

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

PENDLETON COMMUNITY PUBLIC LIBRARY

MADISON COUNTY, INDIANA

January 1, 2011 to December 31, 2012



FILED
10/17/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Lynn Hobbs	01-01-11 to 12-31-13
Treasurer	Beverly Kilmer Lauretta Gray	01-01-11 to 06-30-12 07-01-12 to 06-30-14
President of the Board	Monte Hoover Katie Hupfer David Ballenger	01-01-11 to 06-30-11 07-01-11 to 06-30-13 07-01-13 to 06-30-14



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE PENDLETON COMMUNITY
PUBLIC LIBRARY, MADISON COUNTY, INDIANA

We have examined the accompanying financial statement of the Pendleton Community Public Library (Library), for the period of January 1, 2011 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, 2011 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, 2011 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, Schedule of Leases and 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 statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

Bruce Hartman
State Examiner

September 18, 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.

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PENDLETON COMMUNITY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Years Ended December 31, 2011 And 2012

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11	Receipts	Disbursements	Cash and Investments 12-31-12
Operating	\$ 118,047	\$ 1,025,631	\$ 1,013,463	\$ 130,215	\$ 1,010,505	\$ 843,492	\$ 297,228
Rainy Day	1,385	-	-	1,385	-	-	1,385
Summer Reading Program	49	1,385	777	657	849	866	640
Capital Projects	57,208	3,302	60,510	-	-	-	-
Library Improvement Reserve	83,612	12,000	89,500	6,112	87,000	22,000	71,112
PLAC	300	1,651	1,701	250	1,610	1,860	-
Childrens Dept	-	2,372	1,220	1,152	1,558	1,898	812
Payroll Withholdings	1,612	4,900	4,472	2,040	-	417	1,623
Petty Cash	100	-	-	100	100	-	200
Cash Change	100	-	-	100	-	-	100
Gifts	2,435	5,354	3,174	4,615	2,277	3,090	3,802
Employee Purchases	182	555	619	118	613	595	136
Memorial	1,941	2,760	31	4,670	430	2,084	3,016
State Tech Fund Grant	6,171	5,092	6,663	4,600	5,670	6,150	4,120
LSTA Grant 2010	-	10,000	10,000	-	-	-	-
Friends - Clearing Account	-	3,358	3,358	-	3,445	3,390	55
Debt Service	82	710,904	559,900	151,086	455,449	606,500	35
Johnston-Swain	486	345	-	831	226	-	1,057
Library Fund - SMCF	639	252	-	891	159	-	1,050
Arabian Readers	1,305	880	1,182	1,003	2,500	1,179	2,324
MCCF Grant	-	500	194	306	194	242	258
SMCF - Read & Feed	4,000	19,421	16,586	6,835	9,228	14,752	1,311
Totals	<u>\$ 279,654</u>	<u>\$ 1,810,662</u>	<u>\$ 1,773,350</u>	<u>\$ 316,966</u>	<u>\$ 1,581,813</u>	<u>\$ 1,508,515</u>	<u>\$ 390,264</u>

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

PENDLETON COMMUNITY 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 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.

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.

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.

PENDLETON COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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.

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.

PENDLETON COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

PENDLETON COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

PENDLETON COMMUNITY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Holding Corporation

The Library has entered into a capital lease with the Pendleton Community Library Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Library. The lessor has been determined to be a related party of the Library. Lease payments during the years 2011 and 2012, totaled \$462,000 and \$465,000, respectively.

Note 8. Combined Funds

Funds related to Petty Cash and Cash Change were combined into the General Fund in the prior financial statement but were reported individually for the current financial statement.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's 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 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.

PENDLETON COMMUNITY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Operating	Rainy Day	Summer Reading Program	Capital Projects	Library Improvement Reserve	PLAC	Childrens Dept	Payroll Withholdings
Cash and investments - beginning	\$ 118,047	\$ 1,385	\$ 49	\$ 57,208	\$ 83,612	\$ 300	\$ -	\$ 1,612
Receipts:								
Taxes	451,922	-	-	2,874	-	-	-	-
Intergovernmental	260,321	-	-	428	-	-	-	-
Charges for services	4,822	-	-	-	6,000	1,651	-	-
Fines and forfeits	22,650	-	-	-	-	-	-	-
Other receipts	285,916	-	1,385	-	6,000	-	2,372	4,900
Total receipts	<u>1,025,631</u>	<u>-</u>	<u>1,385</u>	<u>3,302</u>	<u>12,000</u>	<u>1,651</u>	<u>2,372</u>	<u>4,900</u>
Disbursements:								
Personal services	386,876	-	-	-	-	-	-	-
Supplies	30,362	-	-	-	-	-	-	-
Other services and charges	148,196	-	777	-	-	-	-	-
Debt service - principal and interest	304,987	-	-	-	-	-	-	-
Capital outlay	81,563	-	-	-	-	-	1,220	-
Other disbursements	61,479	-	-	60,510	89,500	1,701	-	4,472
Total disbursements	<u>1,013,463</u>	<u>-</u>	<u>777</u>	<u>60,510</u>	<u>89,500</u>	<u>1,701</u>	<u>1,220</u>	<u>4,472</u>
Excess (deficiency) of receipts over disbursements	<u>12,168</u>	<u>-</u>	<u>608</u>	<u>(57,208)</u>	<u>(77,500)</u>	<u>(50)</u>	<u>1,152</u>	<u>428</u>
Cash and investments - ending	<u>\$ 130,215</u>	<u>\$ 1,385</u>	<u>\$ 657</u>	<u>\$ -</u>	<u>\$ 6,112</u>	<u>\$ 250</u>	<u>\$ 1,152</u>	<u>\$ 2,040</u>

