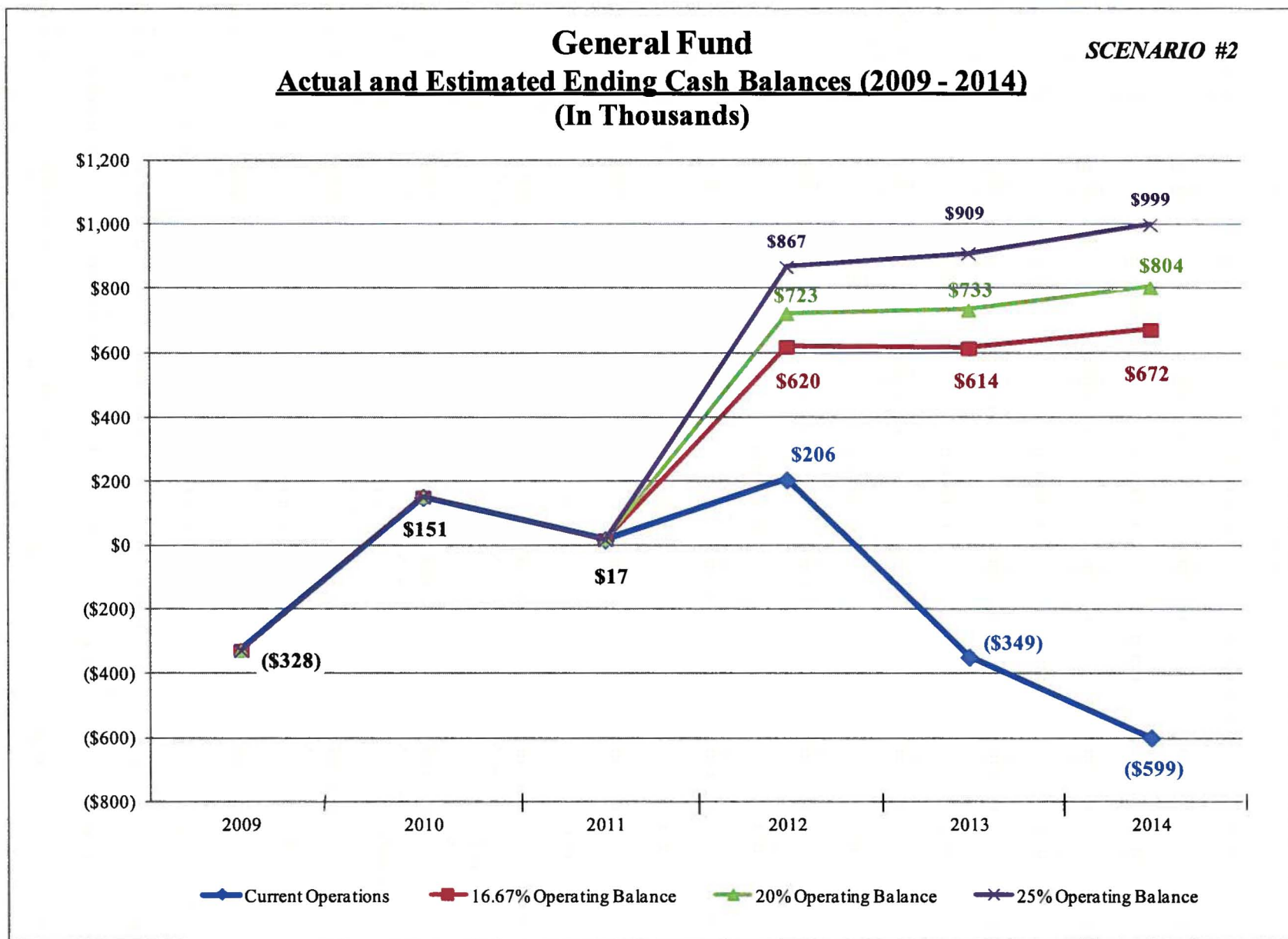
General Fund **Comparison of Actual and Estimated Ending Cash Balances (2009 - 2014)** **(In Thousands)**



Recommendations

- Operate under Scenario #2
- Maintain the reserve in the Rainy Day Fund until the overpayment of property taxes related to the Lease Rental Fund is settled
- Maintain adequate reserves in the General Fund
 - Approximately 20% - 25% temporarily until the delay in property tax distributions is settled
 - Approximately 16.67%, or two months operating disbursements, in the future
- Budget reductions to achieve and maintain adequate reserves in the General Fund (based on Scenario #2):

<u>Year</u>	<u>Operating Balance</u>		
	<u>16.67%</u>	<u>20.0%</u>	<u>25.0%</u>
2012	(\$413,750)	(\$517,000)	(\$661,500)
2013	(\$549,000)	(\$565,000)	(\$596,250)
2014	(\$308,000)	(\$320,500)	(\$340,500)



Contact Information

Todd A. Samuelson, CPA
samuelson@umbaugh.com
(574) 935-5178

Paige E. Sansone, CPA
sansone@umbaugh.com
(317) 465-1500