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

EXAMINATION REPORT
OF

YORKTOWN – MT. PLEASANT
TOWNSHIP PUBLIC LIBRARY
DELAWARE COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
10/27/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Liz Rozelle	01-01-08 to 12-31-10
Treasurer	Della D. Gregory	01-01-08 to 12-31-10
President of the Board	Beverly LaVelle Carol Ward	01-01-08 to 12-31-09 01-01-10 to 12-31-10



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF YORKTOWN - MT. PLEASANT TOWNSHIP
PUBLIC LIBRARY, DELAWARE COUNTY, INDIANA

We have examined the financial information presented herein of Yorktown - Mt. Pleasant Township Public Library (Library), for the period of January 1, 2008 to December 31, 2009. 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, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets, as listed in the Table of Contents, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

July 22, 2010

YORKTOWN - MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 774,368	\$ 394,298	\$ 438,871	\$ 729,795
Friends	145	-	145	-
Memorial	2,163	325	2,488	-
Rainy Day	7,879	-	-	7,879
Levy Excess	2,031	-	2,031	-
Library Improvement Reserve	10,605	-	-	10,605
Fiduciary Funds:				
Payroll Withholdings	6,699	181,717	188,416	-
PLAC	738	653	1,391	-
Totals	<u>\$ 804,628</u>	<u>\$ 576,993</u>	<u>\$ 633,342</u>	<u>\$ 748,279</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 729,795	\$ 564,579	\$ 444,492	\$ 849,882
Memorial	-	725	725	-
Rainy Day	7,879	43	-	7,922
Levy Excess	-	4,568	-	4,568
Library Improvement Reserve	10,605	-	-	10,605
Fiduciary Funds:				
Payroll Withholdings	-	202,938	202,938	-
PLAC	-	1,050	1,050	-
Totals	<u>\$ 748,279</u>	<u>\$ 773,903</u>	<u>\$ 649,205</u>	<u>\$ 872,977</u>

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

YORKTOWN - MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
DELAWARE COUNTY
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 are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Normally, 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. Property tax collections were delayed in 2009 due to reassessment delays resulting in the first installment for 2009 being distributed in December 2009. The second installment was distributed in April 2010.

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.

YORKTOWN - MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
DELAWARE COUNTY
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

YORKTOWN - MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

This unit has no general infrastructure assets.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 20,000
Buildings	230,000
Machinery and equipment	<u>527,868</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 777,868</u></u>

YORKTOWN - MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
DELAWARE COUNTY
EXAMINATION RESULT AND COMMENT

CONDITION OF RECORDS

The following deficiencies, related to recordkeeping were present during our period of audit:

- (1) Record balances were not reconciled to depository balances during the two year period.

IC 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

- (2) There were a few posting errors. These errors included:

- A. A supplemental distribution of County Option Income Tax of \$1,176.67 that should have been receipted into the Rainy Day Fund was instead receipted into the General Fund.
- B. An Internet Connectivity payment was posted as property tax.
- C. Interest was not posted.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

YORKTOWN - MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 22, 2010, with Liz Rozelle, Director; Della D. Gregory, Treasurer; and Lisa Lay, Bookkeeper. The officials concurred with our finding.