

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY

ST. JOSEPH COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
10/17/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David J. Eisen	01-01-10 to 12-31-12
Treasurer	Dean L. Strycker	01-01-10 to 12-31-10
	Ellen F. West	01-01-11 to 12-31-11
	Marcia Wells	01-01-12 to 12-31-12
President of the Board	Maurice Van Bruaene	01-01-10 to 12-31-11
	Roland Morin	01-01-12 to 12-31-12



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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 accompanying financial statements of the Mishawaka-Penn-Harris 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.

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 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 19, 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.

MISHAWAKA-PENN-HARRIS 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	\$ 710,970	\$ 5,777,002	\$ 5,533,797	\$ 954,175
Endowment Fund	142,709	54,957	-	197,666
Construction Book Endowment Fund	54,957	-	54,957	-
Gift Fund	22,542	17,960	15,900	24,602
Rainy Day	255,215	74,478	-	329,693
Excell Welfare Distribution Fund	153,753	211	-	153,964
Plac	91	350	390	51
Bond And Interest Redemption 2008	(178,206)	1,365,845	883,641	303,998
Bond And Interest 2002	231,714	911,767	824,419	319,062
Library Improvement Reserve	282,323	40,000	41,740	280,583
Capital Projects	91,048	-	-	91,048
Construction Gift	35,168	-	35,168	-
Harris Gift Fund	6,022	35,168	-	41,190
Bettie Alice Scherzinger Fund	1,893	-	456	1,437
Yardley Fund	6,303	-	-	6,303
Ray Boomhower Gift Fund	-	2,500	-	2,500
David Lemonte Fund	31,912	-	-	31,912
Totals	<u>\$ 1,848,414</u>	<u>\$ 8,280,238</u>	<u>\$ 7,390,468</u>	<u>\$ 2,738,184</u>

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

MISHAWAKA-PENN-HARRIS 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	\$ 954,175	\$ 4,399,378	\$ 4,179,814	\$ 1,173,739
Rainy Day	329,693	-	-	329,693
Levy Excess Fund	-	9,867	-	9,867
Excell Welfare Distribution Fund	153,964	-	-	153,964
Library Improvement Reserve	280,583	50,000	31,639	298,944
Powell Family Gift Fund	-	500	-	500
Endowment Fund	197,666	-	-	197,666
Gift Fund	24,602	19,737	13,136	31,203
Plac	51	350	201	200
Bond And Interest Redemption 2008	303,998	487,804	562,177	229,625
Bond And Interest 2002	319,062	617,955	514,467	422,550
Capital Projects	91,048	-	-	91,048
Harris Gift Fund	41,190	105	1,004	40,291
Bettie Alice Scherzinger Fund	1,437	-	198	1,239
Yardley Fund	6,303	-	-	6,303
Ray Boomhower Gift Fund	2,500	-	991	1,509
David Lemonte Fund	31,912	-	-	31,912
Totals	<u>\$ 2,738,184</u>	<u>\$ 5,585,696</u>	<u>\$ 5,303,627</u>	<u>\$ 3,020,253</u>

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

MISHAWAKA-PENN-HARRIS 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 cultural 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, financial institution tax received from the state, auto excise surtax received from the state, and commercial vehicle excise tax received from the state.

Charges for services which can include, but are not limited to the following: user fees for certain library materials, copies of public records, copy machine and fax machine charges, and library card fees,

Fines and forfeits which include receipts derived from fines and penalties imposed for the violation of library rules and regulations.

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

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.

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, rental charges and 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).

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, machinery and equipment, and library materials 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.

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

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

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 and is then provided to the county council for their review, which can be either binding or non-binding. 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.

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

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

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/.

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.