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

	Petty Cash	Cash Change	Gifts	Employee Purchases	Memorial	State Tech Fund Grant	LSTA Grant 2010	Friends - Clearing Account
Cash and investments - beginning	\$ 100	\$ 100	\$ 2,435	\$ 182	\$ 1,941	\$ 6,171	\$ -	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,092	10,000	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	-	-	5,354	555	2,760	-	-	3,358
Total receipts	-	-	5,354	555	2,760	5,092	10,000	3,358
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	6,663	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	619	31	-	-	-
Other disbursements	-	-	3,174	-	-	-	10,000	3,358
Total disbursements	-	-	3,174	619	31	6,663	10,000	3,358
Excess (deficiency) of receipts over disbursements	-	-	2,180	(64)	2,729	(1,571)	-	-
Cash and investments - ending	\$ 100	\$ 100	\$ 4,615	\$ 118	\$ 4,670	\$ 4,600	\$ -	\$ -

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

	Debt Service	Johnston-Swain	Library Fund - SMCF	Arabian Readers	MCCF Grant	SMCF - Read & Feed	Totals
Cash and investments - beginning	\$ 82	\$ 486	\$ 639	\$ 1,305	\$ -	\$ 4,000	\$ 279,654
Receipts:							
Taxes	531,781	-	-	-	-	-	986,577
Intergovernmental	40,123	-	-	-	500	10,833	327,297
Charges for services	-	-	-	-	-	-	12,473
Fines and forfeits	-	-	-	-	-	-	22,650
Other receipts	139,000	345	252	880	-	8,588	461,665
Total receipts	<u>710,904</u>	<u>345</u>	<u>252</u>	<u>880</u>	<u>500</u>	<u>19,421</u>	<u>1,810,662</u>
Disbursements:							
Personal services	-	-	-	-	-	-	386,876
Supplies	-	-	-	-	194	3,207	33,763
Other services and charges	2,500	-	-	1,182	-	179	159,497
Debt service - principal and interest	462,000	-	-	-	-	-	766,987
Capital outlay	-	-	-	-	-	7,200	90,633
Other disbursements	95,400	-	-	-	-	6,000	335,594
Total disbursements	<u>559,900</u>	<u>-</u>	<u>-</u>	<u>1,182</u>	<u>194</u>	<u>16,586</u>	<u>1,773,350</u>
Excess (deficiency) of receipts over disbursements	<u>151,004</u>	<u>345</u>	<u>252</u>	<u>(302)</u>	<u>306</u>	<u>2,835</u>	<u>37,312</u>
Cash and investments - ending	<u>\$ 151,086</u>	<u>\$ 831</u>	<u>\$ 891</u>	<u>\$ 1,003</u>	<u>\$ 306</u>	<u>\$ 6,835</u>	<u>\$ 316,966</u>

