

**BOARD OF FINANCE MEETING**  
**Immediately following the Monthly Board of Trustees Meeting**  
**January 16, 2013**  
**Meeting Room 1B**

**AGENDA**

1. Call to Order – President Kari Isaacson
2. Election of President and Secretary of Board of Finance
3. Review Investment Report (page 1-3) and Policy (page 4-5)
4. Adjournment

**MONROE COUNTY PUBLIC LIBRARY  
FINANCE AND INVESTMENT REPORT  
CALENDAR YEAR 2012  
Gary Lettelleir, Financial Officer**

The cash position for the library has improved this year. The total cash balance at the end of 2012 is \$6,466,295 compared to \$3,807,782 at the end of 2011. The attached graph shows the library's monthly cash balance data starting in 2010. The current balance is relatively high due to the recent general obligation bond sale for \$1.8 million.

Our guideline for the balance we want to maintain in the Rainy Day fund and the LIRF fund for unexpected needs has not changed. The target is still \$1,000,000 in each fund.

What has changed is our plan to designate some of the funds held in Rainy Day and LIRF as a Future Project Allocation. The future project is a long range plan to provide another library service location for a community that is expected to grow by 33% from 2010 to 2050. The current balance in the future project allocation is approximately \$664,000. It is the result of the COIT correction payments received this year for underpayments in 2011 and 2012.

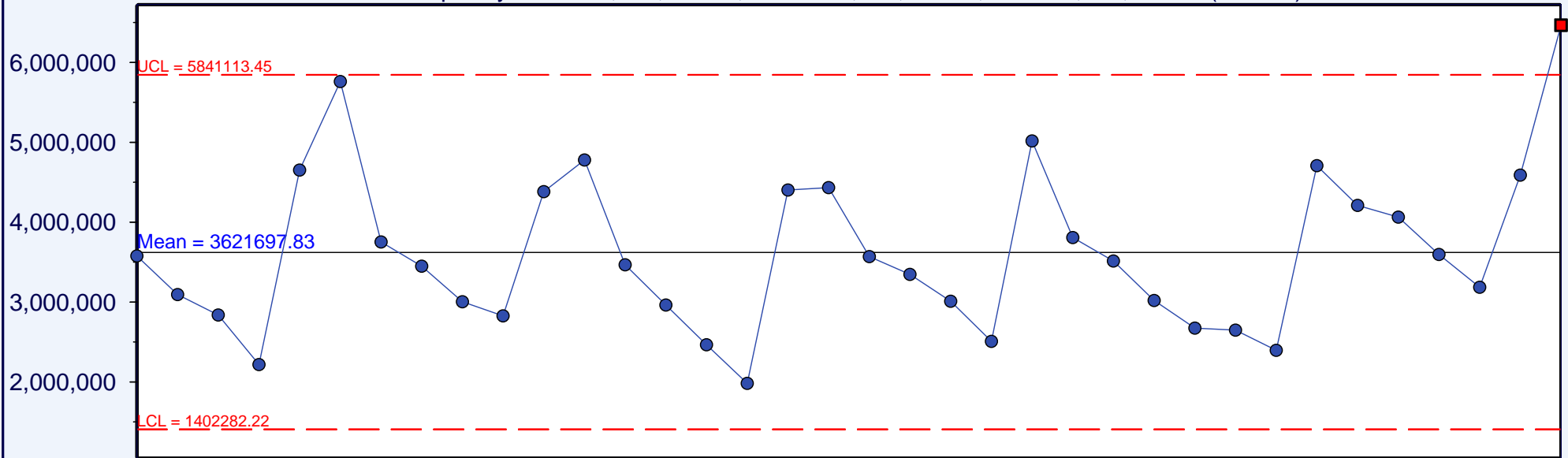
Although our cash position is relatively good compared to last year, the investment earnings rate for our Fifth Third money market savings account dropped to 0.20%. It was at 0.60% for most of 2011. The following table shows where our invested funds are and the current earnings rates:

Bank	Investment type	Earnings	Investment Balance	
		Rate	12-31-12	12-31-11
Fifth Third	CD - matures June 2014	0.80%	\$ 1,000,000	
Fifth Third	custodial fee	-0.15%		
Fifth Third	custodial acct net	0.65%		
Fifth Third	money market savings	0.20%	\$ 5,164,030	\$ 3,459,790
Chase	money market savings	0.11%	\$ 11,915	\$ 10,697

Interest revenue for 2012 was \$8,287. However, that does not include the earnings for six months on the \$1,000,000 CD of approximately \$4,000, because it will be paid when the CD matures in June 2014. Last year's (2011) interest revenue was \$12,621. The interest earning trend starting in 2010 can be seen on the attached chart.