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	Operating	Endowment Fund	Construction Book Endowment Fund	Gift Fund	Rainy Day	Excell Welfare Distribution Fund
Cash and investments - beginning	\$ 710,970	\$ 142,709	\$ 54,957	\$ 22,542	\$ 255,215	\$ 153,753
Receipts:						
Taxes	3,711,868	-	-	-	-	-
Intergovernmental	784,268	-	-	-	74,478	-
Charges for services	22,443	-	-	-	-	-
Fines and forfeits	179,074	-	-	-	-	-
Other receipts	<u>1,079,349</u>	<u>54,957</u>	<u>-</u>	<u>17,960</u>	<u>-</u>	<u>211</u>
Total receipts	<u>5,777,002</u>	<u>54,957</u>	<u>-</u>	<u>17,960</u>	<u>74,478</u>	<u>211</u>
Disbursements:						
Personal services	2,290,856	-	-	-	-	-
Supplies	130,523	-	-	1,527	-	-
Other services and charges	966,630	-	-	11,383	-	-
Capital outlay	555,922	-	-	2,990	-	-
Other disbursements	<u>1,589,866</u>	<u>-</u>	<u>54,957</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>5,533,797</u>	<u>-</u>	<u>54,957</u>	<u>15,900</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>243,205</u>	<u>54,957</u>	<u>(54,957)</u>	<u>2,060</u>	<u>74,478</u>	<u>211</u>
Cash and investments - ending	<u>\$ 954,175</u>	<u>\$ 197,666</u>	<u>\$ -</u>	<u>\$ 24,602</u>	<u>\$ 329,693</u>	<u>\$ 153,964</u>

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Plac	Bond And Interest Redemption 2008	Bond And Interest 2002	Library Improvement Reserve	Capital Projects	Construction Gift
Cash and investments - beginning	\$ 91	\$ (178,206)	\$ 231,714	\$ 282,323	\$ 91,048	\$ 35,168
Receipts:						
Taxes	-	1,013,367	595,158	-	-	-
Intergovernmental	-	73,485	39,830	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	350	278,993	276,779	40,000	-	-
Total receipts	350	1,365,845	911,767	40,000	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	883,641	824,419	-	-	-
Capital outlay	-	-	-	41,740	-	-
Other disbursements	390	-	-	-	-	35,168
Total disbursements	390	883,641	824,419	41,740	-	35,168
Excess (deficiency) of receipts over disbursements	(40)	482,204	87,348	(1,740)	-	(35,168)
Cash and investments - ending	\$ 51	\$ 303,998	\$ 319,062	\$ 280,583	\$ 91,048	\$ -

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Harris Gift Fund	Bettie Alice Scherzinger Fund	Yardley Fund	Ray Boomhower Gift Fund	David Lemonte Fund	Totals
Cash and investments - beginning	\$ 6,022	\$ 1,893	\$ 6,303	\$ -	\$ 31,912	\$ 1,848,414
Receipts:						
Taxes	-	-	-	-	-	5,320,393
Intergovernmental	-	-	-	-	-	972,061
Charges for services	-	-	-	-	-	22,443
Fines and forfeits	-	-	-	-	-	179,074
Other receipts	<u>35,168</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>1,786,267</u>
Total receipts	<u>35,168</u>	<u>-</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>8,280,238</u>
Disbursements:						
Personal services	-	-	-	-	-	2,290,856
Supplies	-	-	-	-	-	132,050
Other services and charges	-	-	-	-	-	2,686,073
Capital outlay	-	456	-	-	-	601,108
Other disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,680,381</u>
Total disbursements	<u>-</u>	<u>456</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>7,390,468</u>
Excess (deficiency) of receipts over disbursements	<u>35,168</u>	<u>(456)</u>	<u>-</u>	<u>2,500</u>	<u>-</u>	<u>889,770</u>
Cash and investments - ending	<u>\$ 41,190</u>	<u>\$ 1,437</u>	<u>\$ 6,303</u>	<u>\$ 2,500</u>	<u>\$ 31,912</u>	<u>\$ 2,738,184</u>

