

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

EXAMINATION REPORT  
OF  
NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY  
HENRY COUNTY, INDIANA  
January 1, 2008 to December 31, 2010



**FILED**  
02/22/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Janet H. Preusz Winnifred Price	01-01-08 to 12-31-08 01-01-09 to 12-31-11
Business Manager	Brenda Trevino	01-01-08 to 12-31-11
President of the Board	Joyce Winchester	01-01-08 to 12-31-11
Treasurer	Robert Harris	01-01-08 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF NEW CASTLE-HENRY COUNTY  
PUBLIC LIBRARY, HENRY COUNTY, INDIANA

We have examined the financial information presented herein of New Castle-Henry County Public Library (Library), for the period of January 1, 2008 to December 31, 2010. 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, 2009 and 2010, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts 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

January 27, 2011

NEW CASTLE-HENRY 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, 2009 And 2010

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
<b>Governmental Funds:</b>				
General	\$ 1,495,805	\$ 1,591,628	\$ 1,792,811	\$ 1,294,622
Gift	438,721	315,083	299,111	454,693
State Technology Grant	-	3,360	-	3,360
Big Read	300	17,405	17,213	492
LSTA Grant	-	400	2,200	(1,800)
Bond and Interest Redemption	589,293	523,613	961,000	151,906
Library Improvement Reserve	57,686	5,377	-	63,063
Library Capital Projects	155,997	31,291	38,210	149,078
Construction	164,314	3,498	138,367	29,445
<b>Fiduciary Funds:</b>				
Payroll Withholdings	2,446	276,956	276,748	2,654
PLAC	90	390	420	60
<b>Totals</b>	<b><u>\$ 2,904,652</u></b>	<b><u>\$ 2,769,001</u></b>	<b><u>\$ 3,526,080</u></b>	<b><u>\$ 2,147,573</u></b>
	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
<b>Governmental Funds:</b>				
General	\$ 1,294,622	\$ 2,278,221	\$ 1,750,139	\$ 1,822,704
Gift	454,693	304,471	301,873	457,291
State Technology Grant	3,360	-	3,360	-
Big Read	492	15,411	14,976	927
LSTA Grant	(1,800)	7,600	5,800	-
Bond and Interest Redemption	151,906	1,242,516	960,000	434,422
Library Improvement Reserve	63,063	4,214	-	67,277
Library Capital Projects	149,078	18,764	73,231	94,611
Community Foundation Grant	-	1,000	125	875
Construction	29,445	-	29,445	-
<b>Fiduciary Funds:</b>				
Payroll Withholdings	2,654	222,196	221,866	2,984
PLAC	60	630	570	120
<b>Totals</b>	<b><u>\$ 2,147,573</u></b>	<b><u>\$ 4,095,023</u></b>	<b><u>\$ 3,361,385</u></b>	<b><u>\$ 2,881,211</u></b>
	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
<b>Governmental Funds:</b>				
General	\$ 1,822,704	\$ 1,901,582	\$ 1,803,677	\$ 1,920,609
Gift	457,291	28,415	27,205	458,501
Big Read	927	1,800	2,727	-
Community Read	-	6,729	5,527	1,202
LSTA Grant	-	13,000	7,800	5,200
Bond and Interest Redemption	434,422	878,409	962,000	350,831
Library Improvement Reserve	67,277	2,673	-	69,950
Library Capital Projects	94,611	44,939	66,492	73,058
Community Foundation Grant	875	-	875	-
Levy Excess	-	5,121	-	5,121
<b>Fiduciary Funds:</b>				
Payroll Withholdings	2,984	228,713	228,584	3,113
PLAC	120	440	410	150
<b>Totals</b>	<b><u>\$ 2,881,211</u></b>	<b><u>\$ 3,111,821</u></b>	<b><u>\$ 3,105,297</u></b>	<b><u>\$ 2,887,735</u></b>

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

NEW CASTLE-HENRY 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: 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.

NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL INFORMATION  
(Continued)

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.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Library contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system, and give the Library authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and 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:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

NEW CASTLE - HENRY COUNTY PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost

<u>Primary Government</u>	<u>Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Buildings	\$ 11,915,997
Machinery and equipment	<u>1,273,370</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 13,189,367</u>

NEW CASTLE - HENRY COUNTY PUBLIC LIBRARY  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Library Building	\$ 9,214,740	\$ 964,000

NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on January 27, 2011, with Winifred Price, Director; Janet H. Preusz, former Director; Brenda Trevino, Business Manager; and Robert Harris, Treasurer, via phone. Our examination disclosed no material items that warrant comment at this time.