

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

COMPLIANCE ENGAGEMENT REPORT

OF

MICHIGAN CITY PUBLIC LIBRARY

LAPORTE COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
05/06/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Don Glossinger	01-01-19 to 12-31-24
Treasurer	Edward A. (Chip) Claussen, Jr. Samantha Royal	01-01-19 to 12-31-21 01-01-22 to 12-31-24
President of the Library Board	Don Montgomery Doug Wickstrom Mike Wilkerson	01-01-19 to 12-31-20 01-01-21 to 12-31-23 01-01-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MICHIGAN CITY PUBLIC LIBRARY, LAPORTE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Michigan City Public Library (Library), for the period of January 1, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Library as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comment contained herein, if any, describes the identified reportable instance of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Library's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Samantha Royal, Treasurer; Don Glossinger, Director; Mike Wilkerson, President of the Library Board; Dale Cooper, Library Board member; Doug Wickstrom, Library Board member; and Tamara Ansell, Assistant Treasurer, on May 2, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 4, 2024

MICHIGAN CITY PUBLIC LIBRARY
COMMENT

CAPITAL ASSETS

Condition and Context

The Library reported as of the end of December 31, 2023, \$5,109,664 of capital assets in its Annual Financial Report in the Indiana Gateway for Government Units financial reporting system. The Library had not adopted a capital assets policy that details the threshold at which an item is considered a capital asset. A complete physical inventory has not been taken at least every two years to verify account balances carried in the accounting records.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

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MICHIGAN CITY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Rainy Day	\$ 2,318,835	\$ 1,100,000	\$ 1,100,000	\$ 2,318,835	\$ 1,123,533	\$ 1,100,000	\$ 2,342,368
Library Improvement Reserve	370,234	-	324,360	45,874	175,917	-	221,791
Investment Management Account	493,954	28,813	23,449	499,318	19,696	13,596	505,418
Operating	237,118	4,376,197	4,118,306	495,009	4,403,110	4,728,380	169,739
Endowment Earnings	25,850	43,351	29,079	40,122	39,789	5,935	73,976
Endowment Trust	377	1,516	1,843	50	3,233	2,243	1,040
Gift	65	40	67	38	32	38	32
Literacy	4,185	200	295	4,090	-	189	3,901
Endowment Investment	1,257,082	137,414	26,303	1,368,193	37,873	30,718	1,375,348
Payroll	130	439,118	439,118	130	491,703	485,696	6,137
Friends	10	1,281	1,291	-	885	865	20
Totals	<u>\$ 4,707,840</u>	<u>\$ 6,127,930</u>	<u>\$ 6,064,111</u>	<u>\$ 4,771,659</u>	<u>\$ 6,295,771</u>	<u>\$ 6,367,660</u>	<u>\$ 4,699,770</u>

MICHIGAN CITY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Rainy Day	\$ 2,342,368	\$ 1,100,000	\$ 1,400,000	\$ 2,042,368	\$ 2,544,121	\$ 2,299,999	\$ 2,286,490
Library Improvement Reserve	221,791	-	45,870	175,921	-	-	175,921
Investment Management Account	505,419	12,666	18,593	499,492	27,405	70,153	456,744
Operating	169,736	4,596,904	4,120,924	645,716	5,568,055	5,462,647	751,124
Endowment Earnings	73,977	34,976	56,718	52,235	64,350	43,035	73,550
Endowment Trust	1,039	2,634	2,276	1,397	928	1,939	386
Gift	32	47	32	47	34	47	34
Literacy	3,901	-	142	3,759	100	115	3,744
Endowment Investment	1,375,348	31,383	36,228	1,370,503	57,862	104,518	1,323,847
Payroll	6,137	462,843	467,346	1,634	493,916	495,123	427
Friends	20	665	685	-	1,305	1,295	10
Totals	<u>\$ 4,699,768</u>	<u>\$ 6,242,118</u>	<u>\$ 6,148,814</u>	<u>\$ 4,793,072</u>	<u>\$ 8,758,076</u>	<u>\$ 8,478,871</u>	<u>\$ 5,072,277</u>

MICHIGAN CITY PUBLIC LIBRARY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Rainy Day	\$ 2,286,489	\$ 1,651,224	\$ 1,550,000	\$ 2,387,713
Library Improvement Reserve	175,921	300,000	-	475,921
Investment Management Account	456,743	46,193	45,163	457,773
Operating	751,124	4,966,974	4,969,500	748,598
Endowment Earnings	73,549	55,861	39,620	89,790
Endowment Trust	386	3,960	3,882	464
Gift	35	31	34	32
Literacy	3,744	-	603	3,141
Endowment Investment	1,323,847	112,225	89,886	1,346,186
Payroll	427	457,610	458,037	-
Friends	10	1,890	1,790	110
Totals	<u>\$ 5,072,275</u>	<u>\$ 7,595,968</u>	<u>\$ 7,158,515</u>	<u>\$ 5,509,728</u>