

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

FINANCIAL STATEMENT EXAMINATION REPORT
OF
YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
DELAWARE COUNTY, INDIANA
January 1, 2010 to December 31, 2012



FILED
03/14/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Liz Rozelle	01-01-10 to 12-31-13
Treasurer	Della Gregory Kristin Comp	01-01-10 to 12-31-11 01-01-12 to 12-31-13
President of the Board	Carol Ward Bev LaVelle	01-01-10 to 12-31-10 01-01-11 to 12-31-13



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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statement of the Yorktown-Mt. Pleasant Township Public Library (Library), for the period of January 1, 2010 to December 31, 2012. The financial statement is the responsibility of the Library's management. Our responsibility is to express an opinion on the financial statement 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 statement 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 statement 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 effects on the financial statement of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Library for the period of January 1, 2010 to December 31, 2012.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Library for the period of January 1, 2010 to December 31, 2012, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Library's financial statement. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis 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 statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

February 11, 2013

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FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the Library. The financial statement and notes are presented as intended by the Library.

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
As Of And For The Years Ended December 31, 2010, 2011 And 2012

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Operating	\$ 849,882	\$ 658,884	\$ 441,166	\$ 1,067,600
Rainy Day	7,922	2,192	-	10,114
Library Improvement Reserve	10,605	12,600	-	23,205
Levy Excess	4,568	-	-	4,568
Memorial	-	350	350	-
Payroll	-	224,613	224,613	-
PLAC	-	810	810	-
Totals	<u>\$ 872,977</u>	<u>\$ 899,449</u>	<u>\$ 666,939</u>	<u>\$ 1,105,487</u>

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Operating	\$ 1,067,600	\$ 830,422	\$ 966,642	\$ 931,380
Rainy Day	10,114	-	-	10,114
Library Improvement Reserve	23,205	10,047	-	33,252
Levy Excess	4,568	3,373	4,568	3,373
Memorial	-	1,068	-	1,068
Community Foundation 2011	-	4,000	1,667	2,333
State Tech Grant Fund	-	3,850	-	3,850
Payroll	-	208,732	208,732	-
PLAC	-	200	200	-
Totals	<u>\$ 1,105,487</u>	<u>\$ 1,061,692</u>	<u>\$ 1,181,809</u>	<u>\$ 985,370</u>

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
Operating	\$ 931,380	\$ 1,082,872	\$ 1,070,009	\$ 944,243
Rainy Day	10,114	10,114	10,114	10,114
Library Improvement Reserve	33,252	25,097	12,624	45,725
Levy Excess	3,373	3,373	3,373	3,373
Memorial	1,068	1,143	1,098	1,113
Community Foundation 2011	2,333	2,333	2,333	2,333
State Tech Grant Fund	3,850	3,850	6,737	963
Early Literacy Grant 2012	-	2,455	2,455	-
Payroll	-	259,026	258,577	449
PLAC	-	100	150	(50)
Totals	<u>\$ 985,370</u>	<u>\$ 1,390,363</u>	<u>\$ 1,367,470</u>	<u>\$ 1,008,263</u>

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

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT

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 statement 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 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 statement. 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 nonbusinesses 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.

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(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).

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 statement. 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 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.

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(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.

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(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 statement. 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

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficit

The financial statement contains a fund with a deficit in cash (PLAC Fund). This is a result of accidentally sending two payments for one PLAC card sold. Management is attempting to have the second payment refunded by the Indiana State Library.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Library's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement 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.

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YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 As Of And For The Year Ended December 31, 2010