PENDLETON COMMUNITY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012

	Operating	Rainy Day	Summer Reading Program	Capital Projects	Library Improvement Reserve	PLAC	Childrens Dept	Payroll Withholdings
Cash and investments - beginning	\$ 130,215	\$ 1,385	\$ 657	\$ -	\$ 6,112	\$ 250	\$ 1,152	\$ 2,040
Receipts:								
Taxes	488,980	-	-	-	-	-	-	-
Intergovernmental	345,185	-	-	-	-	-	-	-
Charges for services	9,619	-	-	-	-	1,610	-	-
Fines and forfeits	20,672	-	-	-	-	-	-	-
Other receipts	146,049	-	849	-	87,000	-	1,558	-
Total receipts	<u>1,010,505</u>	<u>-</u>	<u>849</u>	<u>-</u>	<u>87,000</u>	<u>1,610</u>	<u>1,558</u>	<u>-</u>
Disbursements:								
Personal services	398,065	-	-	-	-	-	-	-
Supplies	28,633	-	-	-	-	-	-	-
Other services and charges	151,513	-	-	-	4,000	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	86,081	-	-	-	18,000	-	-	-
Other disbursements	179,200	-	866	-	-	1,860	1,898	417
Total disbursements	<u>843,492</u>	<u>-</u>	<u>866</u>	<u>-</u>	<u>22,000</u>	<u>1,860</u>	<u>1,898</u>	<u>417</u>
Excess (deficiency) of receipts over disbursements	<u>167,013</u>	<u>-</u>	<u>(17)</u>	<u>-</u>	<u>65,000</u>	<u>(250)</u>	<u>(340)</u>	<u>(417)</u>
Cash and investments - ending	<u>\$ 297,228</u>	<u>\$ 1,385</u>	<u>\$ 640</u>	<u>\$ -</u>	<u>\$ 71,112</u>	<u>\$ -</u>	<u>\$ 812</u>	<u>\$ 1,623</u>

PENDLETON COMMUNITY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Petty Cash	Cash Change	Gifts	Employee Purchases	Memorial	State Tech Fund Grant	LSTA Grant 2010	Friends - Clearing Account
Cash and investments - beginning	\$ 100	\$ 100	\$ 4,615	\$ 118	\$ 4,670	\$ 4,600	\$ -	\$ -
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,670	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	100	-	2,277	613	430	-	-	3,445
Total receipts	100	-	2,277	613	430	5,670	-	3,445
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	6,150	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	3,090	595	2,084	-	-	3,390
Total disbursements	-	-	3,090	595	2,084	6,150	-	3,390
Excess (deficiency) of receipts over disbursements	100	-	(813)	18	(1,654)	(480)	-	55
Cash and investments - ending	\$ 200	\$ 100	\$ 3,802	\$ 136	\$ 3,016	\$ 4,120	\$ -	\$ 55

PENDLETON COMMUNITY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Debt Service	Johnston-Swain	Library Fund - SMCF	Arabian Readers	MCCF Grant	SMCF - Read & Feed	Totals
Cash and investments - beginning	\$ 151,086	\$ 831	\$ 891	\$ 1,003	\$ 306	\$ 6,835	\$ 316,966
Receipts:							
Taxes	235,463	-	-	-	-	-	724,443
Intergovernmental	44,886	-	-	-	-	-	395,741
Charges for services	-	-	-	-	-	-	11,229
Fines and forfeits	-	-	-	-	-	-	20,672
Other receipts	175,100	226	159	2,500	194	9,228	429,728
Total receipts	455,449	226	159	2,500	194	9,228	1,581,813
Disbursements:							
Personal services	-	-	-	-	-	-	398,065
Supplies	-	-	-	-	-	-	28,633
Other services and charges	2,500	-	-	-	-	-	164,163
Debt service - principal and interest	465,000	-	-	-	-	-	465,000
Capital outlay	-	-	-	-	-	-	104,081
Other disbursements	139,000	-	-	1,179	242	14,752	348,573
Total disbursements	606,500	-	-	1,179	242	14,752	1,508,515
Excess (deficiency) of receipts over disbursements	(151,051)	226	159	1,321	(48)	(5,524)	73,298
Cash and investments - ending	\$ 35	\$ 1,057	\$ 1,050	\$ 2,324	\$ 258	\$ 1,311	\$ 390,264

PENDLETON COMMUNITY PUBLIC LIBRARY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2012

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Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Pendleton Community Library Building Corporation	2005 Bond Issue \$7 518 000 for building expansion and renovation.	\$ 463,000	03-30-05	12-31-21
Total of annual lease payments		<u>\$ 463,000</u>		

PENDLETON COMMUNITY 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	\$ 160,000
Buildings	5,220,000
Machinery, equipment, and vehicles	1,565,186
Total governmental activities	6,945,186
Total capital assets	\$ 6,945,186

PENDLETON COMMUNITY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

OFFICIAL BOND

The Treasurer did not obtain an individual surety bond for the period of July 1, 2012 to July 1, 2013. The Treasurer's surety bond for July 1, 2013 to July 1, 2014, was not payable to the State of Indiana.

Indiana Code 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. The bond must be:

- (1) written by an insurance company licensed to do business in Indiana;
- (2) for the term of office of the treasurer;
- (3) in an amount determined by the library board;
- (4) paid for with the money from the library fund;
- (5) payable to the State of Indiana;
- (6) approved by the library board; and
- (7) deposited in the office of the recorder of the county in which the library district is located."

PENDLETON COMMUNITY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2013, with Lynn Hobbs, Director; Laretta Gray, Treasurer; and David Ballenger, President of the Board. The officials concurred with our finding.