

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

NOBLE COUNTY PUBLIC LIBRARY

NOBLE COUNTY, INDIANA

January 1, 2010 to December 31, 2013



FILED
01/16/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Accountant's Report.....	3
Financial Statements:	
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	6-7
Notes to Financial Statements	8-12
Supplementary Information - Unaudited:	
Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	14-21
Schedule of Leases and Debt	22
Schedule of Capital Assets.....	23
Examination Result and Comment:	
Annual Financial Report	24
Exit Conference.....	25
Official Response	26

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Sandra Petrie	01-01-10 to 12-31-14
Treasurer	Harriet Metz Margaret Ott	01-01-10 to 12-31-10 01-01-11 to 12-31-14
President of the Board	Patricia Voors James Shrock David Ober Sandra Lamp	01-01-10 to 12-31-10 01-01-11 to 12-31-11 01-01-12 to 12-31-12 01-01-13 to 12-31-14



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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 THE NOBLE COUNTY PUBLIC LIBRARY, NOBLE COUNTY, INDIANA

We have examined the accompanying financial statements of the Noble County Public Library (Library), for the period of January 1, 2010 to December 31, 2013. The financial statements are the responsibility of the Library's management. Our responsibility is to express an opinion on the financial statements 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 statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the Library prepares its financial statements on 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. The effects on the financial statements of the variances between these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material. The basis noted above is a different basis than that used in the prior period.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statements referred to above do not present fairly, in conformity with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Library for the period of January 1, 2010 to December 31, 2013.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Library for the period of January 1, 2010 to December 31, 2013, on the basis of accounting described in Note 1.

Our examination was conducted for the purpose of forming an opinion on the Library's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

The Library's response to the Examination Result and Comment identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the Library's response and, accordingly, we express no opinion on it.

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

December 3, 2014

(This page intentionally left blank.)

FINANCIAL STATEMENTS

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.

NOBLE COUNTY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2010 and 2011

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 397,107	\$ 857,024	\$ 845,650	\$ 408,481	\$ 826,319	\$ 805,741	\$ 429,059
Rainy Day	9,668	29,739	-	39,407	25,298	-	64,705
Levy Excess	-	2,386	-	2,386	-	2,386	-
Library Capital Projects	49,285	-	23,987	25,298	-	25,298	-
Library Improvement Reserve	75,070	20,000	12,040	83,030	-	35,023	48,007
Unemployment Fund	-	-	-	-	17,948	-	17,948
Plac Card	-	251	251	-	100	100	-
Evergreen	-	-	-	-	-	-	-
Gift	278,794	26,104	25,959	278,939	39,507	37,644	280,802
Nccf Permanent Agency Fund	-	17,083	154	16,929	-	775	16,154
Payroll Withholding	13	138,419	138,432	-	129,069	128,578	491
Bond And Interest Redemption	191,753	404,798	387,873	208,678	398,097	385,091	221,684
Totals	<u>\$ 1,001,690</u>	<u>\$ 1,495,804</u>	<u>\$ 1,434,346</u>	<u>\$ 1,063,148</u>	<u>\$ 1,436,338</u>	<u>\$ 1,420,636</u>	<u>\$ 1,078,850</u>

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

NOBLE COUNTY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2012 and 2013

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12	Receipts	Disbursements	Cash and Investments 12-31-13
General	\$ 429,059	\$ 879,336	\$ 887,962	\$ 420,433	\$ 887,948	\$ 924,264	\$ 384,117
Rainy Day	64,705	80,000	-	144,705	113,413	11,262	246,856
Levy Excess	-	9,445	-	9,445	-	9,445	-
Library Capital Projects	-	-	-	-	-	-	-
Library Improvement Reserve	48,007	-	12,744	35,263	-	35,263	-
Unemployment Fund	17,948	1,500	-	19,448	1,500	-	20,948
Plac Card	-	150	150	-	100	100	-
Evergreen	-	-	-	-	219	-	219
Gift	280,802	15,551	21,499	274,854	38,615	34,748	278,721
Nccf Permanent Agency Fund	16,154	1,922	172	17,904	8,575	350	26,129
Payroll Withholding	491	128,358	127,982	867	142,297	141,558	1,606
Bond And Interest Redemption	221,684	366,090	385,623	202,151	384,492	386,409	200,234
Totals	<u>\$ 1,078,850</u>	<u>\$ 1,482,352</u>	<u>\$ 1,436,132</u>	<u>\$ 1,125,070</u>	<u>\$ 1,577,159</u>	<u>\$ 1,543,399</u>	<u>\$ 1,158,830</u>

