

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

ST. JOSEPH COUNTY PUBLIC LIBRARY

ST. JOSEPH COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
10/15/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Donald J. Napoli	01-01-10 to 12-31-12
Treasurer	Nancy L. Korpai	01-01-10 to 12-31-12
President of the Board	Melvin L. Holmes John P. Wibbens	01-01-10 to 12-31-10 01-01-11 to 12-31-12



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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 accompanying financial statements of the St. Joseph County Public Library (Library), for the years ended December 31, 2010 and 2011. 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 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 basis noted above is a different basis than that used in the prior year.

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 years ended December 31, 2010 and 2011, 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 Payables and Receivables, 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.

This report is intended solely for the information and use of the Library's management, Library Board, and others within the entity and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

September 12, 2012

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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.

ST. JOSEPH COUNTY PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
Operating	\$ 9,585,285	\$ 11,302,923	\$ 10,827,300	\$ 10,060,908
Gift	578,515	35,967	22,366	592,116
Grant	22,805	36,475	14,609	44,671
Rainy Day	58,919	1,474,784	-	1,533,703
Programming	10,725	27,548	16,908	21,365
Staff Fund	1,420	-	-	1,420
Excess Welfare Distribution	456,646	(52,637)	-	404,009
Bond And Interest Redemption	239,897	1,350,215	1,589,641	471
Construction 2005	9,870	-	9,870	-
Library Capital Projects	1,358,689	(71,268)	731,147	556,274
Library Improvement Reserve	962,226	600,000	162,592	1,399,634
Construction 2007	209,623	10	209,633	-
Construction 2008	88,126	39	70,782	17,383
Payroll	3,562	5,118,860	5,084,337	38,085
Plac Card	998	2,600	2,680	918
Contractual Library	1,296,414	165,122	46,130	1,415,406
Totals	<u>\$ 14,883,720</u>	<u>\$ 19,990,638</u>	<u>\$ 18,787,995</u>	<u>\$ 16,086,363</u>

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

ST. JOSEPH COUNTY PUBLIC LIBRARY  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Operating	\$ 10,060,908	\$ 12,359,949	\$ 12,969,010	\$ 9,451,847
Rainy Day	1,533,703	150,000	-	1,683,703
Excess Welfare Distribution	404,009	306	126,362	277,953
Library Capital Projects	556,274	373,760	197,283	732,751
Library Improvement Reserve	1,399,634	1,600,000	561,480	2,438,154
Plac Card	918	2,350	2,350	918
Gift	592,116	49,769	25,396	616,489
Grant	44,671	28,650	50,002	23,319
Programming	21,365	21,386	19,825	22,926
Staff Fund	1,420	-	226	1,194
Bond And Interest Redemption	471	2,416,945	1,779,228	638,188
Construction 2008	17,383	-	17,383	-
Payroll	38,085	5,025,523	5,029,595	34,013
Contractual Library	1,415,406	77,431	43,344	1,449,493
Totals	<u>\$ 16,086,363</u>	<u>\$ 22,106,069</u>	<u>\$ 20,821,484</u>	<u>\$ 17,370,948</u>

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

ST. JOSEPH 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 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. Receipts are recorded when received and disbursements are recorded when paid.

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.

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

ST. JOSEPH 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 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.

ST. JOSEPH 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.

ST. JOSEPH 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 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 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 Capital 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.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Library's 2010 Annual Report 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 2011 Annual Report information 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.

ST. JOSEPH COUNTY PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	<u>Operating</u>	<u>Gift</u>	<u>Grant</u>	<u>Rainy Day</u>	<u>Programming</u>	<u>Staff Fund</u>
Cash and investments - beginning	\$ 9,585,285	\$ 578,515	\$ 22,805	\$ 58,919	\$ 10,725	\$ 1,420
Receipts:						
Taxes	8,758,699	-	-	-	-	-
Intergovernmental	2,085,861	-	-	221,197	-	-
Charges for services	293,939	-	-	-	-	-
Fines and forfeits	749,166	-	-	-	-	-
Other receipts	(584,742)	35,967	36,475	1,253,587	27,548	-
Total receipts	<u>11,302,923</u>	<u>35,967</u>	<u>36,475</u>	<u>1,474,784</u>	<u>27,548</u>	<u>-</u>
Disbursements:						
Personal services	6,390,818	-	-	-	-	-
Supplies	278,363	3,538	3,025	-	8,952	-
Other services and charges	1,528,952	900	10,235	-	7,956	-
Capital outlay	2,631,068	17,928	1,349	-	-	-
Other disbursements	(1,901)	-	-	-	-	-
Total disbursements	<u>10,827,300</u>	<u>22,366</u>	<u>14,609</u>	<u>-</u>	<u>16,908</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>475,623</u>	<u>13,601</u>	<u>21,866</u>	<u>1,474,784</u>	<u>10,640</u>	<u>-</u>
Cash and investments - ending	<u>\$ 10,060,908</u>	<u>\$ 592,116</u>	<u>\$ 44,671</u>	<u>\$ 1,533,703</u>	<u>\$ 21,365</u>	<u>\$ 1,420</u>

