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January 12, 2015

TO: THE OFFICIALS OF THE FRANKLIN COUNTY PUBLIC
LIBRARY DISTRICT, FRANKLIN COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Franklin County Public Library District (Library), for the period of January 1, 2010 to December 31, 2013, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Library's financial statements, we did not follow *generally accepted auditing standards*. Accordingly, we do not express an opinion on any basic financial statement of the Library.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Library's Annual Financial Reports filed for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/. For years 2011 and later, the Annual Financial Reports filed by the Library can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Unresolved Comment From Prior Report

- *The Treasurer was not bonded for the period January 1, 2013 to September 17, 2014.*

Current Period Comments


- *The beginning balances for individual funds reported in the Library's ledger at January 1, 2011, did not agree to the individual funds ending balances reported on the Annual Financial Report at December 31, 2010. The total balances for all funds did agree. The Annual Financial Report filed on Gateway for 2011, 2012, and 2013 did not agree to the ledger activity and balances. The following variances were noted:*

| Years | Fund | Category | Amount Per Ledger | Amount Per Gateway | Difference |
|-------|-----------------------------|-------------------|-------------------|--------------------|--------------|
| 2011 | Operating | Beginning Balance | \$ 1,312,849.51 | \$ 1,222,849.51 | \$ 90,000.00 |
| 2011 | Library Improvement Reserve | Beginning Balance | 56,181.95 | 36,181.95 | 20,000.00 |
| 2011 | Gift Cash | Beginning Balance | 142,975.35 | 99,978.32 | 42,997.03 |
| 2011 | Payroll Withholdings | Beginning Balance | 2,095.94 | - | 2,095.94 |
| 2011 | Library Capital Projects | Beginning Balance | 51,433.28 | 71,433.28 | (20,000.00) |
| 2011 | Operating | Receipts | 741,551.61 | 771,566.61 | (30,015.00) |
| 2011 | Gift Cash | Receipts | 48,787.48 | 73,784.51 | (24,997.03) |
| 2011 | Payroll Withholdings | Receipts | 61,720.19 | - | 61,720.19 |
| 2011 | Library Capital Projects | Receipts | 25,249.46 | 15,249.46 | 10,000.00 |
| 2011 | Operating | Disbursements | 687,983.62 | 635,870.86 | 52,112.76 |
| 2011 | Gift Cash | Disbursements | 66,721.89 | 48,721.89 | 18,000.00 |
| 2011 | Payroll Withholdings | Disbursements | 63,417.34 | - | 63,417.34 |
| 2011 | Library Capital Projects | Disbursements | 55,312.52 | 34,524.52 | 20,788.00 |
| 2011 | Operating | Ending Balance | 1,366,417.50 | 1,358,545.26 | 7,872.24 |
| 2011 | Library Improvement Reserve | Ending Balance | 61,698.11 | 41,698.11 | 20,000.00 |
| 2011 | Payroll Withholdings | Ending Balance | 398.79 | - | 398.79 |
| 2011 | Library Capital Projects | Ending Balance | 21,370.22 | 52,158.22 | (30,788.00) |
| 2011 | State Tech Grant | Ending Balance | 3,688.45 | 1,864.98 | 1,823.47 |
| 2012 | Operating | Beginning Balance | 1,366,417.50 | 1,358,545.26 | 7,872.24 |
| 2012 | Library Improvement Reserve | Beginning Balance | 61,698.11 | 41,698.11 | 20,000.00 |
| 2012 | Payroll Withholdings | Beginning Balance | 398.79 | - | 398.79 |
| 2012 | Library Capital Projects | Beginning Balance | 21,370.22 | 52,158.22 | (30,788.00) |
| 2012 | State Tech Grant | Beginning Balance | 3,688.45 | 1,864.98 | 1,823.47 |
| 2012 | Operating | Receipts | 897,263.14 | 964,838.39 | (67,575.25) |
| 2012 | Payroll Withholdings | Receipts | 69,398.52 | - | 69,398.52 |
| 2012 | Library Capital Projects | Receipts | 92,789.83 | 62,001.83 | 30,788.00 |
| 2012 | Operating | Disbursements | 673,762.77 | 729,951.43 | (56,188.66) |
| 2012 | Library Improvement Reserve | Disbursements | 20,000.00 | - | 20,000.00 |
| 2012 | Payroll Withholdings | Disbursements | 66,976.66 | - | 66,976.66 |
| 2012 | State Tech Grant | Disbursements | 3,053.47 | 1,230.00 | 1,823.47 |
| 2012 | Operating | Ending Balance | 1,591,010.36 | 1,593,432.22 | (2,421.86) |
| 2012 | Payroll Withholdings | Ending Balance | 1,728.36 | - | 1,728.36 |
| 2013 | Operating | Beginning Balance | 1,591,010.36 | 1,593,432.22 | (2,421.86) |
| 2013 | Payroll Withholdings | Beginning Balance | 1,728.36 | - | 1,728.36 |
| 2013 | Operating | Receipts | 963,435.75 | 1,046,796.04 | (83,360.29) |
| 2013 | Payroll Withholdings | Receipts | 83,360.29 | - | 83,360.29 |
| 2013 | Library Capital Projects | Receipts | 189.04 | 299.01 | (109.97) |
| 2013 | Operating | Disbursements | 701,529.59 | 787,311.74 | (85,782.15) |
| 2013 | Payroll Withholdings | Disbursements | 83,889.21 | - | 83,889.21 |
| 2013 | Library Capital Projects | Disbursements | 70,710.07 | 70,820.04 | (109.97) |
| 2013 | Payroll Withholdings | Ending Balance | 1,199.44 | - | 1,199.44 |

- *Payroll withholding funds were not included in the Library Annual Financial Report filed on Gateway for 2011, 2012, and 2013.*
- *Disbursements for some payments were not properly supported by detailed documentation for 2010, 2011, 2012, and 2013. A test of claims for seven months during the review period revealed six disbursements for which detailed supporting documentation was not presented, including three credit card payments, one store credit payment, one vendor, and one travel reimbursement. In addition, sales tax was either paid or reimbursed on four claims.*
- *In December 2013, the Library purchased 20 gift baskets from the Franklin County FFA at a cost of \$460. The Library provided these gifts to employees from the Library Board. There does not appear to be a business purpose for this disbursement. We requested the Board reimburse the Library for the cost of the gift baskets.*

This letter is intended for the information and use of the governing body and management of the Library. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on September 15, 2014, with Brian G. Campbell, Treasurer; Hubert Branstetter, Board member; Melody L. Gault, Director; and Heidi L. Smith, Finance Officer.


Paul D. Joyce, CPA
State Examiner