

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY

WHITE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/04/2012

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|------------------------|---------------------------|----------------------|
| Director | Rachel Ziegler | 01-01-10 to 07-03-10 |
| | Monica Casanova (Interim) | 07-04-10 to 08-16-10 |
| | Rachel Ziegler | 08-17-10 to 02-17-12 |
| | Monica Casanova | 02-18-12 to 12-31-12 |
| Treasurer | Arthur Morgan | 01-01-10 to 12-31-12 |
| President of the Board | Bradley Moore | 01-01-10 to 12-31-11 |
| | Shannon Gardiner | 01-01-12 to 12-31-12 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY,
WHITE COUNTY, INDIANA

We have examined the accompanying financial statements of Monticello-Union Township Public Library (Library), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on the financial statements 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.

Our examination was conducted for the purpose of forming an opinion on the Library's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, 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 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

August 8, 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.

MONTICELLO-UNION 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 |
|-----------------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|
| Operating | \$ 8,750 | \$ 970,685 | \$ 897,392 | \$ 82,043 |
| State Technology Grant Fund | 3,150 | 3,019 | 3,235 | 2,934 |
| Gift Fund | 121,762 | 80,830 | 72,181 | 130,411 |
| Rainy Day Fund | 55,485 | 91,024 | 90,000 | 56,509 |
| Adopt-Book | 25 | 336 | 316 | 45 |
| Gift Fund - Fish | 135 | 90 | 88 | 137 |
| Gift Fund - Birds | 120 | 50 | - | 170 |
| Gift Fund - Children's | 26,550 | 3,875 | 1,802 | 28,623 |
| Gift Fund - Adult's | 1,324 | 4,893 | 3,598 | 2,619 |
| Gift Fund Investment Fund | 10,000 | - | 10,000 | - |
| Art Show Fund | - | 800 | 762 | 38 |
| Esl Fund | 737 | - | 394 | 343 |
| Staff Association Fund | 75 | 105 | 154 | 26 |
| Excess Levy Fund | - | 1,055 | - | 1,055 |
| Capital Projects Fund | 15,066 | 77,863 | 92,929 | - |
| Lirf | 5,002 | 50,000 | - | 55,002 |
| Payroll Fund | 5,909 | 62,364 | 62,583 | 5,690 |
| Plac Fund | 30 | 50 | 100 | (20) |
| Totals | <u>\$ 254,120</u> | <u>\$ 1,347,039</u> | <u>\$ 1,235,534</u> | <u>\$ 365,625</u> |

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

MONTICELLO-UNION 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 |
|-----------------------------|-------------------------------------|---------------------|---------------------|-------------------------------------|
| Operating | \$ 82,043 | \$ 1,112,163 | \$ 1,077,937 | \$ 116,269 |
| Rainy Day Fund | 56,509 | 16,893 | 8,900 | 64,502 |
| Lif | 55,002 | - | 500 | 54,502 |
| Plac Fund | (20) | 128 | 100 | 8 |
| State Technology Grant Fund | 2,934 | 2,037 | 2,934 | 2,037 |
| Gift Fund | 130,411 | 30,565 | 30,016 | 130,960 |
| Adopt-Book | 45 | 219 | 242 | 22 |
| Gift Fund - Fish | 137 | 66 | 16 | 187 |
| Gift Fund - Birds | 170 | 44 | - | 214 |
| Gift Fund - Children's | 28,623 | 4,854 | 2,497 | 30,980 |
| Gift Fund - Adult's | 2,619 | 6,619 | 5,435 | 3,803 |
| Art Show Fund | 38 | 450 | - | 488 |
| Esl Fund | 343 | 888 | 384 | 847 |
| Staff Association Fund | 26 | 146 | 125 | 47 |
| Excess Levy Fund | 1,055 | - | - | 1,055 |
| Payroll Fund | 5,690 | 63,821 | 67,727 | 1,784 |
| Totals | <u>\$ 365,625</u> | <u>\$ 1,238,893</u> | <u>\$ 1,196,813</u> | <u>\$ 407,705</u> |

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

MONTICELLO-UNION 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.

