

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

FINANCIAL STATEMENTS REVIEW REPORT
OF
MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
WHITE COUNTY, INDIANA
January 1, 2016 to December 31, 2019



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TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Review Report.....	3-4
Financial Statements and Accompanying Notes:	
Statements of Receipts, Disbursements, and Cash and Investment	
Balances - Regulatory Basis.....	6-7
Notes to Financial Statements.....	8-12
Exit Conference.....	13

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Monica Casanova Tina Emerick	01-01-16 to 09-12-17 09-13-17 to 12-31-20
Treasurer	Frank Walker Sharon Bail	01-01-16 to 12-31-16 01-01-17 to 12-31-20
President of the Library Board	Arthur E. Morgan	01-01-16 to 12-31-20



INDEPENDENT ACCOUNTANT'S REVIEW REPORT

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

We have reviewed the accompanying financial statements of the Monticello-Union Township Public Library (Library), for the period of January 1, 2016 to December 31, 2019. 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 the 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, CPA
State Examiner

June 15, 2020

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.

MONTICELLO-UNION TOWNSHIP 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 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16	Receipts	Disbursements	Cash and Investments 12-31-17
Operating	\$ 258,203	\$ 579,656	\$ 565,788	\$ 272,071	\$ 594,798	\$ 562,796	\$ 304,073
Rainy Day Fund	62,798	45,074	2,218	105,654	-	-	105,654
Excess Levy Fund	1	-	-	1	-	-	1
Lirf	67,771	-	4,612	63,159	210	-	63,369
Plac Fund	37	-	-	37	-	-	37
Petty Cash	200	-	-	200	-	-	200
Evergreen	917	581	355	1,143	357	657	843
Friends Gift Fund	202	2,262	2,323	141	3,339	3,052	428
Teen gift Fund	68	5,530	1,572	4,026	200	2,063	2,163
Friends Miscellaneous Fund	-	92	-	92	-	50	42
Friends Staff & Volunteer fund	-	1,074	174	900	975	1,874	1
Friends Adult Program Fund	-	1,600	1,600	-	1,400	1,400	-
Friends Youth Program Fund	-	1,500	1,264	236	1,700	1,936	-
Friends Art Fair Fund	-	400	400	-	-	-	-
Friends Mystery Dinner Fund	-	500	500	-	500	500	-
Payroll Adjustment fund 2015	-	663	-	663	-	147	516
TEEN LIB PAY FUND	-	-	-	-	9,786	8,672	1,114
Murder Mystery Gift Fund	-	-	-	-	2,940	2,360	580
United Way	-	-	-	-	28	28	-
Medical	-	-	-	-	5,190	4,824	366
Dental	-	-	-	-	1,569	1,281	288
Vision	-	-	-	-	519	519	-
Hoosier START	-	-	-	-	1,300	1,300	-
PERF	-	-	-	-	3,985	3,985	-
Liberty National	-	-	-	-	796	703	93
State Technology Grant Fund	3,622	-	3,622	-	5,429	5,429	-
Gift Fund	114,487	24,243	23,669	115,061	12,359	31,779	95,641
Adopt-Book	289	71	15	345	40	-	385
Gift Fund-Animal	260	594	845	9	222	105	126
Gift Fund - Birds	110	15	47	78	84	47	115
Gift Fund - Children's	24,972	11,232	19,599	16,605	4,241	6,963	13,883
Gift Fund - Adult's	12,565	8,395	7,110	13,850	7,949	5,325	16,474
Art Show Fund	-	21,818	20,663	1,155	225	1,379	1
Staff Association Fund	22	194	193	23	355	292	86
Payroll Fund	2,889	71,737	72,560	2,066	54,483	54,550	1,999
Totals	\$ 549,413	\$ 777,231	\$ 729,129	\$ 597,515	\$ 714,979	\$ 704,016	\$ 608,478

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 Years Ended December 31, 2018 and 2019

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18	Receipts	Disbursements	Cash and Investments 12-31-19
Operating	\$ 304,073	\$ 616,500	\$ 563,911	\$ 356,662	\$ 777,629	\$ 628,533	\$ 505,758
Rainy Day Fund	105,654	2,200	-	107,854	250	-	108,104
Excess Levy Fund	1	-	-	1	-	-	1
Lirf	63,369	2,250	-	65,619	250	-	65,869
Plac Fund	37	-	-	37	-	-	37
Petty Cash	200	-	-	200	-	-	200
Evergreen	843	338	246	935	243	288	890
Friends Gift Fund	428	4,791	4,746	473	2,743	2,621	595
Teen gift Fund	2,163	200	413	1,950	132	1,249	833
Friends Miscellaneous Fund	42	1,015	733	324	325	324	325
Friends Staff & Volunteer fund	1	1,520	1,020	501	500	948	53
Friends Adult Program Fund	-	1,898	1,260	638	638	1,214	62
Friends Youth Program Fund	-	2,750	1,800	950	961	1,743	168
Friends Mystery Dinner Fund	-	750	500	250	250	500	-
Payroll Adjustment fund 2015	516	-	-	516	-	-	516
TEEN LIB PAY FUND	1,114	8,047	9,100	61	8,022	8,060	23
Murder Mystery Gift Fund	580	1,410	1,990	-	1,350	1,262	88
United Way	-	525	525	-	299	299	-
Medical	366	7,885	8,251	-	9,859	9,859	-
Dental	288	1,880	1,880	288	1,339	1,322	305
Vision	-	549	549	-	573	573	-
Hoosier START	-	1,300	1,300	-	1,300	1,300	-
PERF	-	3,924	3,924	-	5,891	5,891	-
Liberty National	93	1,828	1,899	22	2,844	2,817	49
Friends Art Fair Fund	-	400	400	-	-	-	-
Dental Health Options	-	-	-	-	1,506	1,506	-
State Technology Grant Fund	-	5,641	5,641	-	4,854	4,854	-
Gift Fund	95,641	7,582	28,540	74,683	12,002	13,453	73,232
Adopt-Book	385	-	-	385	24	-	409
Gift Fund-Animal	126	128	143	111	78	38	151
Gift Fund - Birds	115	18	-	133	44	61	116
Gift Fund - Children's	13,883	3,307	842	16,348	13,575	1,627	28,296
Gift Fund - Adult's	16,474	5,597	6,517	15,554	7,517	4,538	18,533
Art Show Fund	1	9,949	8,946	1,004	1,046	1,172	878
Staff Association Fund	86	136	80	142	90	105	127
Payroll Fund	1,999	49,520	49,824	1,695	60,965	60,965	1,695
Totals	<u>\$ 608,478</u>	<u>\$ 743,838</u>	<u>\$ 704,980</u>	<u>\$ 647,336</u>	<u>\$ 917,099</u>	<u>\$ 757,122</u>	<u>\$ 807,313</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 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.

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

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 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. Amounts received 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. 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.

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 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 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.

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.

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

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

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.

Note 7. Funds Held in Trust

In previous years, the Library has transferred money to the local White County Community Foundation (Community Foundation) in compliance with Indiana Code 20-14-3-9(a)(5). The balances held by the Community Foundation at December 31, 2019, are as follows:

Children's Services Fund	\$	181,210
Adult Services Fund		32,768
Building & Grounds Fund		<u>195,606</u>
Total	\$	<u>409,584</u>

MONTICELLO-UNION TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 15, 2020, with Tina Emerick, Director; Sharon Bail, Treasurer; and Arthur E. Morgan, President of the Library Board.