

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

FINANCIAL STATEMENTS REVIEW REPORT

OF

FAYETTE COUNTY PUBLIC LIBRARY

FAYETTE COUNTY, INDIANA

January 1, 2016 to December 31, 2018



**FILED**  
12/23/2019



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#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Anne-Marie Herold Short Melissa Scott (interim) Betsy Slavens	01-01-16 to 06-30-16 07-01-16 to 01-31-17 02-01-17 to 12-31-19
Treasurer	Mary Alice Devor	01-01-16 to 12-31-19
President of the Library Board	Dale Strong	01-01-16 to 12-31-19



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INDEPENDENT ACCOUNTANT'S REVIEW REPORT

TO: THE OFFICIALS OF THE FAYETTE COUNTY PUBLIC LIBRARY, FAYETTE COUNTY, INDIANA

We have reviewed the accompanying financial statements of the Fayette County Public Library (Library), for the period of January 1, 2016 to December 31, 2018. A review includes primarily applying analytical procedures to management's financial data and making inquiries of the Library's management. A review is substantially less in scope than an audit, the objective of which is the expression of an opinion regarding the financial statements as a whole. Accordingly, we do not express such an opinion.

***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with a regulatory basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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. This includes determining that the basis of accounting the Library uses is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements whether due to fraud or error.

***Accountant's Responsibility***

Our responsibility is to conduct the review engagement in accordance with *Statements on Standards for Accounting and Review Services* promulgated by the Accounting and Review Services Committee of the AICPA. Those standards require us to perform procedures to obtain limited assurance as a basis for reporting whether we are aware of any material modifications that should be made to the financial statements for them to be in accordance with the prescribed basis of accounting described in Note 1. We believe that the results of our procedures provide a reasonable basis for our conclusion.

INDEPENDENT ACCOUNTANT'S REVIEW REPORT  
(Continued)

***Accountant's Conclusion***

Based on our review, we are not aware of any material modifications that should be made to the accompanying financial statements in order for them to be in accordance with the prescribed basis of accounting described in Note 1.

***Basis of Accounting***

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared in accordance with the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana 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. Our conclusion is not modified with respect to this matter.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

November 1, 2019

## FINANCIAL STATEMENTS AND ACCOMPANYING NOTES

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.

FAYETTE COUNTY PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Years Ended December 31, 2016 and 2017

Fund	Cash and Investments			Cash and Investments			Cash and Investments		
	01-01-16	Receipts	Disbursements	12-31-16	Receipts	Disbursements	12-31-17		
General	\$ 636,730	\$ 949,112	\$ 892,114	\$ 693,728	\$ 972,120	\$ 961,289	\$ 704,559		
Rainy Day	405,768	117,094	-	522,862	97,000	-	619,862		
FCF-1000 Grant Fund	201	-	-	201	-	69	132		
Levy Excess	22,976	-	-	22,976	-	-	22,976		
Library Improvement Reserve	162,763	15,000	-	177,763	1,000	-	178,763		
Plac Card	-	195	195	-	260	260	-		
Binah Sink	3,465	11	-	3,476	-	-	3,476		
Caroline Dunn	20,214	187	-	20,401	157	-	20,558		
Claypool Earl	1,130	7	-	1,137	7	-	1,144		
Martha Dorsett Fund	11,839	-	-	11,839	-	-	11,839		
Wainwright Trust	379	7	-	386	7	-	393		
Lucille Wilkin	8,277	55	-	8,332	49	-	8,381		
Georgina Williamson	11,360	-	-	11,360	-	-	11,360		
William Porter Trust	49,184	-	-	49,184	-	-	49,184		
Fathauer	5,198	255	-	5,453	214	-	5,667		
Sturwold Memorial Fund	103,272	-	-	103,272	-	-	103,272		
Fathauer Investment	34,149	-	-	34,149	-	-	34,149		
Caroline Dunn Trust Investment	25,000	-	-	25,000	-	-	25,000		
Elizabeth A. Handley Fund	4,501	-	-	4,501	-	-	4,501		
Wainwright Principal Non-expendable	1,000	-	-	1,000	-	-	1,000		
Lucille K. Wilkin Principal Non-expendable	7,300	-	-	7,300	-	-	7,300		
Elizabeth Claypool-Earl Principal Non-expendable	1,000	-	-	1,000	-	-	1,000		
Employee Rebate Fund	773	636	773	636	-	636	-		
United Way Grant	2,500	-	2,500	-	-	-	-		
Little Free Libraries	568	1,000	269	1,299	-	-	1,299		
Payroll	-	91,175	91,175	-	87,213	87,213	-		
Huffmeier Trust Fund	-	3,574	3,305	269	4,032	4,301	-		
Community Youth Day Fund	-	1,718	640	1,078	1,696	1,207	1,567		
Bookmobile Fund	-	-	-	-	5,000	-	5,000		
Gift	13,802	9,462	8,105	15,159	10,920	7,585	18,494		
Totals	<u>\$ 1,533,349</u>	<u>\$ 1,189,488</u>	<u>\$ 999,076</u>	<u>\$ 1,723,761</u>	<u>\$ 1,179,675</u>	<u>\$ 1,062,560</u>	<u>\$ 1,840,876</u>		

