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

EXAMINATION REPORT  
OF  
YORK TOWNSHIP PUBLIC LIBRARY  
BENTON COUNTY, INDIANA  
January 1, 2007 to December 31, 2008



**FILED**  
05/18/2010



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Christine McPeters	01-01-07 to 12-31-10
Treasurer	Paul A. Shultz Pamella S. Molter	01-01-07 to 12-31-08 01-01-09 to 12-31-10
President of the Board	Jane Pilkington	01-01-07 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE YORK TOWNSHIP PUBLIC LIBRARY, BENTON COUNTY, INDIANA

We have examined the financial information presented herein of the York Township Public Library (Library), for the period of January 1, 2007 to December 31, 2008. 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 and 2008, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

February 15, 2010

YORK TOWNSHIP PUBLIC LIBRARY  
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL FUND TYPES  
As Of And For The Years Ended December 31, 2007 And 2008

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 44,680	\$ 13,324	\$ 5,589	\$ 52,415
Gift	626	-	-	626
Grant	882	-	-	882
	<u>46,188</u>	<u>13,324</u>	<u>5,589</u>	<u>53,923</u>
Totals	<u>\$ 46,188</u>	<u>\$ 13,324</u>	<u>\$ 5,589</u>	<u>\$ 53,923</u>
	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 52,415	\$ 11,835	\$ 7,389	\$ 56,861
Gift	626	519	-	1,145
Grant	882	-	104	778
	<u>53,923</u>	<u>12,354</u>	<u>7,493</u>	<u>58,784</u>
Totals	<u>\$ 53,923</u>	<u>\$ 12,354</u>	<u>\$ 7,493</u>	<u>\$ 58,784</u>

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

YORK TOWNSHIP PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: culture and recreation, and general administrative 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 or highway use taxes are received 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. However, 2007 taxes were due in two installments on July 25, 2007 and November 12, 2007, and 2008 taxes were due in one installment on November 10, 2008.

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.

YORK TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The Library Board Treasurer is not bonded.

IC 36-12-2-22(g) states in part:

"The treasurer shall give a surety bond for the faithful performance of the treasurer's duty and for the accurate accounting of all money coming into the treasurer's custody."

IC 36-12-2-22(g) requires the Treasurer's bond to be deposited in the office of the County Recorder. Other library employee bonds shall also be filed in the office of the County Recorder. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

DAILY COLLECTIONS

The Library occasionally receives payment for services such as copies or faxes. Deposits are routinely not made to the bank for months after the receipt of funds. We noted one collection from 2008 that has not been presented to the bank for deposit as of December 31, 2009.

The Library does not post collections received until deposits are made to the bank.

IC 5-13-6-1 (c) states in part:

". . . all local officers . . . who collect public funds of their respective political subdivisions, shall deposit funds not later than the business day following the receipt of funds on business days of the depository in the depository or depositories selected by the several local boards of finance that have jurisdiction of the funds. Public funds deposited under this subsection shall be deposited in the same form in which they were received."

COMPENSATION AND BENEFITS

The Library Director was paid in 2007 and 2008; however, the Board did not adopt a salary ordinance or resolution.

The Library Director received compensation for custodial duties performed; however, this compensation was not included on the Director's Wage and Tax Statement (Form W-2), and was not subject to payroll withholding taxes.

The Library Director received her salary in advance of services performed.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

YORK TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Salaries and wages of public officers may not be paid in advance. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 8)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the examination period:

1. Claim forms were not prepared for disbursements.
2. The Board indicates a generic approval of claims in minutes; however, a detail of claimants and amounts approved was not presented for examination.

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

SALES TAX

Sales tax is routinely paid on utility bills.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

YORK TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on February 15, 2010, with Paul A. Shultz, former Treasurer; and Pamela S. Molter, Treasurer. The officials concurred with our findings.