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July 28, 2016

TO: THE OFFICIALS OF THE MORRISSON-REEVES LIBRARY, WAYNE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Morrison-Reeves 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 Reports (AFR) filed for 2012, 2013, 2014, and 2015 contained a number of errors and did not match the Library's records. Two investment trust funds were not included in the Library's records or reporting. These errors have been corrected in the AFR filed on Gateway. Differences between the AFR and ledger were as follows:*

Years	Fund	Category	Amount Per AFR	Amount Per Corrected Ledger	Difference
2012	Brown Trust	Beginning Balance	\$ -	\$ 1,107,137.58	\$ (1,107,137.58)
2012	Brown Trust	Receipts	-	116,596.20	(116,596.20)
2012	Brown Trust	Disbursements	-	71,743.63	(71,743.63)
2012	Brown Trust	Ending Balance	-	1,151,990.15	(1,151,990.15)
2012	Lumpkin Trust	Receipts	-	1,577,739.29	(1,577,739.29)
2012	Lumpkin Trust	Disbursements	-	6,059.87	(6,059.87)
2012	Lumpkin Trust	Ending Balance	-	1,571,679.42	(1,571,679.42)
2013	Brown Trust	Beginning Balance	-	1,151,990.15	(1,151,990.15)
2013	Brown Trust	Receipts	-	158,564.58	(158,564.58)
2013	Brown Trust	Disbursements	-	73,995.82	(73,995.82)
2013	Brown Trust	Ending Balance	-	1,236,558.91	(1,236,558.91)
2013	Lumpkin Trust	Beginning Balance	-	1,571,679.42	(1,571,679.42)
2013	Lumpkin Trust	Receipts	-	487,165.11	(487,165.11)
2013	Lumpkin Trust	Disbursements	-	135,610.88	(135,610.88)
2013	Lumpkin Trust	Ending Balance	-	1,923,233.65	(1,923,233.65)
2014	Brown Trust	Beginning Balance	-	1,236,558.91	(1,236,558.91)
2014	Brown Trust	Receipts	-	51,201.08	(51,201.08)
2014	Brown Trust	Disbursements	-	84,497.33	(84,497.33)
2014	Brown Trust	Ending Balance	-	1,203,262.66	(1,203,262.66)
2014	Lumpkin Trust	Beginning Balance	-	1,923,233.65	(1,923,233.65)
2014	Lumpkin Trust	Receipts	-	95,591.47	(95,591.47)
2014	Lumpkin Trust	Disbursements	-	166,039.36	(166,039.36)
2014	Lumpkin Trust	Ending Balance	-	1,852,785.76	(1,852,785.76)
2015	Brown Trust	Beginning Balance	-	1,203,262.66	(1,203,262.66)
2015	Brown Trust	Receipts	-	27,778.64	(27,778.64)
2015	Brown Trust	Disbursements	-	127,678.38	(127,678.38)
2015	Brown Trust	Ending Balance	-	1,103,362.92	(1,103,362.92)
2015	Lumpkin Trust	Beginning Balance	-	1,852,785.76	(1,852,785.76)
2015	Lumpkin Trust	Receipts	-	46,358.53	(46,358.53)
2015	Lumpkin Trust	Disbursements	-	303,372.83	(303,372.83)
2015	Lumpkin Trust	Ending Balance	-	1,595,771.46	(1,595,771.46)

- *The Operating fund was overdrawn at December 31, 2014 by \$11,271.*
- *The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the checks. The back side or endorsement side of the checks was not returned.*

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 May 11, 2016, with Kent Klinge, Treasurer; Paris Pegg, Director; and Barbara Judy, Bookkeeper. Any Official Response attached to this letter was not verified for accuracy.

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