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

NOBLE 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 an appointed 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 may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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 which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution 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 which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling

NOBLE COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 which include receipts derived 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 which include amounts received from various sources which can include, but are 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 may include the following uses:

Personal services include outflows 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 which include 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 office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Library. It includes all expenditures for the reduction of the principal and interest of the Library's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Other disbursements which include, but are 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, transfer money 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.

NOBLE COUNTY 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 money 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 money 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 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 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, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

NOBLE COUNTY 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 (PERF) is a defined benefit pension plan. PERF is a cost-sharing 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 Indiana Public Retirement System (INPRS) 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 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS 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:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

NOBLE COUNTY PUBLIC LIBRARY
NOTES TO FINANCIAL STATEMENTS
(Continued)

Note 7. Holding Corporation

The Library has entered into a capital lease with Noble County Public Library Leasing Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the Library. The lessor has been determined to be a related party of the Library. Lease payments during the years 2010, 2011, 2012, and 2013 totaled \$105,000, \$103,000, \$100,000, and \$102,000, respectively.

SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the Library's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Library's Annual Report information for years 2011 and later can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Library which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the Library. It is presented as intended by the Library.

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2010

	General	Rainy Day	Levy Excess	Library Capital Projects	Library Improvement Reserve	Unemployment Fund	Plac Card
Cash and investments - beginning	\$ 397,107	\$ 9,668	\$ -	\$ 49,285	\$ 75,070	\$ -	\$ -
Receipts:							
Taxes	492,915	-	2,386	-	-	-	-
Intergovernmental	330,283	-	-	-	-	-	-
Charges for services	3,581	-	-	-	-	-	-
Fines and forfeits	21,912	-	-	-	-	-	-
Other receipts	8,333	29,739	-	-	20,000	-	251
Total receipts	<u>857,024</u>	<u>29,739</u>	<u>2,386</u>	<u>-</u>	<u>20,000</u>	<u>-</u>	<u>251</u>
Disbursements:							
Personal services	590,228	-	-	-	-	-	-
Supplies	20,436	-	-	-	-	-	-
Other services and charges	120,271	-	-	19,525	5,417	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	94,460	-	-	4,462	6,623	-	-
Other disbursements	20,255	-	-	-	-	-	251
Total disbursements	<u>845,650</u>	<u>-</u>	<u>-</u>	<u>23,987</u>	<u>12,040</u>	<u>-</u>	<u>251</u>
Excess (deficiency) of receipts over disbursements	<u>11,374</u>	<u>29,739</u>	<u>2,386</u>	<u>(23,987)</u>	<u>7,960</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 408,481</u>	<u>\$ 39,407</u>	<u>\$ 2,386</u>	<u>\$ 25,298</u>	<u>\$ 83,030</u>	<u>\$ -</u>	<u>\$ -</u>

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2010
 (Continued)