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.

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(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).

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 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.

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(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.

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(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. These risks may also be mitigated by the Library by recording as a disbursement any replacement items purchased.

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.

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 7. Funds Held in Trust

In previous years, the Library has transferred money to the local Community Foundation in compliance with (IC 20-14-3-9(a) (5)). The balances held by the White County Community Foundation at December 31, 2011, are as follows:

| | |
|--------------------------|-------------------|
| Children's Services Fund | \$ 146,771 |
| Adult Services Fund | <u>19,578</u> |
| Total | <u>\$ 166,349</u> |

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/.

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.

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

| | Operating | State Technology Grant Fund | Gift Fund | Rainy Day Fund | Adopt-Book | Gift Fund - Fish | Gift Fund - Birds |
|--|------------------|--------------------------------------|-------------------|----------------------|--------------|---------------------------|----------------------------|
| Cash and investments - beginning | \$ 8,750 | \$ 3,150 | \$ 121,762 | \$ 55,485 | \$ 25 | \$ 135 | \$ 120 |
| Receipts: | | | | | | | |
| Taxes | 497,440 | - | - | - | - | - | - |
| Intergovernmental | 140,309 | 3,019 | - | 11,024 | - | - | - |
| Charges for services | 8,859 | - | - | - | - | - | - |
| Fines and forfeits | 9,101 | - | - | - | - | - | - |
| Other receipts | <u>314,976</u> | <u>-</u> | <u>80,830</u> | <u>80,000</u> | <u>336</u> | <u>90</u> | <u>50</u> |
| Total receipts | <u>970,685</u> | <u>3,019</u> | <u>80,830</u> | <u>91,024</u> | <u>336</u> | <u>90</u> | <u>50</u> |
| Disbursements: | | | | | | | |
| Personal services | 304,660 | - | - | - | - | - | - |
| Supplies | 20,836 | - | - | - | - | 88 | - |
| Other services and charges | 370,988 | 3,235 | - | 10,000 | - | - | - |
| Capital outlay | 69,808 | - | - | - | 316 | - | - |
| Other disbursements | <u>131,100</u> | <u>-</u> | <u>72,181</u> | <u>80,000</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total disbursements | <u>897,392</u> | <u>3,235</u> | <u>72,181</u> | <u>90,000</u> | <u>316</u> | <u>88</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>73,293</u> | <u>(216)</u> | <u>8,649</u> | <u>1,024</u> | <u>20</u> | <u>2</u> | <u>50</u> |
| Cash and investments - ending | <u>\$ 82,043</u> | <u>\$ 2,934</u> | <u>\$ 130,411</u> | <u>\$ 56,509</u> | <u>\$ 45</u> | <u>\$ 137</u> | <u>\$ 170</u> |

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

| | Gift Fund - Children's | Gift Fund - Adult's | Gift Fund Investment Fund | Art Show Fund | Esl Fund | Staff Association Fund |
|--|---------------------------------|------------------------------|------------------------------------|---------------------|-------------|------------------------------|
| Cash and investments - beginning | \$ 26,550 | \$ 1,324 | \$ 10,000 | \$ - | \$ 737 | \$ 75 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other receipts | 3,875 | 4,893 | - | 800 | - | 105 |
| Total receipts | 3,875 | 4,893 | - | 800 | - | 105 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | 1,802 | 3,598 | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | 394 | - |
| Other disbursements | - | - | 10,000 | 762 | - | 154 |
| Total disbursements | 1,802 | 3,598 | 10,000 | 762 | 394 | 154 |
| Excess (deficiency) of receipts over disbursements | 2,073 | 1,295 | (10,000) | 38 | (394) | (49) |
| Cash and investments - ending | \$ 28,623 | \$ 2,619 | \$ - | \$ 38 | \$ 343 | \$ 26 |