	Operating	Rainy Day	Library Improvement Reserve	Levy Excess	Memorial	Payroll	PLAC	Totals
Cash and investments - beginning	\$ 849,882	\$ 7,922	\$ 10,605	\$ 4,568	\$ -	\$ -	\$ -	\$ 872,977
Receipts:								
Taxes	566,139	2,192	-	-	-	-	-	568,331
Intergovernmental	56,728	-	-	-	-	-	-	56,728
Charges for services	12,299	-	-	-	-	-	-	12,299
Fines and forfeits	11,104	-	-	-	-	-	-	11,104
Other receipts	12,614	-	12,600	-	350	224,613	810	250,987
Total receipts	<u>658,884</u>	<u>2,192</u>	<u>12,600</u>	<u>-</u>	<u>350</u>	<u>224,613</u>	<u>810</u>	<u>899,449</u>
Disbursements:								
Personal services	270,505	-	-	-	-	-	-	270,505
Supplies	24,678	-	-	-	-	-	-	24,678
Other services and charges	56,848	-	-	-	-	-	-	56,848
Capital outlay	78,135	-	-	-	-	-	-	78,135
Other disbursements	11,000	-	-	-	350	224,613	810	236,773
Total disbursements	<u>441,166</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>350</u>	<u>224,613</u>	<u>810</u>	<u>666,939</u>
Excess (deficiency) of receipts over disbursements	<u>217,718</u>	<u>2,192</u>	<u>12,600</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,510</u>
Cash and investments - ending	<u>\$ 1,067,600</u>	<u>\$ 10,114</u>	<u>\$ 23,205</u>	<u>\$ 4,568</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,105,487</u>

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 As Of And For The Year Ended December 31, 2011

	Operating	Rainy Day	Library Improvement Reserve	Levy Excess	Memorial
Cash and investments - beginning	\$ 1,067,600	\$ 10,114	\$ 23,205	\$ 4,568	\$ -
Receipts:					
Taxes	407,476	-	-	-	-
Intergovernmental	61,631	-	-	3,373	-
Charges for services	7,116	-	-	-	-
Fines and forfeits	10,958	-	-	-	-
Other receipts	343,241	-	10,047	-	1,068
Total receipts	<u>830,422</u>	<u>-</u>	<u>10,047</u>	<u>3,373</u>	<u>1,068</u>
Disbursements:					
Personal services	280,821	-	-	-	-
Supplies	24,133	-	-	-	-
Other services and charges	71,784	-	-	-	-
Capital outlay	261,491	-	-	-	-
Other disbursements	328,413	-	-	4,568	-
Total disbursements	<u>966,642</u>	<u>-</u>	<u>-</u>	<u>4,568</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(136,220)</u>	<u>-</u>	<u>10,047</u>	<u>(1,195)</u>	<u>1,068</u>
Cash and investments - ending	<u>\$ 931,380</u>	<u>\$ 10,114</u>	<u>\$ 33,252</u>	<u>\$ 3,373</u>	<u>\$ 1,068</u>

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 As Of And For The Year Ended December 31, 2011
 (Continued)

	Community Foundation 2011	State Tech Grant Fund	Payroll	PLAC	Totals
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,105,487
Receipts:					
Taxes	-	-	-	-	407,476
Intergovernmental	-	3,850	-	-	68,854
Charges for services	-	-	-	-	7,116
Fines and forfeits	-	-	-	-	10,958
Other receipts	4,000	-	208,732	200	567,288
Total receipts	<u>4,000</u>	<u>3,850</u>	<u>208,732</u>	<u>200</u>	<u>1,061,692</u>
Disbursements:					
Personal services	-	-	-	-	280,821
Supplies	-	-	-	-	24,133
Other services and charges	-	-	-	-	71,784
Capital outlay	1,667	-	-	-	263,158
Other disbursements	-	-	208,732	200	541,913
Total disbursements	<u>1,667</u>	<u>-</u>	<u>208,732</u>	<u>200</u>	<u>1,181,809</u>
Excess (deficiency) of receipts over disbursements	<u>2,333</u>	<u>3,850</u>	<u>-</u>	<u>-</u>	<u>(120,117)</u>
Cash and investments - ending	<u>\$ 2,333</u>	<u>\$ 3,850</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 985,370</u>

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 As Of And For The Year Ended December 31, 2012