	Evergreen	Gift	Nccf Permanent Agency Fund	Payroll Withholding	Bond And Interest Redemption	Totals
Cash and investments - beginning	\$ -	\$ 278,794	\$ -	\$ 13	\$ 191,753	\$ 1,001,690
Receipts:						
Taxes	-	-	-	-	367,100	862,401
Intergovernmental	-	7,382	-	-	37,602	375,267
Charges for services	-	-	-	-	-	3,581
Fines and forfeits	-	-	-	-	-	21,912
Other receipts	-	18,722	17,083	138,419	96	232,643
Total receipts	-	26,104	17,083	138,419	404,798	1,495,804
Disbursements:						
Personal services	-	985	-	-	-	591,213
Supplies	-	4,944	-	-	-	25,380
Other services and charges	-	8,141	154	-	-	153,508
Debt service - principal and interest	-	-	-	-	387,873	387,873
Capital outlay	-	11,889	-	-	-	117,434
Other disbursements	-	-	-	138,432	-	158,938
Total disbursements	-	25,959	154	138,432	387,873	1,434,346
Excess (deficiency) of receipts over disbursements	-	145	16,929	(13)	16,925	61,458
Cash and investments - ending	\$ -	\$ 278,939	\$ 16,929	\$ -	\$ 208,678	\$ 1,063,148

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011

	General	Rainy Day	Levy Excess	Library Capital Projects	Library Improvement Reserve	Unemployment Fund	Plac Card
Cash and investments - beginning	\$ 408,481	\$ 39,407	\$ 2,386	\$ 25,298	\$ 83,030	\$ -	\$ -
Receipts:							
Taxes	502,273	-	-	-	-	-	-
Intergovernmental	290,615	-	-	-	-	-	-
Charges for services	20,612	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	12,819	25,298	-	-	-	17,948	100
Total receipts	<u>826,319</u>	<u>25,298</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>17,948</u>	<u>100</u>
Disbursements:							
Personal services	580,771	-	-	-	-	-	-
Supplies	16,056	-	-	-	-	-	-
Other services and charges	131,962	-	-	-	35,023	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	76,952	-	-	-	-	-	-
Other disbursements	-	-	2,386	25,298	-	-	100
Total disbursements	<u>805,741</u>	<u>-</u>	<u>2,386</u>	<u>25,298</u>	<u>35,023</u>	<u>-</u>	<u>100</u>
Excess (deficiency) of receipts over disbursements	<u>20,578</u>	<u>25,298</u>	<u>(2,386)</u>	<u>(25,298)</u>	<u>(35,023)</u>	<u>17,948</u>	<u>-</u>
Cash and investments - ending	<u>\$ 429,059</u>	<u>\$ 64,705</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,007</u>	<u>\$ 17,948</u>	<u>\$ -</u>

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2011
 (Continued)

	Evergreen	Gift	Nccf Permanent Agency Fund	Payroll Withholding	Bond And Interest Redemption	Totals
Cash and investments - beginning	\$ -	\$ 278,939	\$ 16,929	\$ -	\$ 208,678	\$ 1,063,148
Receipts:						
Taxes	-	-	-	-	362,156	864,429
Intergovernmental	-	-	-	-	35,941	326,556
Charges for services	-	-	-	-	-	20,612
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	39,507	-	129,069	-	224,741
Total receipts	-	39,507	-	129,069	398,097	1,436,338
Disbursements:						
Personal services	-	1,590	-	-	-	582,361
Supplies	-	4,045	-	-	-	20,101
Other services and charges	-	13,964	169	-	500	181,618
Debt service - principal and interest	-	-	-	-	384,591	384,591
Capital outlay	-	18,045	-	-	-	94,997
Other disbursements	-	-	606	128,578	-	156,968
Total disbursements	-	37,644	775	128,578	385,091	1,420,636
Excess (deficiency) of receipts over disbursements	-	1,863	(775)	491	13,006	15,702
Cash and investments - ending	\$ -	\$ 280,802	\$ 16,154	\$ 491	\$ 221,684	\$ 1,078,850