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

FAYETTE COUNTY PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
General	\$ 704,559	\$ 1,014,038	\$ 1,005,308	\$ 713,289
Rainy Day	619,863	101,698	200,000	521,561
FCF-1000 Grant Fund	131	-	-	131
Levy Excess	22,976	-	-	22,976
Library Improvement Reserve	178,763	1,000	-	179,763
Plac Card	-	65	65	-
Binah Sink	3,476	11	-	3,487
Caroline Dunn	20,558	187	-	20,745
Claypool Earl	1,145	7	-	1,152
Martha Dorsett Fund	11,839	-	-	11,839
Wainwright Trust	393	7	-	400
Lucille Wilkin	8,380	55	-	8,435
Georgina Williamson	11,360	-	-	11,360
William Porter Trust	49,184	-	49,184	-
Fathauer	5,667	255	-	5,922
Sturwold Memorial Fund	103,272	-	103,272	-
Fathauer Investment	34,149	-	-	34,149
Caroline Dunn Trust Investment	25,000	-	-	25,000
Elizabeth A. Handley Fund	4,501	-	-	4,501
Wainwright Principal Non-expendable	1,000	-	-	1,000
Lucille K. Wilkin Principal Non-expendable	7,300	-	-	7,300
Elizabeth Claypool-Earl Principal Non-expendable	1,000	-	-	1,000
Employee Rebate Fund	-	-	-	-
United Way Grant	-	-	-	-
Little Free Libraries	1,299	-	-	1,299
Payroll	-	90,902	90,902	-
Huffmeier Trust Fund	-	3,814	3,814	-
Community Youth Day Fund	1,567	3,603	3,954	1,216
Bookmobile Fund	5,000	5,100	-	10,100
Evergreen Pass Thru Account	-	78	26	52
Frank H Miller Trust	-	138,140	138,140	-
Porter/Sturwold/RainyDay	-	354,298	-	354,298
Frank H Miller	-	138,862	-	138,862
Gift	18,494	9,275	10,237	17,532
Totals	<u>\$ 1,840,876</u>	<u>\$ 1,861,395</u>	<u>\$ 1,604,902</u>	<u>\$ 2,097,369</u>

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

FAYETTE COUNTY 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 a 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 include the following sources:

*Taxes.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911

FAYETTE COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
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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.

*Other receipts.* Amounts received from various sources, including, but 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 include the following uses:

*Personal services.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Other disbursements.* Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are

FAYETTE COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 December 31 of the year preceding the budget year or January 15 of the budget year if the Library is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. 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, the following: 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.

FAYETTE COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
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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 Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Library authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Library authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

*Financial Report*

INPRS 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (844) 464-6777

*Contributions*

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

FAYETTE COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on October 31, 2019, with Betsy Slavens, Director, and Dale Strong, President of the Library Board.