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	Operating	Rainy Day	Levy Excess Fund	Excell Welfare Distribution Fund	Library Improvement Reserve	Powell Family Gift Fund
Cash and investments - beginning	\$ 954,175	\$ 329,693	\$ -	\$ 153,964	\$ 280,583	\$ -
Receipts:						
Taxes	3,322,412	-	9,867	-	-	-
Intergovernmental	781,927	-	-	-	-	-
Charges for services	187,696	-	-	-	-	-
Other receipts	107,343	-	-	-	50,000	500
Total receipts	<u>4,399,378</u>	<u>-</u>	<u>9,867</u>	<u>-</u>	<u>50,000</u>	<u>500</u>
Disbursements:						
Personal services	2,317,387	-	-	-	-	-
Supplies	147,162	-	-	-	-	-
Other services and charges	924,049	-	-	-	-	-
Debt service - principal and interest	80,609	-	-	-	-	-
Capital outlay	660,607	-	-	-	31,639	-
Other disbursements	50,000	-	-	-	-	-
Total disbursements	<u>4,179,814</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>31,639</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>219,564</u>	<u>-</u>	<u>9,867</u>	<u>-</u>	<u>18,361</u>	<u>500</u>
Cash and investments - ending	<u>\$ 1,173,739</u>	<u>\$ 329,693</u>	<u>\$ 9,867</u>	<u>\$ 153,964</u>	<u>\$ 298,944</u>	<u>\$ 500</u>

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Endowment Fund	Gift Fund	Plac	Bond And Interest Redemption 2008	Bond And Interest 2002	Capital Projects
Cash and investments - beginning	\$ 197,666	\$ 24,602	\$ 51	\$ 303,998	\$ 319,062	\$ 91,048
Receipts:						
Taxes	-	-	-	414,159	534,275	-
Intergovernmental	-	-	-	34,606	44,641	-
Charges for services	-	-	350	-	-	-
Other receipts	-	19,737	-	39,039	39,039	-
Total receipts	-	19,737	350	487,804	617,955	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	2,275	-	-	-	-
Other services and charges	-	7,445	-	500	350	-
Debt service - principal and interest	-	-	-	561,677	514,117	-
Capital outlay	-	3,416	-	-	-	-
Other disbursements	-	-	201	-	-	-
Total disbursements	-	13,136	201	562,177	514,467	-
Excess (deficiency) of receipts over disbursements	-	6,601	149	(74,373)	103,488	-
Cash and investments - ending	<u>\$ 197,666</u>	<u>\$ 31,203</u>	<u>\$ 200</u>	<u>\$ 229,625</u>	<u>\$ 422,550</u>	<u>\$ 91,048</u>

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Harris Gift Fund	Bettie Alice Scherzinger Fund	Yardley Fund	Ray Boomhower Gift Fund	David Lemonte Fund	Totals
Cash and investments - beginning	\$ 41,190	\$ 1,437	\$ 6,303	\$ 2,500	\$ 31,912	\$ 2,738,184
Receipts:						
Taxes	-	-	-	-	-	4,280,713
Intergovernmental	-	-	-	-	-	861,174
Charges for services	-	-	-	-	-	188,046
Other receipts	105	-	-	-	-	255,763
Total receipts	105	-	-	-	-	5,585,696
Disbursements:						
Personal services	-	-	-	-	-	2,317,387
Supplies	-	198	-	-	-	149,635
Other services and charges	1,004	-	-	-	-	933,348
Debt service - principal and interest	-	-	-	-	-	1,156,403
Capital outlay	-	-	-	991	-	696,653
Other disbursements	-	-	-	-	-	50,201
Total disbursements	1,004	198	-	991	-	5,303,627
Excess (deficiency) of receipts over disbursements	(899)	(198)	-	(991)	-	282,069
Cash and investments - ending	\$ 40,291	\$ 1,239	\$ 6,303	\$ 1,509	\$ 31,912	\$ 3,020,253

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2002 Branch Construction G.O. Bond	\$ 2,970,000	\$ 475,830
General obligation bonds	General obligation Refunding Bonds of 2008	<u>2,605,000</u>	<u>519,040</u>
Totals		<u>\$ 5,575,000</u>	<u>\$ 994,870</u>

MISHAWAKA-PENN-HARRIS 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	\$ 484,641
Buildings	14,119,972
Improvements other than buildings	1,225,954
Machinery, equipment and vehicles	1,569,709
Books and other	11,431,946
Total capital assets	\$ 28,832,222

MISHAWAKA-PENN-HARRIS PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 19, 2012, with David J. Eisen, Director; Marcia Wells, Treasurer; and Roland Morin, President of the Board. Our examination disclosed no material items that warrant comment at this time.