

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

NEWTON COUNTY PUBLIC LIBRARY

NEWTON COUNTY, INDIANA

January 1, 2010 to December 31, 2013



**FILED**  
04/16/2015



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary K. Emmrich	01-01-10 to 12-31-15
Treasurer	Mark Gatewood	01-01-10 to 12-31-15
President of the Board	Barbara Koutny	01-01-10 to 12-31-15



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE NEWTON COUNTY PUBLIC LIBRARY, NEWTON COUNTY, INDIANA

We have examined the accompanying financial statements of the Newton 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.

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.

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

January 29, 2015

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## 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.

NEWTON 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
Operating	\$ 352,474	\$ 620,918	\$ 659,782	\$ 313,610	\$ 555,267	\$ 672,928	\$ 195,949
Rainy Day	91,345	30,644	25,568	96,421	-	59,074	37,347
Library Improvement Reserve	267,741	-	-	267,741	-	-	267,741
Petty Cash	175	904	829	250	817	817	250
Gift	82,493	2,541	18,191	66,843	4,862	11,815	59,890
Grant	371	-	-	371	-	-	371
Bond and Interest (Lease Rental)	233,077	393,461	395,000	231,538	444,255	389,000	286,793
Construction Debt Reduction	300,000	-	150,000	150,000	-	150,000	-
Hulda and Lancy Sorenson Nonexpendable Trust	25,000	-	-	25,000	-	-	25,000
Friends of the Lake Village Library Nonexpendable Trust	50,000	-	-	50,000	-	-	50,000
Withholding Payroll	271	91,492	91,122	641	95,244	95,352	533
Totals	<u>\$ 1,402,947</u>	<u>\$ 1,139,960</u>	<u>\$ 1,340,492</u>	<u>\$ 1,202,415</u>	<u>\$ 1,100,445</u>	<u>\$ 1,378,986</u>	<u>\$ 923,874</u>

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



NEWTON 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
Operating	\$ 195,949	\$ 619,861	\$ 640,393	\$ 175,417	\$ 626,659	\$ 707,582	\$ 94,494
Rainy Day	37,347	-	-	37,347	-	-	37,347
Library Improvement Reserve	267,741	-	-	267,741	-	-	267,741
Petty Cash	250	417	417	250	393	393	250
Gift	59,890	4,397	12,883	51,404	9,749	16,549	44,604
Grant	371	-	-	371	-	-	371
Bond Redemption Fund	286,793	540,824	543,000	284,617	532,105	536,000	280,722
Hulda and Lancy Sorenson Nonexpendable Trust	25,000	-	-	25,000	-	-	25,000
Friends of the Lake Village Library Nonexpendable Trust	50,000	-	-	50,000	-	-	50,000
Withholdings Payroll	533	95,924	94,378	2,079	100,639	100,728	1,990
Totals	<u>\$ 923,874</u>	<u>\$ 1,261,423</u>	<u>\$ 1,291,071</u>	<u>\$ 894,226</u>	<u>\$ 1,269,545</u>	<u>\$ 1,361,252</u>	<u>\$ 802,519</u>

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

NEWTON 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 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.

NEWTON COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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 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.

NEWTON COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*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.

*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.

NEWTON COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

**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  
1 North Capitol Street, 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.

NEWTON COUNTY PUBLIC LIBRARY  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 7. Restatements**

For the year ended December 31, 2009, certain changes have been made to some of the beginning balances of the financial statements to more appropriately reflect financial activity of the Library. The following schedule presents a summary of restated beginning balances.

Fund	Balance as of December 31, 2009	Prior Period Adjustment	Balance as of January 1, 2010
Hulda and Lancy Sorenson Nonexpendable Trust	\$ -	\$ 25,000	\$ 25,000
Friends of the Lake Village Library Nonexpendable Trust	-	50,000	50,000

**Note 8. Nonexpendable Trust Investments**

The nonexpendable trusts of Hulda and Lancy Sorenson and Friends of the Lake Village Library are not subject to the same investment laws as the Library. A trustee has been appointed to invest and distribute earnings on the trust corpus (principal) to the Library. The Library's market value to the trust principal for Hulda and Lancy Sorenson and Friends of the Lake Village Library as of December 31, 2013, is \$30,057 and \$62,230, respectively.

**Note 9. Holding Corporation**

The Library has entered into a capital lease with Newton County Public Library Building 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 \$545,000, \$539,000, \$543,000, and \$536,000, respectively.

**Note 10. Subsequent Events**

On September 15, 2014, the Newton County Public Library Holding Corporation refinanced the 2005 and 2005a Bond for \$4,470,000 with an interest rate of 4.77 percent, decreasing the maturity date by three years to 2023.

**Note 11. Combined Funds**

Funds related to Rainy Day and Excess Levy were reported individually in the prior financial statement but were combined into one fund for the current financial statements.

Funds related to Operating and Petty Cash were reported individually in the current financial statements but were combined into one fund for the prior financial statement.

