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July 13, 2015

TO: THE OFFICIALS OF THE ORLEANS PUBLIC LIBRARY, ORANGE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Orleans Public Library (Library), for the period of January 1, 2010 to December 31, 2012, 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/](http://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.

**Current Period Comments**

- *The Library did not reconcile the Payroll Withholdings fund on a regular basis and, as a result, deficit cash balances have occurred as shown in the following schedule:*

<u>Years</u>	<u>Fund</u>	<u>Amount</u>
2010	Payroll Withholding	\$ 554.85
2011	Payroll Withholding	885.08
2012	Payroll Withholding	2,230.11


*The Library Director, with the assistance of the software provider, determined that the deficit cash balances were primarily the result of posting errors whereby the processing of withholdings transactions were not always run through the Payroll Deduction fund. The Library Director also stated that correcting transfers would be made in the year 2015 that should eliminate the deficit cash balance.*

- *The Annual Financial Report for 2010 was not filed until April 19, 2011, which was 49 days after the due date.*
- *The Library Board did not adopt a salary schedule or resolution establishing salaries of Library officers and employees for years 2010, 2011, or 2012.*

Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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 June 11, 2015, with Deborah M. Stone, Library Director, and by telephone on June 18, 2015, with Kelly Minton, former Treasurer.

  
Paul D. Joyce, CPA  
State Examiner