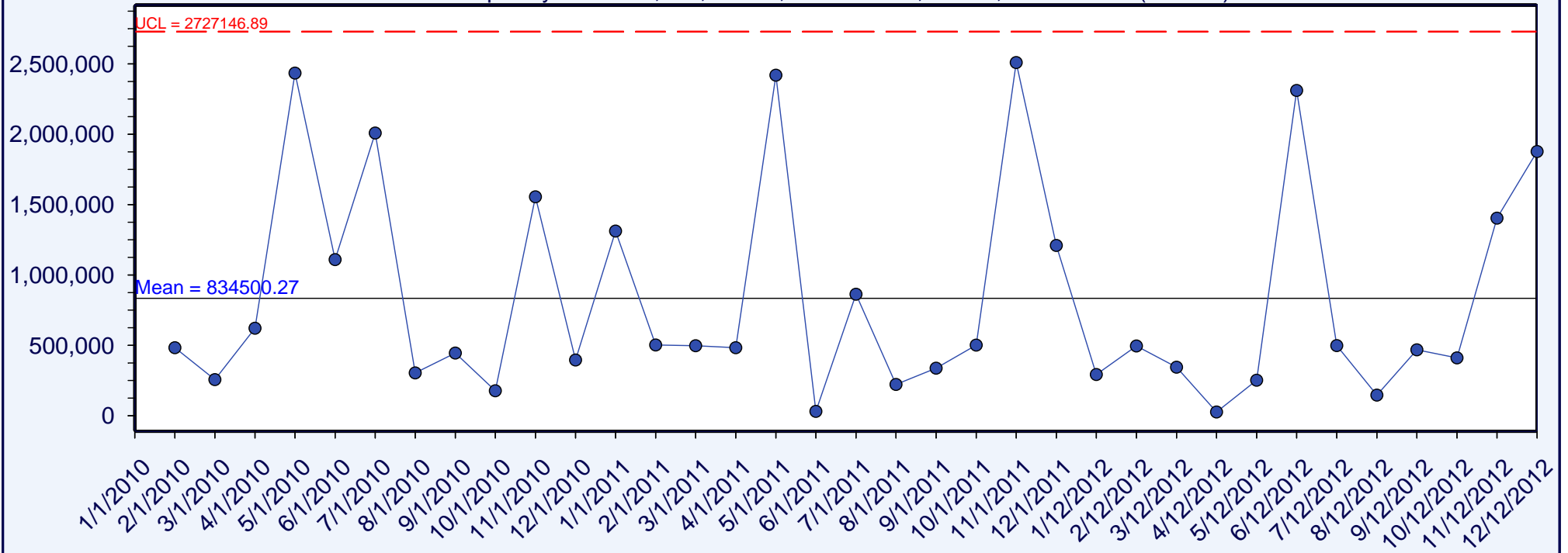
### Cash On Hand Individuals

Temporary: UCL = 5,841,113.45, Mean = 3,621,697.83, LCL = 1,402,282.22 (mR = 2)



### Moving Range (2)

Temporary: UCL = 2,727,146.89, Mean = 834,500.27, LCL = none (mR = 2)