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

| | Excess Levy Fund | Capital Projects Fund | Lirf | Payroll Fund | Plac Fund | Totals |
|--|------------------------|-----------------------------|-----------|-----------------|--------------|------------|
| Cash and investments - beginning | \$ - | \$ 15,066 | \$ 5,002 | \$ 5,909 | \$ 30 | \$ 254,120 |
| Receipts: | | | | | | |
| Taxes | - | 70,496 | - | - | - | 567,936 |
| Intergovernmental | 1,055 | 4,902 | - | - | - | 160,309 |
| Charges for services | - | - | - | - | - | 8,859 |
| Fines and forfeits | - | - | - | - | - | 9,101 |
| Other receipts | - | 2,465 | 50,000 | 62,364 | 50 | 600,834 |
| Total receipts | 1,055 | 77,863 | 50,000 | 62,364 | 50 | 1,347,039 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | 62,583 | - | 367,243 |
| Supplies | - | - | - | - | - | 26,324 |
| Other services and charges | - | - | - | - | - | 384,223 |
| Capital outlay | - | 60,974 | - | - | - | 131,492 |
| Other disbursements | - | 31,955 | - | - | 100 | 326,252 |
| Total disbursements | - | 92,929 | - | 62,583 | 100 | 1,235,534 |
| Excess (deficiency) of receipts over disbursements | 1,055 | (15,066) | 50,000 | (219) | (50) | 111,505 |
| Cash and investments - ending | \$ 1,055 | \$ - | \$ 55,002 | \$ 5,690 | \$ (20) | \$ 365,625 |

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

| | Operating | Rainy Day Fund | Lif | Plac Fund | State Technology Grant Fund | Gift Fund |
|--|-------------------|----------------------|------------------|--------------|--------------------------------------|-------------------|
| Cash and investments - beginning | \$ 82,043 | \$ 56,509 | \$ 55,002 | \$ (20) | \$ 2,934 | \$ 130,411 |
| Receipts: | | | | | | |
| Taxes | 361,425 | - | - | - | - | - |
| Intergovernmental | 145,554 | - | - | - | - | - |
| Charges for services | 7,215 | - | - | 100 | 2,037 | - |
| Fines and forfeits | 12,790 | - | - | - | - | - |
| Other receipts | 585,179 | 16,893 | - | 28 | - | 30,565 |
| Total receipts | <u>1,112,163</u> | <u>16,893</u> | <u>-</u> | <u>128</u> | <u>2,037</u> | <u>30,565</u> |
| Disbursements: | | | | | | |
| Personal services | 312,726 | - | - | - | - | - |
| Supplies | 20,385 | - | - | - | - | - |
| Other services and charges | 73,079 | 8,900 | 500 | - | - | - |
| Debt service - principal and interest | 138,010 | - | - | - | - | - |
| Capital outlay | 80,093 | - | - | - | - | - |
| Other disbursements | 453,644 | - | - | 100 | 2,934 | 30,016 |
| Total disbursements | <u>1,077,937</u> | <u>8,900</u> | <u>500</u> | <u>100</u> | <u>2,934</u> | <u>30,016</u> |
| Excess (deficiency) of receipts over disbursements | <u>34,226</u> | <u>7,993</u> | <u>(500)</u> | <u>28</u> | <u>(897)</u> | <u>549</u> |
| Cash and investments - ending | <u>\$ 116,269</u> | <u>\$ 64,502</u> | <u>\$ 54,502</u> | <u>\$ 8</u> | <u>\$ 2,037</u> | <u>\$ 130,960</u> |