## 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/](http://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.

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

	Operating	Rainy Day	Library Improvement Reserve	Petty Cash	Gift	Grant	Bond and Interest (Lease Rental)	Construction Debt Reduction	Hulda and Lancy Sorenson Nonexpendable Trust	Friends of the Lake Village Library Nonexpendable Trust	Withholding Payroll	Totals
Cash and investments - beginning	\$ 352,474	\$ 91,345	\$ 267,741	\$ 175	\$ 82,493	\$ 371	\$ 233,077	\$ 300,000	\$ 25,000	\$ 50,000	\$ 271	\$ 1,402,947
Receipts:												
Taxes	341,802	-	-	-	-	-	377,894	-	-	-	-	719,696
Intergovernmental	249,677	30,644	-	-	-	-	15,567	-	-	-	-	295,888
Charges for services	9,892	-	-	-	-	-	-	-	-	-	-	9,892
Fines and forfeits	5,605	-	-	-	-	-	-	-	-	-	-	5,605
Other receipts	13,942	-	-	904	2,541	-	-	-	-	-	91,492	108,879
Total receipts	620,918	30,644	-	904	2,541	-	393,461	-	-	-	91,492	1,139,960
Disbursements:												
Personal services	387,521	-	-	-	-	-	-	-	-	-	91,122	478,643
Supplies	20,264	-	-	-	2,764	-	-	-	-	-	-	23,028
Other services and charges	107,271	-	-	829	5,432	-	395,000	150,000	-	-	-	658,532
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	144,361	25,568	-	-	9,995	-	-	-	-	-	-	179,924
Other disbursements	365	-	-	-	-	-	-	-	-	-	-	365
Total disbursements	659,782	25,568	-	829	18,191	-	395,000	150,000	-	-	91,122	1,340,492
Excess (deficiency) of receipts over disbursements	(38,864)	5,076	-	75	(15,650)	-	(1,539)	(150,000)	-	-	370	(200,532)
Cash and investments - ending	\$ 313,610	\$ 96,421	\$ 267,741	\$ 250	\$ 66,843	\$ 371	\$ 231,538	\$ 150,000	\$ 25,000	\$ 50,000	\$ 641	\$ 1,202,415



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

- 15 -

	Operating	Rainy Day	Library Improvement Reserve	Petty Cash	Gift	Grant	Bond and Interest (Lease Rental)	Construction Debt Reduction	Hulda and Lancy Sorenson Nonexpendable Trust	Friends of the Lake Village Library Nonexpendable Trust	Withholding Payroll	Totals
Cash and investments - beginning	\$ 313,610	\$ 96,421	\$ 267,741	\$ 250	\$ 66,843	\$ 371	\$ 231,538	\$ 150,000	\$ 25,000	\$ 50,000	\$ 641	\$ 1,202,415
Receipts:												
Taxes	339,941	-	-	-	-	-	410,211	-	-	-	-	750,152
Intergovernmental	189,003	-	-	-	-	-	34,044	-	-	-	-	223,047
Charges for services	9,727	-	-	-	-	-	-	-	-	-	-	9,727
Fines and forfeits	5,604	-	-	-	-	-	-	-	-	-	-	5,604
Other receipts	10,992	-	-	817	4,862	-	-	-	-	-	95,244	111,915
Total receipts	555,267	-	-	817	4,862	-	444,255	-	-	-	95,244	1,100,445
Disbursements:												
Personal services	412,547	-	-	-	-	-	-	-	-	-	-	412,547
Supplies	25,427	-	-	1	7,537	-	-	-	-	-	-	32,965
Other services and charges	128,598	-	-	809	2,428	-	-	-	-	-	-	131,835
Debt service - principal and interest	-	-	-	-	-	-	389,000	150,000	-	-	-	539,000
Capital outlay	105,539	59,074	-	7	1,850	-	-	-	-	-	-	166,470
Other disbursements	817	-	-	-	-	-	-	-	-	-	95,352	96,169
Total disbursements	672,928	59,074	-	817	11,815	-	389,000	150,000	-	-	95,352	1,378,986
Excess (deficiency) of receipts over disbursements	(117,661)	(59,074)	-	-	(6,953)	-	55,255	(150,000)	-	-	(108)	(278,541)
Cash and investments - ending	\$ 195,949	\$ 37,347	\$ 267,741	\$ 250	\$ 59,890	\$ 371	\$ 286,793	\$ -	\$ 25,000	\$ 50,000	\$ 533	\$ 923,874

