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

EXAMINATION REPORT

OF

ST. JOSEPH COUNTY PUBLIC LIBRARY

ST. JOSEPH COUNTY, INDIANA

January 1, 2008 to December 31, 2009

FILED
08/11/2010

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OFFICIALS

Office	Official	Term
Director	Donald J. Napoli	01-01-08 to 12-31-10
Treasurer	Shirleen R. Martens	01-01-08 to 06-07-08
	Nancy L. Korpal	06-08-08 to 12-31-10
President of the Board	John P. Wibbens	01-01-08 to 12-31-08
	Melvin L. Holmes	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 ST. JOSEPH COUNTY PUBLIC LIBRARY, ST. JOSEPH COUNTY, INDIANA

We have examined the financial information presented herein of the St. Joseph County Public Library (Library), for the period of January 1, 2008 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, 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 13, 2010

ST. JOSEPH 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 And 2009

	Cash and Investments 01-01-08	Receipts	Disbursements	Cash and Investments 12-31-08
Governmental Funds:				
General	$ 6,101,145	$ 6,182,176	$ 10,471,145	$ 1,812,176
Gift	578,035	23,604	8,908	592,731
Rainy Day	1,000,000	-	835,042	164,958
Grant	16,055	46,310	13,773	48,592
Cluster Network Services	1,093,855	141,597	47,402	1,188,050
Bond and Interest Redemption	89,616	1,172,760	1,262,376	-
Library Improvement Reserve	936,251	-	549,542	386,709
Library Capital Projects	1,818,543	295,260	1,220,860	892,943
Construction 2005	9,870	68	68	9,870
Construction 2007	8,000,000	-	3,678,618	4,321,382
Construction 2008	-	7,248,957	3,565,648	3,683,309
Program	7,750	16,100	21,575	2,275
Staff Development	1,690	-	270	1,420
Fiduciary Funds:				
Payroll Withholdings	1,823	5,355,378	5,319,227	37,974
PLAC	1,082	2,131	2,220	993
Totals	$ 19,655,715	$ 20,484,341	$ 26,996,674	$ 13,143,382

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	$ 1,812,176	$ 18,780,652	$ 11,007,543	$ 9,585,285
Gift	592,731	12,465	26,681	578,515
Rainy Day	164,958	-	106,039	58,919
Grant	48,592	135,634	161,421	22,805
Excess Welfare Distribution	-	456,646	-	456,646
Cluster Network Services	1,188,050	151,088	42,724	1,296,414
Bond and Interest Redemption	-	1,730,087	1,490,190	239,897
Library Improvement Reserve	386,709	600,000	24,483	962,226
Library Capital Projects	892,943	1,710,114	1,244,368	1,358,689
Construction 2005	9,870	-	-	9,870
Construction 2007	4,321,382	118,751	4,230,511	209,622
Construction 2008	3,683,309	-	3,595,183	88,126
Program	2,275	31,836	23,386	10,725
Staff Development	1,420	-	-	1,420
Fiduciary Funds:				
Payroll Withholdings	37,974	5,074,119	5,108,531	3,562
PLAC	993	2,375	2,370	998
Totals	$ 13,143,382	$ 28,803,767	$ 27,063,430	$ 14,883,719

The accompanying notes are an integral part of the 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 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.

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.

ST. JOSEPH COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
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.

Primary Government	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	$ 4,892,011
Buildings	42,457,597
Improvements other than buildings	258,690
Machinery and equipment	5,603,433
Total governmental activities, capital assets not being depreciated	$ 53,211,731

ST. JOSEPH COUNTY PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2009

The Library has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bonds payable:		
General obligation bonds:		
2007 General obligation bond	$ 6,900,000	$ 232,825
2008 General obligation bond	6,270,000	563,753
Total governmental activities debt	$ 13,170,000	$ 796,578

ST. JOSEPH COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on July 13, 2010, with Nancy L. Korpal, Treasurer, and Donald J. Napoli, Director. Our examination disclosed no material items that warrant comment at this time.