

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY

CASS COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
09/25/2012



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	6-7
Notes to Financial Statements .....	8-11
Supplementary Information:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	14-19
Schedule of Payables and Receivables .....	20
Schedule of Debt .....	21
Schedule of Capital Assets.....	22
Examination Results and Comments:	
Annual Report.....	23
Credit Card Policy.....	23
Exit Conference.....	24

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Gordon Southern	01-01-10 to 12-31-12
Treasurer	Christy McCloskey	01-01-10 to 12-31-12
President of the Board	Jack Ayers Paul Bauer	01-01-10 to 07-12-11 07-13-11 to 12-31-12



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WALTON & TIPTON TOWNSHIP  
PUBLIC LIBRARY, CASS COUNTY, INDIANA

We have examined the financial statements of the Walton & Tipton Township Public Library (Library), for the period of January 1, 2010 to December 31, 2011. The Library's management is responsible for the financial statements. 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 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 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 basis noted above is a different basis than that used in the prior year.

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 years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of 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.

This report is intended solely for the information and use of the Library's management, Library Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

July 5, 2012

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## FINANCIAL STATEMENTS

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.

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Gift Fund	\$ 1,366	\$ 2,232	\$ 2,840	\$ 758
Petty Cash	100	-	-	100
Operating	64,141	269,161	268,276	65,026
LIRF Investments	45,378	8,581	20,530	33,429
Federal Tax Withholding	-	-	-	-
Social Security Withholding	-	-	-	-
Medicare Withholding	-	-	-	-
State Tax Withholding	505	57	-	562
County Tax Withholding	147	19	-	166
Summer Reading Fund	-	430	-	430
Community Room Fund	-	650	-	650
Wifi Tower Fund	-	5,204	5,199	5
Mctaggart Grant Fund	180	-	180	-
Rainy Day Fund	2,839	3,407	228	6,018
E-Rate Fund	4,350	2,320	3,150	3,520
Excess Levy Fund	-	450	-	450
Plac Fund	60	100	160	-
Lease Rental Fund	42,970	89,830	89,000	43,800
Totals	<u>\$ 162,036</u>	<u>\$ 382,441</u>	<u>\$ 389,563</u>	<u>\$ 154,914</u>

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

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Gift Fund	\$ 758	\$ 3,992	\$ 1,535	\$ 3,215
Rainy Day Fund	6,018	-	-	6,018
2011 LSTA Grant	-	4,500	4,500	-
Excess Levy Fund	450	-	450	-
CCCF Grant 2011	-	5,000	4,990	10
Petty Cash	100	-	-	100
Operating	65,026	222,038	229,082	57,982
LIRF Investments	33,429	1,661	5,607	29,483
Federal Tax Withholding	-	403	-	403
Social Security Withholding	-	107	-	107
Medicare Withholding	-	37	-	37
State Tax Withholding	562	-	47	515
County Tax Withholding	166	146	73	239
Summer Reading Fund	430	986	1,413	3
Community Room Fund	650	300	487	463
Wifi Tower Fund	5	586	486	105
E-Rate Fund	3,520	4,074	3,930	3,664
Plac Fund	-	50	50	-
Lease Rental Fund	43,800	92,890	92,000	44,690
Totals	<u>\$ 154,914</u>	<u>\$ 336,770</u>	<u>\$ 344,650</u>	<u>\$ 147,034</u>

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

WALTON & TIPTON 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 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. Receipts are recorded when received and disbursements are recorded when paid.

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 may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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.

Licenses and permits which include amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution 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.

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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).

Penalties which include fees received for late payments.

Other receipts which include amounts received from various sources which can include, but are 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 may include the following uses:

Personal services 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: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include 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 include 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.

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*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.

*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.

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

State statutes authorize 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.

**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. These risks may also be mitigated by the Library by recording as a disbursement any replacement items purchased.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Library's 2011 Annual 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 Annual Reports of the Library which are 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 supplementary information presented was approved by management of the Library. It is presented as intended by the Library.

