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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, 2006 to December 31, 2007

FILED
05/29/2008

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OFFICIALS

Office	Official	Term
Director	Mary K. Emmrich	01-01-06 to 12-31-08
Treasurer	Mark Gatewood	01-01-06 to 12-31-08
President of the Board	Melody L. Barone	01-01-06 to 12-31-08

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 2006 to December 31, 2007. 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, 2006 and 2007, 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, is presented for additional analysis and is not a required part of the basic financial information. It has not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

March 31, 2008

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, 2006 And 2007

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	$ 390,421	$ 447,894	$ 508,641	$ 329,674
Gift	71,204	117,667	49,381	139,490
Rainy Day	19,821	26,167	-	45,988
Special Projects	29,873	-	29,873	-
Grant	371	-	-	371
Levy Excess	-	6,770	-	6,770
Bond and Interest (Lease Rental)	-	851,882	542,000	309,882
Library Improvement Reserve	58,655	50,000	-	108,655
Library Improvement Reserve Bldg	26,167	-	26,167	-
Fiduciary Fund:				
Payroll Withholdings	268	47,443	47,442	269
Totals	$ 596,780	$ 1,547,823	$ 1,203,504	$ 941,099

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	$ 329,674	$ 620,019	$ 475,670	$ 474,023
Gift	139,490	39,599	82,783	96,306
Rainy Day	45,988	-	-	45,988
Grant	371	-	-	371
Levy Excess	6,770	-	-	6,770
Bond and Interest (Lease Rental)	309,882	504,597	544,000	270,479
Library Improvement Reserve	108,655	30,000	-	138,655
Fiduciary Fund:				
Payroll Withholdings	269	58,063	55,359	2,973
Totals	$ 941,099	$ 1,252,278	$ 1,157,812	$ 1,035,565

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: 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 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, 2007

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 building and furnishings	$ 6,485,000	$ 539,000

NEWTON COUNTY PUBLIC LIBRARY
EXAMINATION RESULT AND COMMENT

CAPITAL ASSET RECORDS

The Library does not have completed capital asset records as of December 31, 2007. They are in the process of acquiring the information but the record is not yet completed.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken 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 March 31, 2008, with Mary K. Emmrich, Director; Mark Gatewood, Treasurer; and Melody L. Barone, Board President. The officials concurred with our finding.