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B45921

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February 29, 2016

TO: THE OFFICIALS OF THE MELTON 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 Melton Public Library (Library), for the period of January 1, 2011 to December 31, 2014, 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 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 financial institution did not return the actual cancelled checks with the monthly bank statements during the review period. Instead, the financial institution returned only the optical image of the front side of the checks for the dates of September 1, 2012 to May 31, 2014, and from October 1, 2014 to December 31, 2014. The back side or endorsement side of the checks were not returned for the specified date ranges.*
- *The following receipts were deposited later than the next business day following the receipt of funds:*

<u>Receipt Numbers</u>	<u>Received From</u>	<u>Date Received</u>	<u>Date Deposited</u>
20212	Report of Daily Collections	02-15-13	02-20-13
20203	Report of Daily Collections	02-28-13	03-05-13
20204	Report of Daily Collections	03-01-13	03-05-13
20626	Report of Daily Collections	08-29-14	09-04-14
20627	Report of Daily Collections	08-30-14	09-04-14

- *Several payments were observed which were not supported by adequate documentation, such as receipts, invoices, and other public records. We noted instances of credit card purchases for library items without proper supporting documentation.*
- *Instances were noted where employees were reimbursed for library items purchased which were not supported by adequate documentation, such as receipts, invoices or other public records.*

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 January 14, 2016, with Susie Owen, Director and Susan Freeman, Treasurer. Any Official Response attached to this letter was not verified for accuracy.

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