

B37339

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

EXAMINATION REPORT
OF
MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
ST. JOSEPH COUNTY, INDIANA
January 1, 2007 to December 31, 2009



FILED
08/11/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David J. Eisen	01-01-07 to 12-31-10
Treasurer	Ellen F. West	01-01-07 to 12-31-07
	Dean L. Strycker	01-01-08 to 12-31-08
	Ellen F. West	01-01-09 to 12-31-10
President of the Board	Linda Doshi	01-01-07 to 12-31-08
	Maurice Van Bruaene	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE MISHAWAKA-PENN-HARRIS
PUBLIC LIBRARY, ST. JOSEPH COUNTY, INDIANA

We have examined the financial information presented herein of the Mishawaka-Penn-Harris Public Library (Library), for the period of January 1, 2007 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, 2007, 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 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

July 8, 2010

MISHAWAKA-PENN-HARRIS 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, 2007, 2008, And 2009

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
Governmental Funds:				
General	\$ 906,783	\$ 6,235,932	\$ 6,562,165	\$ 580,550
Gift	35,308	27,324	27,076	35,556
Rainy Day	86,782	1,931	-	88,713
Construction Gift	33,647	748	-	34,395
Harris Gift	5,943	279	192	6,030
Yardley	21,837	480	-	22,317
David Lemonte	30,551	679	-	31,230
Scherzinger	3,579	1,867	3,593	1,853
Centennial	2,134	11,446	24,902	(11,322)
Endowment	136,909	65,642	62,980	139,571
Bond and Interest Redemption	477,059	1,023,756	1,011,053	489,762
Library Improvement Reserve	231,902	44,877	66,295	210,484
Library Capital Projects	214,817	292,161	223,220	283,758
Construction Book Endowment	52,579	1,171	-	53,750
Fiduciary Fund:				
PLAC	-	302	302	-
Totals	<u>\$ 2,239,830</u>	<u>\$ 7,708,595</u>	<u>\$ 7,981,778</u>	<u>\$ 1,966,647</u>

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	\$ 580,550	\$ 4,158,217	\$ 4,607,531	\$ 131,236
Gift	35,556	24,554	44,252	15,858
Rainy Day	88,713	152,305	-	241,018
Construction Gift	34,395	708	-	35,103
Harris Gift	6,030	131	150	6,011
Yardley	22,317	446	16,471	6,292
David Lemonte	31,230	624	-	31,854
Scherzinger	1,853	37	-	1,890
Centennial	(11,322)	11,322	-	-
Endowment	139,571	2,879	-	142,450
Bond and Interest Redemption	489,762	183,554	636,982	36,334
Library Improvement Reserve	210,484	34,274	-	244,758
Library Capital Projects	283,758	63,662	130,297	217,123
Construction Book Endowment	53,750	1,107	-	54,857
Fiduciary Fund:				
PLAC	-	270	210	60
Totals	<u>\$ 1,966,647</u>	<u>\$ 4,634,090</u>	<u>\$ 5,435,893</u>	<u>\$ 1,164,844</u>

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 131,236	\$ 8,756,254	\$ 8,176,520	\$ 710,970
Gift	15,858	29,891	23,207	22,542
Rainy Day	241,018	35,154	20,957	255,215
Construction Gift	35,103	65	-	35,168
Harris Gift	6,011	11	-	6,022
Yardley	6,292	11	-	6,303
David Lemonte	31,854	58	-	31,912
Scherzinger	1,890	3	-	1,893
Excess Welfare Distribution	-	153,753	-	153,753
Endowment	142,450	260	-	142,710
Bond and Interest Redemption	36,334	1,200,432	1,183,258	53,508
Library Improvement Reserve	244,758	40,447	2,882	282,323
Library Capital Projects	217,123	177	126,252	91,048
Construction Book Endowment	54,857	100	-	54,957
Fiduciary Fund:				
PLAC	60	330	300	90
Totals	<u>\$ 1,164,844</u>	<u>\$ 10,216,946</u>	<u>\$ 9,533,376</u>	<u>\$ 1,848,414</u>

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

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides culture 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 and received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Normally, 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.

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION
(Continued)

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.

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 As Of December 31, 2009

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.

Description of Asset	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 484,641
Buildings	14,078,233
Improvements other than buildings	1,207,232
Machinery and equipment	<u>1,496,925</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 17,267,031</u>

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Library has entered into the following long-term debt:

Description of Asset	Ending Balance	Principal and Interest Due Within One Year
Governmental activities:		
General obligation bonds:		
2002 - Harris Branch	\$ 3,665,000	\$ 472,725
2008 Refunding Bonds	<u>3,425,000</u>	<u>513,970</u>
Total governmental activities long-term debt	<u>\$ 7,090,000</u>	<u>\$ 986,695</u>

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 8, 2010, with David J. Eisen, Director; Ellen F. West, Treasurer; and Maurice Van Braeene, President of the Board. Our examination disclosed no material items that warrant comment at this time.