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	Gift Fund	Petty Cash	Operating	LIRF Investments	Federal Tax Withholding	Social Security Withholding	Medicare Withholding
Cash and investments - beginning	\$ 1,366	\$ 100	\$ 64,141	\$ 45,378	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	79,844	-	-	-	-
Intergovernmental	-	-	48,034	-	-	-	-
Charges for services	-	-	2,393	-	-	-	-
Fines and forfeits	-	-	2,478	-	-	-	-
Other receipts	2,232	-	136,412	8,581	-	-	-
Total receipts	<u>2,232</u>	<u>-</u>	<u>269,161</u>	<u>8,581</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	71,958	-	-	-	-
Supplies	1,396	-	8,097	-	-	-	-
Other services and charges	410	-	35,335	-	-	-	-
Capital outlay	1,034	-	11,335	20,530	-	-	-
Other disbursements	-	-	141,551	-	-	-	-
Total disbursements	<u>2,840</u>	<u>-</u>	<u>268,276</u>	<u>20,530</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(608)</u>	<u>-</u>	<u>885</u>	<u>(11,949)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 758</u>	<u>\$ 100</u>	<u>\$ 65,026</u>	<u>\$ 33,429</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	State Tax Withholding	County Tax Withholding	Summer Reading Fund	Community Room Fund	Wifi Tower Fund	Mctaggart Grant Fund
Cash and investments - beginning	\$ 505	\$ 147	\$ -	\$ -	\$ -	\$ 180
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	57	19	430	650	5,204	-
Total receipts	57	19	430	650	5,204	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	2,298	-
Other services and charges	-	-	-	-	2,364	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	537	180
Total disbursements	-	-	-	-	5,199	180
Excess (deficiency) of receipts over disbursements	57	19	430	650	5	(180)
Cash and investments - ending	\$ 562	\$ 166	\$ 430	\$ 650	\$ 5	\$ -

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Rainy Day Fund	E-Rate Fund	Excess Levy Fund	Plac Fund	Lease Rental Fund	Totals
Cash and investments - beginning	\$ 2,839	\$ 4,350	\$ -	\$ 60	\$ 42,970	\$ 162,036
Receipts:						
Taxes	-	-	-	-	89,182	169,026
Intergovernmental	3,407	2,320	-	-	648	54,409
Charges for services	-	-	-	-	-	2,393
Fines and forfeits	-	-	-	-	-	2,478
Other receipts	-	-	450	100	-	154,135
<b>Total receipts</b>	<b>3,407</b>	<b>2,320</b>	<b>450</b>	<b>100</b>	<b>89,830</b>	<b>382,441</b>
Disbursements:						
Personal services	-	-	-	-	-	71,958
Supplies	-	-	-	-	-	11,791
Other services and charges	228	3,150	-	-	89,000	130,487
Capital outlay	-	-	-	-	-	32,899
Other disbursements	-	-	-	160	-	142,428
<b>Total disbursements</b>	<b>228</b>	<b>3,150</b>	<b>-</b>	<b>160</b>	<b>89,000</b>	<b>389,563</b>
Excess (deficiency) of receipts over disbursements	3,179	(830)	450	(60)	830	(7,122)
Cash and investments - ending	<u>\$ 6,018</u>	<u>\$ 3,520</u>	<u>\$ 450</u>	<u>\$ -</u>	<u>\$ 43,800</u>	<u>\$ 154,914</u>

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	Gift Fund	Rainy Day Fund	2011 LSTA Grant	Excess Levy Fund	CCCF Grant 2011	Petty Cash	Operating
Cash and investments - beginning	\$ 758	\$ 6,018	\$ -	\$ 450	\$ -	\$ 100	\$ 65,026
Receipts:							
Taxes	-	-	-	-	-	-	112,413
Intergovernmental	-	-	-	-	-	-	8,132
Charges for services	-	-	-	-	-	-	2,408
Fines and forfeits	-	-	-	-	-	-	2,376
Other receipts	3,992	-	4,500	-	5,000	-	96,709
Total receipts	<u>3,992</u>	<u>-</u>	<u>4,500</u>	<u>-</u>	<u>5,000</u>	<u>-</u>	<u>222,038</u>
Disbursements:							
Personal services	-	-	-	-	-	-	78,683
Supplies	1,262	-	-	-	-	-	7,015
Other services and charges	136	-	-	-	410	-	37,499
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	137	-	4,500	-	4,580	-	9,505
Other disbursements	-	-	-	450	-	-	96,380
Total disbursements	<u>1,535</u>	<u>-</u>	<u>4,500</u>	<u>450</u>	<u>4,990</u>	<u>-</u>	<u>229,082</u>
Excess (deficiency) of receipts over disbursements	<u>2,457</u>	<u>-</u>	<u>-</u>	<u>(450)</u>	<u>10</u>	<u>-</u>	<u>(7,044)</u>
Cash and investments - ending	<u>\$ 3,215</u>	<u>\$ 6,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10</u>	<u>\$ 100</u>	<u>\$ 57,982</u>