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

	Excess Welfare Distribution	Bond And Interest Redemption	Construction 2005	Library Capital Projects	Library Improvement Reserve	Construction 2007
Cash and investments - beginning	\$ 456,646	\$ 239,897	\$ 9,870	\$ 1,358,689	\$ 962,226	\$ 209,623
Receipts:						
Taxes	-	1,484,397	-	523,103	-	-
Intergovernmental	-	119,214	-	46,756	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	(52,637)	(253,396)	-	(641,127)	600,000	10
Total receipts	(52,637)	1,350,215	-	(71,268)	600,000	10
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	117,893	1,435	(13,078)
Capital outlay	-	-	-	609,586	161,157	222,711
Other disbursements	-	1,589,641	9,870	3,668	-	-
Total disbursements	-	1,589,641	9,870	731,147	162,592	209,633
Excess (deficiency) of receipts over disbursements	(52,637)	(239,426)	(9,870)	(802,415)	437,408	(209,623)
Cash and investments - ending	\$ 404,009	\$ 471	\$ -	\$ 556,274	\$ 1,399,634	\$ -

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

	Construction 2008	Payroll	Plac Card	Contractual Library	Totals
Cash and investments - beginning	\$ 88,126	\$ 3,562	\$ 998	\$ 1,296,414	\$ 14,883,720
Receipts:					
Taxes	-	-	-	-	10,766,199
Intergovernmental	-	-	-	-	2,473,028
Charges for services	-	-	-	-	293,939
Fines and forfeits	-	-	-	-	749,166
Other receipts	39	5,118,860	2,600	165,122	5,708,306
Total receipts	39	5,118,860	2,600	165,122	19,990,638
Disbursements:					
Personal services	-	5,084,337	-	-	11,475,155
Supplies	-	-	-	12,334	306,212
Other services and charges	17,078	-	2,680	33,796	1,707,847
Capital outlay	53,704	-	-	-	3,697,503
Other disbursements	-	-	-	-	1,601,278
Total disbursements	70,782	5,084,337	2,680	46,130	18,787,995
Excess (deficiency) of receipts over disbursements	(70,743)	34,523	(80)	118,992	1,202,643
Cash and investments - ending	\$ 17,383	\$ 38,085	\$ 918	\$ 1,415,406	\$ 16,086,363

ST. JOSEPH COUNTY PUBLIC LIBRARY  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	Operating	Rainy Day	Excess Welfare Distribution	Library Capital Projects	Library Improvement Reserve	Plac Card	Gift	Grant
Cash and investments - beginning	\$ 10,060,908	\$ 1,533,703	\$ 404,009	\$ 556,274	\$ 1,399,634	\$ 918	\$ 592,116	\$ 44,671
Receipts:								
Taxes	9,162,560	-	-	344,258	-	-	-	-
Intergovernmental	2,085,113	-	-	29,107	-	-	-	-
Charges for services	900,375	-	-	-	-	2,350	-	-
Fines and forfeits	191,694	-	-	-	-	-	-	-
Other receipts	20,207	150,000	306	395	1,600,000	-	49,769	28,650
Total receipts	<u>12,359,949</u>	<u>150,000</u>	<u>306</u>	<u>373,760</u>	<u>1,600,000</u>	<u>2,350</u>	<u>49,769</u>	<u>28,650</u>
Disbursements:								
Personal services	6,234,651	-	112,750	-	-	-	-	-
Supplies	245,221	-	-	-	-	-	6,431	4,889
Other services and charges	2,069,768	-	-	-	5,522	2,350	5,281	17,311
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	2,819,370	-	13,612	197,283	555,958	-	13,684	-
Other disbursements	1,600,000	-	-	-	-	-	-	27,802
Total disbursements	<u>12,969,010</u>	<u>-</u>	<u>126,362</u>	<u>197,283</u>	<u>561,480</u>	<u>2,350</u>	<u>25,396</u>	<u>50,002</u>
Excess (deficiency) of receipts over disbursements	<u>(609,061)</u>	<u>150,000</u>	<u>(126,056)</u>	<u>176,477</u>	<u>1,038,520</u>	<u>-</u>	<u>24,373</u>	<u>(21,352)</u>
Cash and investments - ending	<u>\$ 9,451,847</u>	<u>\$ 1,683,703</u>	<u>\$ 277,953</u>	<u>\$ 732,751</u>	<u>\$ 2,438,154</u>	<u>\$ 918</u>	<u>\$ 616,489</u>	<u>\$ 23,319</u>