	Operating Fund	Rainy Day	Library Improvement Reserve	Levy Excess	Memorial	Community Foundation 2011
Cash and investments - beginning	\$ 931,380	\$ 10,114	\$ 33,252	\$ 3,373	\$ 1,068	\$ 2,333
Receipts:						
Taxes	439,697	-	-	-	-	-
Intergovernmental	97,410	-	-	-	-	-
Charges for services	7,636	-	-	-	-	-
Fines and forfeits	9,663	-	-	-	-	-
Other receipts	<u>528,466</u>	<u>10,114</u>	<u>25,097</u>	<u>3,373</u>	<u>1,143</u>	<u>2,333</u>
Total receipts	<u>1,082,872</u>	<u>10,114</u>	<u>25,097</u>	<u>3,373</u>	<u>1,143</u>	<u>2,333</u>
Disbursements:						
Personal services	328,315	-	-	-	-	-
Supplies	26,782	-	-	-	-	-
Other services and charges	72,850	-	-	-	-	-
Capital outlay	115,019	-	-	-	-	2,333
Other disbursements	<u>527,043</u>	<u>10,114</u>	<u>12,624</u>	<u>3,373</u>	<u>1,098</u>	<u>-</u>
Total disbursements	<u>1,070,009</u>	<u>10,114</u>	<u>12,624</u>	<u>3,373</u>	<u>1,098</u>	<u>2,333</u>
Excess (deficiency) of receipts over disbursements	<u>12,863</u>	<u>-</u>	<u>12,473</u>	<u>-</u>	<u>45</u>	<u>-</u>
Cash and investments - ending	<u>\$ 944,243</u>	<u>\$ 10,114</u>	<u>\$ 45,725</u>	<u>\$ 3,373</u>	<u>\$ 1,113</u>	<u>\$ 2,333</u>

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 As Of And For The Year Ended December 31, 2012
 (Continued)

	State Tech Grant Fund	Early Literacy Grant 2012	Payroll	PLAC	Totals
Cash and investments - beginning	\$ 3,850	\$ -	\$ -	\$ -	\$ 985,370
Receipts:					
Taxes	-	-	-	-	439,697
Intergovernmental	3,850	2,455	-	-	103,715
Charges for services	-	-	-	100	7,736
Fines and forfeits	-	-	-	-	9,663
Other receipts	-	-	259,026	-	829,552
Total receipts	<u>3,850</u>	<u>2,455</u>	<u>259,026</u>	<u>100</u>	<u>1,390,363</u>
Disbursements:					
Personal services	-	-	-	-	328,315
Supplies	-	-	-	-	26,782
Other services and charges	-	-	-	-	72,850
Capital outlay	6,737	2,455	-	-	126,544
Other disbursements	-	-	258,577	150	812,979
Total disbursements	<u>6,737</u>	<u>2,455</u>	<u>258,577</u>	<u>150</u>	<u>1,367,470</u>
Excess (deficiency) of receipts over disbursements	<u>(2,887)</u>	<u>-</u>	<u>449</u>	<u>(50)</u>	<u>22,893</u>
Cash and investments - ending	<u>\$ 963</u>	<u>\$ -</u>	<u>\$ 449</u>	<u>\$ (50)</u>	<u>\$ 1,008,263</u>

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2012

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	\$ 20,000
Buildings	230,000
Improvements other than buildings	875,325
Machinery, equipment and vehicles	54,048
Total governmental activities	1,179,373
Total capital assets	\$ 1,179,373

YORKTOWN-MT. PLEASANT TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

INVESTMENTS NOT AUTHORIZED BY STATUTE

The Library invested in an American Express Centurion Bank CD through Edward Jones in 2012. Edward Jones is not on the state's approved depository list for local governmental units.

A depository is a financial institution designated as a depository of public funds. A financial institution is defined to mean:

1. A bank, trust company, or mutual savings bank that:
 - A. was incorporated under the law of Indiana or any other state; and
 - B. has its principal office or a branch in Indiana.
2. A national banking association with its principal office or a branch in Indiana.
3. A savings association operating as a deposit association incorporated under Indiana laws.
4. A federally chartered savings association with its principal office or branch in Indiana.
5. A federally chartered savings bank with its principal office or a branch in Indiana.
6. A state chartered credit union in Indiana that is federally insured or privately insured and that has assets of three million dollars (\$3,000,000) or more. [IC 5-13-4-10]

Investments should only be made in accordance with statute. Expenses related to any unauthorized investments may be the personal obligation of the responsible official or employee.

Losses related to investments and investment procedures which are not authorized by statute may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

OVERDRAWN CASH BALANCE

The fee for one PLAC card was remitted two times to the State Library, which caused the cash balance of the PLAC Fund to be overdrawn at December 31, 2012. The Library Director has contacted the Indiana State Library to try and correct the error.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (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 February 11, 2013, with Liz Rozelle, Director, and Kristin Comp, Treasurer. The officials concurred with our findings.