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012

	General	Rainy Day	Levy Excess	Library Capital Projects	Library Improvement Reserve	Unemployment Fund	Plac Card
Cash and investments - beginning	\$ 429,059	\$ 64,705	\$ -	\$ -	\$ 48,007	\$ 17,948	\$ -
Receipts:							
Taxes	513,935	-	-	-	-	-	-
Intergovernmental	334,869	-	-	-	-	-	-
Charges for services	21,471	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	9,061	80,000	9,445	-	-	1,500	150
Total receipts	<u>879,336</u>	<u>80,000</u>	<u>9,445</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>150</u>
Disbursements:							
Personal services	591,034	-	-	-	-	-	-
Supplies	18,344	-	-	-	-	-	-
Other services and charges	125,590	-	-	-	12,744	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	71,494	-	-	-	-	-	-
Other disbursements	81,500	-	-	-	-	-	150
Total disbursements	<u>887,962</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,744</u>	<u>-</u>	<u>150</u>
Excess (deficiency) of receipts over disbursements	<u>(8,626)</u>	<u>80,000</u>	<u>9,445</u>	<u>-</u>	<u>(12,744)</u>	<u>1,500</u>	<u>-</u>
Cash and investments - ending	<u>\$ 420,433</u>	<u>\$ 144,705</u>	<u>\$ 9,445</u>	<u>\$ -</u>	<u>\$ 35,263</u>	<u>\$ 19,448</u>	<u>\$ -</u>

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012
 (Continued)

	Evergreen	Gift	Nccf Permanent Agency Fund	Payroll Withholding	Bond And Interest Redemption	Totals
Cash and investments - beginning	\$ -	\$ 280,802	\$ 16,154	\$ 491	\$ 221,684	\$ 1,078,850
Receipts:						
Taxes	-	-	-	-	334,836	848,771
Intergovernmental	-	-	-	-	31,254	366,123
Charges for services	-	-	-	-	-	21,471
Fines and forfeits	-	-	-	-	-	-
Other receipts	-	15,551	1,922	128,358	-	245,987
Total receipts	-	15,551	1,922	128,358	366,090	1,482,352
Disbursements:						
Personal services	-	-	-	-	-	591,034
Supplies	-	-	-	-	-	18,344
Other services and charges	-	14,462	-	-	500	153,296
Debt service - principal and interest	-	-	-	-	385,123	385,123
Capital outlay	-	6,868	-	-	-	78,362
Other disbursements	-	169	172	127,982	-	209,973
Total disbursements	-	21,499	172	127,982	385,623	1,436,132
Excess (deficiency) of receipts over disbursements	-	(5,948)	1,750	376	(19,533)	46,220
Cash and investments - ending	\$ -	\$ 274,854	\$ 17,904	\$ 867	\$ 202,151	\$ 1,125,070

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	General	Rainy Day	Levy Excess	Library Capital Projects	Library Improvement Reserve	Unemployment Fund	Plac Card
Cash and investments - beginning	\$ 420,433	\$ 144,705	\$ 9,445	\$ -	\$ 35,263	\$ 19,448	\$ -
Receipts:							
Taxes	509,353	-	-	-	-	-	-
Intergovernmental	340,241	-	-	-	-	-	-
Charges for services	17,682	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	20,672	113,413	-	-	-	1,500	100
Total receipts	<u>887,948</u>	<u>113,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,500</u>	<u>100</u>
Disbursements:							
Personal services	591,860	-	-	-	-	-	-
Supplies	17,899	-	-	-	-	-	-
Other services and charges	146,426	-	-	-	1,851	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	86,579	11,262	-	-	-	-	-
Other disbursements	81,500	-	9,445	-	33,412	-	100
Total disbursements	<u>924,264</u>	<u>11,262</u>	<u>9,445</u>	<u>-</u>	<u>35,263</u>	<u>-</u>	<u>100</u>
Excess (deficiency) of receipts over disbursements	<u>(36,316)</u>	<u>102,151</u>	<u>(9,445)</u>	<u>-</u>	<u>(35,263)</u>	<u>1,500</u>	<u>-</u>
Cash and investments - ending	<u>\$ 384,117</u>	<u>\$ 246,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,948</u>	<u>\$ -</u>

