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October 14, 2016

TO: THE OFFICIALS OF THE PUTNAM COUNTY PUBLIC LIBRARY, PUTNAM COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Putnam County Public Library (Library), for the period of January 1, 2012 to December 31, 2015, 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 auditing standards generally accepted in the United States of America. 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 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 Annual Financial Report (AFR) filed for 2012, 2013, 2014, and 2015 did not match the Library's records as shown below:*

Years	Fund	Category	Amount Per AFR	Amount Per Ledger	Difference
2012	Operating	Beg Bal	\$ 335,621.32	\$ 335,542.39	\$ (78.93)
2012	Operating	End Bal	363,971.82	363,892.89	(78.93)
2012	Gift	Beg Bal	199,394.58	197,725.07	(1,669.51)
2012	Gift	Receipt	48,034.28	39,522.97	(8,511.31)
2012	Gift	Disb	52,700.48	45,246.27	(7,454.21)
2012	Gift	End Bal	194,728.38	192,001.77	(2,726.61)
2012	Gift FOL	Beg Bal	-	1,669.73	1,669.73
2012	Gift FOL	Receipt	-	8,511.31	8,511.31
2012	Gift FOL	Disb	-	7,454.21	7,454.21
2012	Gift FOL	End Bal	-	2,726.83	2,726.83
2012	Public Library Access Card	Receipt	200.00	-	(200.00)
2012	Public Library Access Card	Disb	200.00	-	(200.00)
2012	Cash Change	Beg Bal	50.00	-	(50.00)
2012	Cash Change	End Bal	50.00	-	(50.00)

Years	Fund	Category	Amount Per AFR	Amount Per Ledger	Difference
2012	Petty Cash	Beg Bal	50.00	-	(50.00)
2012	Petty Cash	End Bal	50.00	-	(50.00)
2013	Gift	Beg Bal	194,728.38	192,001.77	(2,726.61)
2013	Gift	Receipt	69,623.45	62,267.11	(7,356.34)
2013	Gift	Disb	85,533.33	77,700.42	(7,832.91)
2013	Gift	End Bal	178,818.50	176,568.46	(2,250.04)
2013	Gift FOL	Beg Bal	-	2,726.83	2,726.83
2013	Gift FOL	Receipt	-	7,356.12	7,356.12
2013	Gift FOL	Disb	-	7,832.91	7,832.91
2013	Gift FOL	End Bal	-	2,250.04	2,250.04
2013	Cash Change	Beg Bal	50.00	-	(50.00)
2013	Cash Change	End Bal	50.00	-	(50.00)
2013	Petty Cash	Beg Bal	50.00	-	(50.00)
2013	Petty Cash	End Bal	50.00	-	(50.00)
2014	Library Improvement Reserve	Receipt	-	150,000.00	150,000.00
2014	Library Improvement Reserve	Disb	150,000.00	300,000.00	150,000.00
2014	Gift	Beg Bal	178,818.50	176,568.46	(2,250.04)
2014	Gift	Receipt	54,322.91	48,482.50	(5,840.41)
2014	Gift	Dib	94,755.30	88,973.22	(5,782.08)
2014	Gift	End Bal	138,386.11	136,077.74	(2,308.37)
2014	Gift FOL	Beg Bal	-	2,250.05	2,250.05
2014	Gift FOL	Receipt	-	4,840.41	4,840.41
2014	Gift FOL	Disb	-	5,782.08	5,782.08
2014	Gift FOL	End Bal	-	2,308.37	2,308.37
2014	Cash Change	Beg Bal	50.00	-	(50.00)
2014	Cash Change	End Bal	50.00	-	(50.00)
2014	Petty Cash	Receipt	17.76	-	(17.76)
2014	Petty Cash	End Bal	17.76	-	(17.76)
2015	Gift	Beg Bal	138,386.11	136,077.74	(2,308.37)
2015	Gift	Receipt	48,663.54	42,892.02	(5,771.52)
2015	Gift	Disb	44,852.98	38,674.58	(6,178.40)
2015	Gift	End Bal	142,196.67	140,295.18	(1,901.49)
2015	Gift FOL	Beg Bal	-	2,308.37	2,308.37
2015	Gift FOL	Receipt	-	5,771.52	5,771.52
2015	Gift FOL	Disb	-	6,178.40	6,178.40
2015	Gift FOL	End Bal	-	1,901.49	1,901.49
2015	Cash Change	Beg Bal	50.00	-	(50.00)
2015	Cash Change	End Bal	50.00	-	(50.00)
2015	Petty Cash	Beg Bal	17.76	-	17.76
2015	Petty Cash	End Bal	17.76	-	17.76

- *The Treasurer's Surety Bond was insufficient per the Indiana Code. The Library purchased a public official position schedule bond, however, the bond was not recorded in the County Recorder's office.*
- *The General Ledger for 2012 was not presented for examination.*
- *The Library Board did not adopt a salary schedule establishing the compensation of officers and employees for 2012, 2013, 2014, and 2015.*

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 August 29, 2016, with Grier Carson, Director, and Lisa Barker, Treasurer. Any Official Response attached to this letter was not verified for accuracy.

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

September 6, 2016

OFFICIAL RESPONSE

State Board of Accounts
302 West Washington Street
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Indianapolis, IN 46204-2765

To Whom It May Concern:

This letter is in response to the 2016 audit of the Putnam County Public Library (examination period January 1, 2012 to December 31, 2015) as regards areas for improvement listed in the auditor's report. The recommended areas for improvement and our subsequent plans are as follows:

- The auditor's report states that the library board treasurer's bond was purchased but not filed (the bond has now been filed and is on schedule to be renewed annually)
- The library's staff wage ordinance was not in place for January 1 (the wage ordinance has been drafted and is now in place)
- The petty cash balance was not included in the library accountant's ledgers (as we no longer use this petty cash fund, we will move to transfer the existing petty cash balance to the library miscellaneous revenue line and dissolve the petty cash balance going forward)
- The Circulation Department cash change drawer balance was not included in the library accountant's ledgers (we will add this balance going forward)
- The Friends of the Library (FOL) gift fund was not included in the Gateway report (we will add this gift fund in our Gateway reporting going forward)

On behalf of the board of trustees of the Putnam County Public Library, I submit this letter to be included in the publication of the auditor's report.

Sincerely,

Grier Carson
Director
Putnam County Public Library