

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

EXAMINATION REPORT
OF
NEWTON COUNTY PUBLIC LIBRARY
NEWTON COUNTY, INDIANA
January 1, 2008 to December 31, 2009



FILED
07/23/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary K. Emmrich	01-01-08 to 12-31-10
Treasurer	Mark Gatewood	01-01-08 to 12-31-10
President of the Board	Melody Barone Barbara Koutny	01-01-08 to 12-31-09 01-01-10 to 12-31-10



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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 NEWTON COUNTY PUBLIC LIBRARY, NEWTON COUNTY, INDIANA

We have examined the financial information presented herein of Newton County Public Library (Library), for the period of January 1, 2008 to December 31, 2009. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion 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 information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the years ended December 31, 2008 and 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

June 21, 2010

NEWTON COUNTY PUBLIC LIBRARY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
 As Of And For The Years Ended December 31, 2008 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 474,023	\$ 417,349	\$ 636,307	\$ 255,065
Gift	96,306	1,856	8,684	89,478
Rainy Day	45,988	26,924	-	72,912
Grant	371	-	-	371
Levy Excess	6,770	-	-	6,770
Bond and Interest (Lease Rental)	270,479	301,114	539,000	32,593
Library Improvement Reserve	138,655	100,000	-	238,655
Construction Debt Reduction	-	300,000	-	300,000
Fiduciary Fund:				
Payroll Withholdings	2,973	69,612	69,481	3,104
Totals	<u>\$ 1,035,565</u>	<u>\$ 1,216,855</u>	<u>\$ 1,253,472</u>	<u>\$ 998,948</u>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 255,065	\$ 752,359	\$ 654,775	\$ 352,649
Gift	89,478	1,267	8,252	82,493
Rainy Day	72,912	11,663	-	84,575
Grant	371	-	-	371
Levy Excess	6,770	-	-	6,770
Bond and Interest (Lease Rental)	32,593	740,484	540,000	233,077
Library Improvement Reserve	238,655	29,086	-	267,741
Construction Debt Reduction	300,000	-	-	300,000
Fiduciary Fund:				
Payroll Withholdings	3,104	82,737	85,570	271
Totals	<u>\$ 998,948</u>	<u>\$ 1,617,596</u>	<u>\$ 1,288,597</u>	<u>\$ 1,327,947</u>

The accompanying notes are an integral part of the financial information.

NEWTON COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were 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 statute (IC 5-13-9) authorizes 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.

NEWTON COUNTY PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Library Buildings and Furnishings	\$ 5,985,000	\$ 545,000
Total governmental activities debt	<u>\$ 5,985,000</u>	<u>\$ 545,000</u>

NEWTON COUNTY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Library does not have completed capital asset records as of December 31, 2009. A similar comment was issued in Examination Report B32076.

Every governmental unit should have a complete inventory of all fixed assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable General Fixed Asset Account Group Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

NEWTON COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 21, 2010, with Mary K. Emmrich, Director; and Barbara Koutny, President of the Board. The officials concurred with our finding.