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

	Programming	Staff Fund	Bond And Interest Redemption	Construction 2008	Payroll	Contractual Library	Totals
Cash and investments - beginning	\$ 21,365	\$ 1,420	\$ 471	\$ 17,383	\$ 38,085	\$ 1,415,406	\$ 16,086,363
Receipts:							
Taxes	-	-	2,218,203	-	-	-	11,725,021
Intergovernmental	-	-	181,195	-	-	-	2,295,415
Charges for services	-	-	-	-	-	-	902,725
Fines and forfeits	-	-	-	-	-	-	191,694
Other receipts	21,386	-	17,547	-	5,025,523	77,431	6,991,214
Total receipts	21,386	-	2,416,945	-	5,025,523	77,431	22,106,069
Disbursements:							
Personal services	-	-	-	-	5,029,595	-	11,376,996
Supplies	15,015	226	-	-	-	-	271,782
Other services and charges	4,810	-	800	-	-	34,944	2,140,786
Debt service - principal and interest	-	-	1,611,045	-	-	-	1,611,045
Capital outlay	-	-	-	-	-	8,400	3,608,307
Other disbursements	-	-	167,383	17,383	-	-	1,812,568
Total disbursements	19,825	226	1,779,228	17,383	5,029,595	43,344	20,821,484
Excess (deficiency) of receipts over disbursements	1,561	(226)	637,717	(17,383)	(4,072)	34,087	1,284,585
Cash and investments - ending	\$ 22,926	\$ 1,194	\$ 638,188	\$ -	\$ 34,013	\$ 1,449,493	\$ 17,370,948

ST. JOSEPH COUNTY PUBLIC LIBRARY  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ 321,200</u>	<u>\$ 180,212</u>

ST. JOSEPH COUNTY PUBLIC LIBRARY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Kansas State Bank	Copy machines	\$ 2,322	11-01-11	10-01-15
Kansas State Bank	Public copy machines	6,614	12-25-08	11-25-13
Kansas State Bank	Public Copy machines	2,851	05-27-09	04-27-13
Mail Finance	Postage machine	5,136	08-25-08	11-25-13
Toyota Financial Services	Director's automobile	<u>3,190</u>	08-24-10	07-24-13
Total of annual lease payments		<u>\$ 20,113</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Construction and renovation of branch buildings (Series 2007)	\$ 6,500,000	\$ 448,325
General obligation bonds	Construction and renovation of branch buildings (Series 2008)	<u>4,330,000</u>	<u>1,173,284</u>
Totals		<u>\$ 10,830,000</u>	<u>\$ 1,621,609</u>

ST. JOSEPH COUNTY PUBLIC LIBRARY  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2011

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	\$ 2,294,933
Buildings	35,148,769
Improvements other than buildings	2,125,798
Machinery, equipment and vehicles	6,649,947
Books and other	8,425,383
 Total capital assets	 \$ 54,644,830

ST. JOSEPH COUNTY PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

**NEGATIVE RECEIPTS AND DISBURSEMENTS**

The Library posts transfers and corrections between funds as negative receipts and disbursements. These negative receipts and disbursements when combined with other transactions have the effect of misstating total receipts and disbursements on the financial statements. The Library made corrections for these transactions included on their records prior to the filing of the 2011 Annual Report. The schedule below lists the negative receipt and disbursement totals by fund for 2010 which are included in the financial statement totals.

	<u>Receipts</u>	<u>Disbursements</u>
Operating	\$ 1,600,000	\$ 1,901
Rainy Day	150,000	-
Excess Welfare Distribution	54,360	-
Bond and Interest Redemption	403,587	-
Library Capital Projects	649,989	-
Construction 2007	-	13,078

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ST. JOSEPH COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 12, 2012, with Nancy L. Korpala, Treasurer; Donald J. Napoli, Director; and John P. Wibbens, President of the Board. The officials concurred with our finding.