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

	Operating	Rainy Day	Library Improvement Reserve	Petty Cash	Gift	Grant	Bond Redemption Fund	Hulda and Lancy Sorenson Nonexpendable Trust	Friends of the Lake Village Library Nonexpendable Trust	Withholdings Payroll	Totals
Cash and investments - beginning	\$ 195,949	\$ 37,347	\$ 267,741	\$ 250	\$ 59,890	\$ 371	\$ 286,793	\$ 25,000	\$ 50,000	\$ 533	\$ 923,874
Receipts:											
Taxes	362,123	-	-	-	-	-	501,291	-	-	-	863,414
Intergovernmental	233,557	-	-	-	-	-	39,533	-	-	-	273,090
Charges for services	13,106	-	-	-	-	-	-	-	-	-	13,106
Fines and forfeits	4,992	-	-	-	-	-	-	-	-	-	4,992
Other receipts	6,083	-	-	417	4,397	-	-	-	-	95,924	106,821
Total receipts	619,861	-	-	417	4,397	-	540,824	-	-	95,924	1,261,423
Disbursements:											
Personal services	410,324	-	-	-	-	-	-	-	-	-	410,324
Supplies	13,801	-	-	-	4,622	-	-	-	-	-	18,423
Other services and charges	126,603	-	-	387	4,526	-	-	-	-	-	131,516
Debt service - principal and interest	-	-	-	-	-	-	543,000	-	-	-	543,000
Capital outlay	89,221	-	-	30	3,735	-	-	-	-	-	92,986
Other disbursements	444	-	-	-	-	-	-	-	-	94,378	94,822
Total disbursements	640,393	-	-	417	12,883	-	543,000	-	-	94,378	1,291,071
Excess (deficiency) of receipts over disbursements	(20,532)	-	-	-	(8,486)	-	(2,176)	-	-	1,546	(29,648)
Cash and investments - ending	\$ 175,417	\$ 37,347	\$ 267,741	\$ 250	\$ 51,404	\$ 371	\$ 284,617	\$ 25,000	\$ 50,000	\$ 2,079	\$ 894,226

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

	Operating	Rainy Day	Library Improvement Reserve	Petty Cash	Gift	Grant	Bond Redemption Fund	Hulda and Lancy Sorenson Nonexpendable Trust	Friends of the Lake Village Library Nonexpendable Trust	Withholdings Payroll	Totals
Cash and investments - beginning	\$ 175,417	\$ 37,347	\$ 267,741	\$ 250	\$ 51,404	\$ 371	\$ 284,617	\$ 25,000	\$ 50,000	\$ 2,079	\$ 894,226
Receipts:											
Taxes	344,504	-	-	-	-	-	490,846	-	-	-	835,350
Intergovernmental	259,438	-	-	-	-	-	41,259	-	-	-	300,697
Charges for services	12,828	-	-	-	-	-	-	-	-	-	12,828
Fines and forfeits	6,237	-	-	-	-	-	-	-	-	-	6,237
Other receipts	3,652	-	-	393	9,749	-	-	-	-	100,639	114,433
Total receipts	626,659	-	-	393	9,749	-	532,105	-	-	100,639	1,269,545
Disbursements:											
Personal services	413,499	-	-	-	-	-	-	-	-	-	413,499
Supplies	22,484	-	-	-	6,221	-	-	-	-	-	28,705
Other services and charges	138,150	-	-	393	7,284	-	-	-	-	-	145,827
Debt service - principal and interest	-	-	-	-	-	-	536,000	-	-	-	536,000
Capital outlay	133,056	-	-	-	3,044	-	-	-	-	-	136,100
Other disbursements	393	-	-	-	-	-	-	-	-	100,728	101,121
Total disbursements	707,582	-	-	393	16,549	-	536,000	-	-	100,728	1,361,252
Excess (deficiency) of receipts over disbursements	(80,923)	-	-	-	(6,800)	-	(3,895)	-	-	(89)	(91,707)
Cash and investments - ending	\$ 94,494	\$ 37,347	\$ 267,741	\$ 250	\$ 44,604	\$ 371	\$ 280,722	\$ 25,000	\$ 50,000	\$ 1,990	\$ 802,519

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

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Capital Leases:		
Library Buildings and Furnishings	<u>\$ 4,855,000</u>	<u>\$ 539,000</u>

NEWTON 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	\$ 226,000
Buildings	5,453,018
Machinery, equipment, and vehicles	552,734
Books and other	1,374,998
Total governmental activities	7,606,750
Total capital assets	\$ 7,606,750

NEWTON COUNTY PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

***DEPOSITORY RECONCILEMENTS***

We examined the depository reconcilements that were prepared by the Treasurer and found that the reconcilements included various reconciling items that were not explained and/or investigated for correction by the Treasurer. As of December 31, 2013, the reconcilement indicates an excess of cash in the bank of \$1,509 when compared to the fund balances.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

***SUPPORTING DOCUMENTATION***

We found instances of purchases made using the Library's credit card that did not include itemized supporting documentation.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

***INTEREST CHARGES***

During the period examined, the Library paid interest in the amount of \$141 due to late payments to a credit card company.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

NEWTON COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on January 29, 2015, with Mary K. Emmrich, Director; Mark Gatewood, Treasurer; and Melody L. Barone, Library Board member.