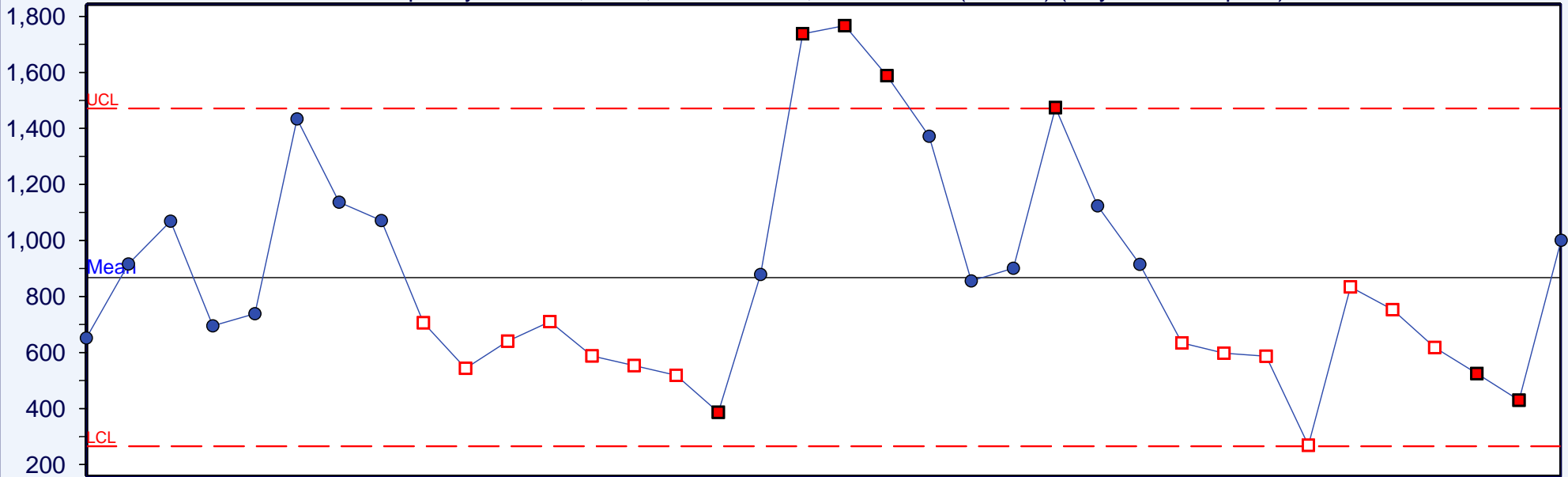


# MCPL Interest Revenue

January 2010 -

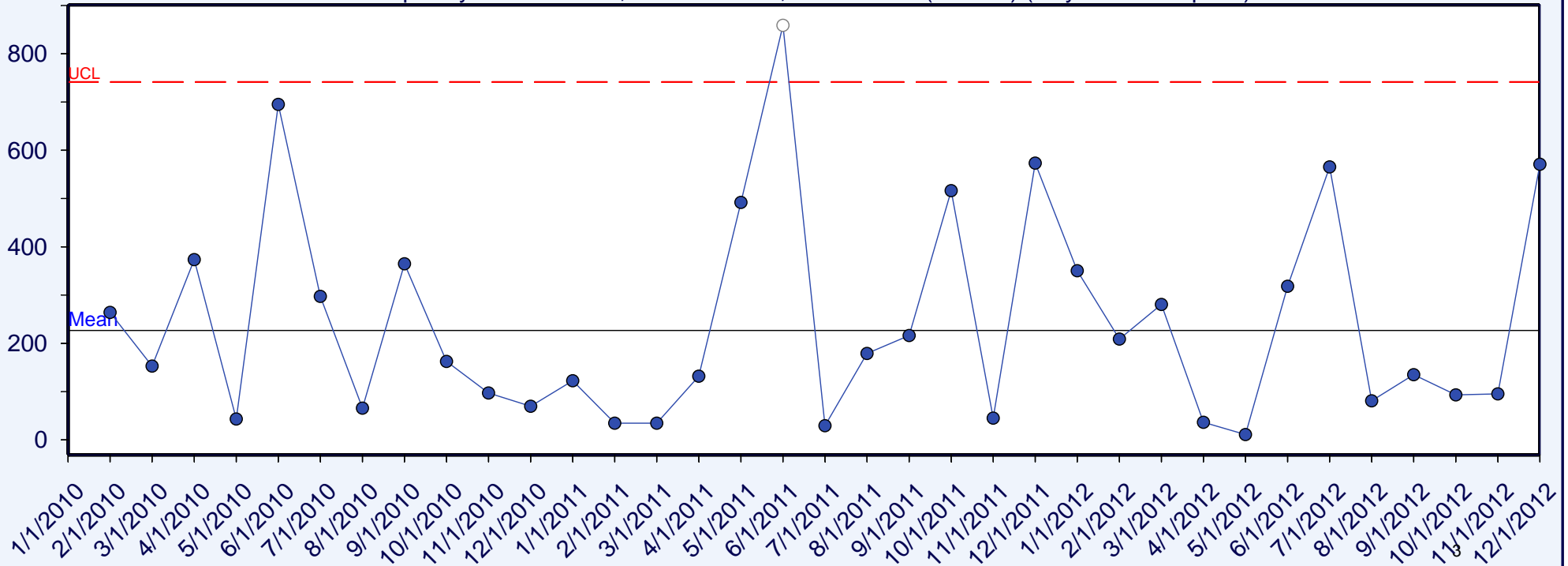
## Individuals

Temporary: UCL = 1,470.2, Mean = 867.3, LCL = 264.4 (mR = 2) (Lloyd Nelson option)