NOBLE COUNTY PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Evergreen	Gift	Nccf Permanent Agency Fund	Payroll Withholding	Bond And Interest Redemption	Totals
Cash and investments - beginning	\$ -	\$ 274,854	\$ 17,904	\$ 867	\$ 202,151	\$ 1,125,070
Receipts:						
Taxes	-	-	-	-	350,061	859,414
Intergovernmental	-	-	-	-	34,431	374,672
Charges for services	-	10,000	-	-	-	27,682
Fines and forfeits	219	-	-	-	-	219
Other receipts	-	28,615	8,575	142,297	-	315,172
Total receipts	<u>219</u>	<u>38,615</u>	<u>8,575</u>	<u>142,297</u>	<u>384,492</u>	<u>1,577,159</u>
Disbursements:						
Personal services	-	-	-	-	-	591,860
Supplies	-	2,394	-	-	-	20,293
Other services and charges	-	1,532	350	-	1,050	151,209
Debt service - principal and interest	-	-	-	-	385,359	385,359
Capital outlay	-	11,575	-	-	-	109,416
Other disbursements	-	19,247	-	141,558	-	285,262
Total disbursements	<u>-</u>	<u>34,748</u>	<u>350</u>	<u>141,558</u>	<u>386,409</u>	<u>1,543,399</u>
Excess (deficiency) of receipts over disbursements	<u>219</u>	<u>3,867</u>	<u>8,225</u>	<u>739</u>	<u>(1,917)</u>	<u>33,760</u>
Cash and investments - ending	<u>\$ 219</u>	<u>\$ 278,721</u>	<u>\$ 26,129</u>	<u>\$ 1,606</u>	<u>\$ 200,234</u>	<u>\$ 1,158,830</u>

NOBLE COUNTY PUBLIC LIBRARY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Noble County Public Library Leasing Corp.	Capital Building debt	\$ 103,000	12/28/2004	12/31/2016
Total of annual lease payments		<u>\$ 103,000</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Library Capital Buildings	\$ 2,280,000	\$ 283,587
Totals		<u>\$ 2,280,000</u>	<u>\$ 283,587</u>

NOBLE COUNTY PUBLIC LIBRARY
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2013

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.

	Ending Balance
Governmental activities:	
Land	\$ 50,754
Buildings	6,263,507
Machinery, equipment, and vehicles	246,387
Books and other	1,411,719
Total governmental activities	7,972,367
Total capital assets	\$ 7,972,367

NOBLE COUNTY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

ANNUAL FINANCIAL REPORT

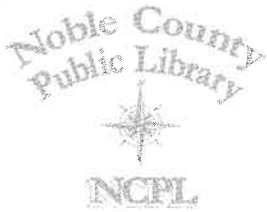
The Annual Financial Report for 2010, 2011, 2012, and 2013 did not include the Payroll fund which is on the Library ledgers and had an ending cash balance in 2011, 2012, and 2013. Also, an agency fund, Nccf Permanent Agency Fund, was on the Annual Financial Report, but not on the ledgers for 2010, 2011, 2012, and 2013.

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

NOBLE COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 3, 2014, with Sandra Petrie, Director, and Margaret Ott, Treasurer.



Noble County Public Library

813 East Main St.
Albion, IN 46701

Phone 260-636-7197
Fax: 260-636-3321

December 4, 2014

State Board of Accounts
302 West Washington St., Room E418
Indianapolis, IN 46204-2765

RE: OFFICIAL RESPONSE to Audit Report

Comment: Annual Report

"The Annual Report for 2010, 2011, 2012, and 2013 did not include the payroll fund which is on the Library ledgers and had an ending cash balance in 2011, 2012, and 2013. Also, an agency fund Nccf Permanent Agency Fund was on the Annual Report, but not on the ledgers for 2010, 2011, 2012, and 2013."

Official Response:

Previous audits had not highlighted the discrepancy with the payroll fund and this will be added to the Annual Report for 2014 and beyond now that we have been made aware. The situation with the Noble County Community Foundation (NCCF) fund was brought to our attention in January of 2011 when an audit at the NCCF clarified a misinterpretation of whose asset this fund truly was. Though it is housed at the NCCF, the endowment asset is considered to be the Noble County Public Library's for reporting purposes. Our recent audit highlighted the need for this to put on our ledgers as well as on the Annual Report as we had been doing. This will be rectified with year end reports for 2014 and beyond.

Margaret Ott
Noble County Public Library Board of Trustees
Treasurer