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

| | Adopt-Book | Gift Fund - Fish | Gift Fund - Birds | Gift Fund - Children's | Gift Fund - Adult's | Art Show Fund |
|--|--------------|---------------------------|----------------------------|---------------------------------|------------------------------|---------------------|
| Cash and investments - beginning | \$ 45 | \$ 137 | \$ 170 | \$ 28,623 | \$ 2,619 | \$ 38 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - |
| Other receipts | 219 | 66 | 44 | 4,854 | 6,619 | 450 |
| Total receipts | <u>219</u> | <u>66</u> | <u>44</u> | <u>4,854</u> | <u>6,619</u> | <u>450</u> |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - |
| Capital outlay | 242 | - | - | - | - | - |
| Other disbursements | - | 16 | - | 2,497 | 5,435 | - |
| Total disbursements | <u>242</u> | <u>16</u> | <u>-</u> | <u>2,497</u> | <u>5,435</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>(23)</u> | <u>50</u> | <u>44</u> | <u>2,357</u> | <u>1,184</u> | <u>450</u> |
| Cash and investments - ending | <u>\$ 22</u> | <u>\$ 187</u> | <u>\$ 214</u> | <u>\$ 30,980</u> | <u>\$ 3,803</u> | <u>\$ 488</u> |

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

| | Esl Fund | Staff Association Fund | Excess Levy Fund | Payroll Fund | Totals |
|--|---------------|------------------------------|------------------------|-----------------|-------------------|
| Cash and investments - beginning | \$ 343 | \$ 26 | \$ 1,055 | \$ 5,690 | \$ 365,625 |
| Receipts: | | | | | |
| Taxes | - | - | - | - | 361,425 |
| Intergovernmental | - | - | - | - | 145,554 |
| Charges for services | - | - | - | - | 9,352 |
| Fines and forfeits | - | - | - | - | 12,790 |
| Other receipts | 888 | 146 | - | 63,821 | 709,772 |
| Total receipts | <u>888</u> | <u>146</u> | <u>-</u> | <u>63,821</u> | <u>1,238,893</u> |
| Disbursements: | | | | | |
| Personal services | - | - | - | - | 312,726 |
| Supplies | - | - | - | - | 20,385 |
| Other services and charges | - | - | - | - | 82,479 |
| Debt service - principal and interest | - | - | - | - | 138,010 |
| Capital outlay | - | - | - | - | 80,335 |
| Other disbursements | 384 | 125 | - | 67,727 | 562,878 |
| Total disbursements | <u>384</u> | <u>125</u> | <u>-</u> | <u>67,727</u> | <u>1,196,813</u> |
| Excess (deficiency) of receipts over disbursements | <u>504</u> | <u>21</u> | <u>-</u> | <u>(3,906)</u> | <u>42,080</u> |
| Cash and investments - ending | <u>\$ 847</u> | <u>\$ 47</u> | <u>\$ 1,055</u> | <u>\$ 1,784</u> | <u>\$ 407,705</u> |

MONTICELLO-UNION 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>\$ 3,442</u> | <u>\$ 23,683</u> |

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

| Lessor | Purpose | Annual Lease Payment | Lease Beginning Date | Lease Ending Date |
|----------------------------------|---------|----------------------------|----------------------------|-------------------------|
| Governmental activities: IKON | Copiers | \$ 2,300 | 02-01-11 | 01-31-17 |
| Total of annual lease payments | | <u>\$ 2,300</u> | | |

MONTICELLO-UNION 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.

| | Ending Balance |
|-----------------------------------|-------------------|
| Governmental activities: | |
| Land | \$ 52,000 |
| Infrastructure | 57,950 |
| Buildings | 1,473,495 |
| Improvements other than buildings | 35,884 |
| Machinery, equipment and vehicles | 438,373 |
| Books and other | 1,400,000 |
| Total governmental activities | 3,457,702 |
| Total capital assets | \$ 3,457,702 |

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

The following official bonds were not filed in the Office of the County Recorder:

Art Morgan, Treasurer
Carol Pearson, Bookkeeper

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)

SUPPORTING DOCUMENTATION

Payments on credit card accounts were observed which were not supported by adequate documentation, such as receipts, invoices, and other public records. Due to the lack of supporting information, the validity and accountability for some money disbursed could not be established. Also, it was noted that "over-limit fees" were being charged to the account whenever the credit card spending limit was exceeded; these fees were paid by the library.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2012, with Shannon Gardiner, President of the Board; Arthur Morgan, Treasurer; Monica Casanova, Director; and Carol Pearson, Bookkeeper. The officials concurred with our findings.