

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

RIDGEVILLE PUBLIC LIBRARY

RANDOLPH COUNTY, INDIANA

January 1, 2012 to December 31, 2014



**FILED**  
05/12/2016



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Transmittal Letter .....	3
Examination Results and Comments:	
Official Bonds.....	4
Compensation and Benefits .....	4
Rainy Day Fund .....	4-5
Errors on Claims .....	5
Exit Conference.....	6

#### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marcella McCormick Ruth McCormick	01-01-12 to 07-28-15 07-29-15 to 12-31-15
Treasurer	Barbara Jean Lee Janice Mock	07-01-11 to 06-30-13 07-01-13 to 06-30-16
President of the Board	Shirley H. Tharp	07-01-12 to 06-30-16



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TO: THE OFFICIALS OF THE RIDGEVILLE PUBLIC LIBRARY, RANDOLPH COUNTY, INDIANA

This report is supplemental to our examination report of the Ridgeville Public Library (Library), for the period from January 1, 2012 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Library. It should be read in conjunction with our Financial Statements Examination Report of the Library, which provides our opinion on the Library's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

September 2, 2015

RIDGEVILLE PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

**OFFICIAL BONDS**

The amount of the Treasurer's bond was \$8,500 each year during the examination period.

The Treasurer shall give a surety bond for the faithful performance of duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be:

1. written by an insurance company licensed to do business in Indiana;
2. for the term of office of the treasurer; (The term of office is one year)
3. in an amount determined by the library board; (It is recommended that the minimum amount of a Treasurer's bond be at least \$15,000)
4. paid for with the money from the library fund;
5. payable to the State of Indiana;
6. approved by the library board; and
7. deposited in the office of the recorder of the county in which the library district is located.  
[IC 36-12-2-22]

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

**COMPENSATION AND BENEFITS**

The Library Board did not approve a salary schedule for the examination period. Time cards were not maintained by hourly employees.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

**RAINY DAY FUND**

Monthly County Adjusted Gross Income Tax (CAGIT) distributions in the amounts of \$3,692, \$3,616, and \$3,842 for 2012, 2013, and 2014, respectively, were posted to the Rainy Day fund rather than the General fund. Only excess or supplemental distributions may be posted to the Rainy Day fund.

RIDGEVILLE PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

IC 36-1-8-5.1 allows a library to establish a rainy day fund to receive transfers of unused and unencumbered funds. The rainy day fund is subject to the same appropriation process as other funds that receive tax money. The fund should be established by resolution and the resolution should state the purposes and sources of funding for the fund. In any fiscal year, a library may transfer not more than ten percent (10%) of the library's total annual budget for that fiscal year to the rainy day fund.

If a library receives supplemental distributions of CAGIT under IC 6-3.5-1.1-21.1 or COIT under IC 6-3.5-6-17.3, such distributions must be receipted to the rainy day fund. Dormant fund balances under IC 36-1-8-5 may also be transferred to the rainy day fund. Transfers of supplemental distributions of CAGIT or COIT transfers of dormant fund balances are not subject to the ten percent (10%) transfer limit.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 3)

***ERRORS ON CLAIMS***

A sample of claims identified the following deficiency with an error rate greater than 10 percent:

- 15 percent did not have adequate supporting documentation. This error resulted in \$657 of disbursements which did not have adequate supporting documentation.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

RIDGEVILLE PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 2, 2015, with Ruth McCormick, Director; Janice Mock, Treasurer; and David Cook, member of the Board.