## Moving Range (2)

Temporary: UCL = 740.8, Mean = 226.7, LCL = none (mR = 2) (Lloyd Nelson option)



## **MONROE COUNTY PUBLIC LIBRARY FINANCE AND INVESTMENT POLICY**

### **Board of Finance**

The duly appointed members of the Monroe County Public Library Board of Trustees are the fiscal body of the Library and thus constitute “The Board of Finance”. The members serve without compensation. (IC 5-13-7-5, IC 36-1-2-6)

### **Annual Meeting**

The Monroe County Public Library Board of Finance shall meet annually immediately following the January Board of Trustees Meeting to elect a president and secretary, review the written report of the Library’s investments during the previous calendar year, and review the Library’s investment policy. (IC 5-13-7-6, IC 5-13-7-7)

### **Fiscal Officer**

The duly elected treasurer of the Monroe County Public Library Board is the fiscal officer of the Library. (IC 36-12-2-22) The Treasurer shall serve without compensation.

### **Deposits**

All funds received by the Library shall be deposited in one or more designated depositories not later than the business day following receipt and shall be deposited in the same form in which they were received. (IC 5-13-6-1)

### **Investments**

The Treasurer is authorized to invest Library funds in the following (IC 5-13-9);

1. United States Government Securities or discount notes backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States and issued by:
  - (a) The United States Treasury;
  - (b) a federal agency;
  - (c) federal instrumentality
  - (d) a federal government sponsored enterprise.
2. Repurchase Agreements (including standing repurchase agreements, commonly known as sweep accounts):
  - (a) With depositories designated by the State Board of Finance as depositories for state investments under IC 5-13-9.5; and
  - (b) Involving the political subdivision’s purchase and guaranteed resale of any interest-bearing obligations issued; or fully insured or guaranteed; by the United States, a United States government agency, an instrumentality of the United States, or a federal government sponsored enterprise.
3. Money Market Mutual Funds in the form of securities of or interests in an open-end, no-load, management-type investment company or investment trust registered under the provisions of the federal Investment Company Act of 1940, as amended (15 U.S.C. 80a et seq.) These investments shall be made in

depositories designated by state board of finance as depositories under IC 5-13-9.5.

Investments made by the Library's fiscal officer must have a stated final maturity of not more than two (2) years after the date of purchase of entry into a repurchase agreement (IC 5-13-9-5.6) except for investments with a final maturity more than (2) years but not more than (5) years which may not exceed 25% of the total portfolio as permitted by (IC 5-13-9-5.7).

### **Interest Earnings**

All interest earnings derived from an investment by the Library's fiscal officer shall be received to the Operating Fund.

### **Depositories**

All public funds of the Monroe County Public Library shall be deposited in the designated depositories located in the territorial limits of the Library District. (IC 5-13-8-9)

### **Investment Cash Management**

The Monroe County Public Library Board of Finance may contract with a state designated depository for the operation of an investment cash management system. (IC 5-13-9-4) Investment decisions and record keeping shall follow IC 5-13-9-4.

### **Transaction Accounts**

The fiscal officer of the Library shall maintain deposits that are invested or reinvested in at least two (2) of the Library's designated depositories. (IC 5-13-9-4)

### **Electronic Transfer of Library Funds**

The following type of transactions may be conducted by electronic transfer between financial institutions in order to expedite the transfer of funds as well as maximize interest earnings:

1. Transfer to cover expenditures for payroll for library employees.
2. Transfer to pay debt service payments.
3. Other transfers with the approval of the Library director.

The fiscal officer will maintain appropriate documentation of the transactions so these may be audited as required by statute. (IC 36-12-3-16.5)

### **Investment Policy Expiration Date**

This investment policy expires December 31, 2016.

Reviewed by Board of Trustees 1/20/2010  
Revised by Board of Trustees 6/15/2011  
Reviewed by Board of Trustees 1/18/2012  
Revised by Board of Trustees \_\_\_\_\_