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	LIRF Investments	Federal Tax Withholding	Social Security Withholding	Medicare Withholding	State Tax Withholding	County Tax Withholding	Summer Reading Fund
Cash and investments - beginning	\$ 33,429	\$ -	\$ -	\$ -	\$ 562	\$ 166	\$ 430
Receipts:							
Taxes	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,661	403	107	37	-	146	986
Total receipts	<u>1,661</u>	<u>403</u>	<u>107</u>	<u>37</u>	<u>-</u>	<u>146</u>	<u>986</u>
Disbursements:							
Personal services	-	-	-	-	47	73	-
Supplies	20	-	-	-	-	-	1,330
Other services and charges	1,178	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,409	-	-	-	-	-	83
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>5,607</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47</u>	<u>73</u>	<u>1,413</u>
Excess (deficiency) of receipts over disbursements	<u>(3,946)</u>	<u>403</u>	<u>107</u>	<u>37</u>	<u>(47)</u>	<u>73</u>	<u>(427)</u>
Cash and investments - ending	<u>\$ 29,483</u>	<u>\$ 403</u>	<u>\$ 107</u>	<u>\$ 37</u>	<u>\$ 515</u>	<u>\$ 239</u>	<u>\$ 3</u>

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	Community Room Fund	Wifi Tower Fund	E-Rate Fund	Plac Fund	Lease Rental Fund	Totals
Cash and investments - beginning	\$ 650	\$ 5	\$ 3,520	\$ -	\$ 43,800	\$ 154,914
Receipts:						
Taxes	-	-	-	-	83,894	196,307
Intergovernmental	-	-	-	-	8,410	16,542
Charges for services	300	-	-	50	-	2,758
Fines and forfeits	-	-	-	-	-	2,376
Other receipts	-	586	4,074	-	586	118,787
Total receipts	300	586	4,074	50	92,890	336,770
Disbursements:						
Personal services	-	-	-	-	-	78,803
Supplies	-	174	-	-	-	9,801
Other services and charges	-	222	-	-	-	39,445
Debt service - principal and interest	-	-	-	-	92,000	92,000
Capital outlay	487	90	-	-	-	23,791
Other disbursements	-	-	3,930	50	-	100,810
Total disbursements	487	486	3,930	50	92,000	344,650
Excess (deficiency) of receipts over disbursements	(187)	100	144	-	890	(7,880)
Cash and investments - ending	\$ 463	\$ 105	\$ 3,664	\$ -	\$ 44,690	\$ 147,034

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 2,621</u>	<u>\$ -</u>

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
 SCHEDULE OF DEBT  
 December 31, 2011

<u>Lessor</u>	<u>Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal and Interest Due Within One Year</u>
Governmental activities:			
Lease Rental	Renovation & Construction	<u>\$ 515,000</u>	<u>\$ 94,000</u>

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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:	
Capital assets, not being depreciated:	
Buildings	\$ 2,366,000
Machinery and equipment	<u>44,650</u>
Total governmental activities, capital assets not being depreciated	<u><u>\$ 2,410,650</u></u>

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

***ANNUAL REPORT***

The 2010 Annual Report ending cash balances did not agree with the 2011 Annual Report beginning balances for all funds. Also, receipt and disbursement totals for the payroll withholding accounts were not properly reported for either year. This included negative disbursements in 2010 and negative account balances in 2011. The Operating Fund receipts, disbursements and ending balance were not reported correctly for 2011.

Indiana Code 5-11-1-4 (a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

***CREDIT CARD POLICY***

The Library has a policy concerning the use of library credit cards; however, the policy was not always followed.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

WALTON & TIPTON TOWNSHIP PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on July 5, 2012, with Gordon Southern, Director, and Christy McCloskey, Treasurer. The officials concurred with our findings.