

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

HAMMOND PUBLIC LIBRARY

LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2015



**FILED**  
02/28/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Rene' L. Greenleaf	01-01-11 to 12-31-17
Treasurer	Rosemary Kaplan Caryn Janiga	01-01-11 to 12-31-13 01-01-14 to 12-31-17
President of the Board	Paul Taylor Carol Odom	01-01-11 to 12-31-15 01-01-16 to 12-31-17



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TO: THE OFFICIALS OF THE HAMMOND PUBLIC LIBRARY, LAKE COUNTY, INDIANA

This report is supplemental to our examination report of the Hammond Public Library (Library), for the period from January 1, 2011 to December 31, 2015. 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 Result and Comment contained herein describes 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

January 12, 2017

HAMMOND PUBLIC LIBRARY  
EXAMINATION RESULT AND COMMENT

**TEMPORARY LOANS BETWEEN FUNDS**

A \$10,000 balance of a temporary loan between funds from 2010 remained unpaid as of December 31, 2015. The Library Board of Trustees approved a resolution on March 29, 2011, to repay the unpaid balance from the Operating to the Rainy Day fund. However, the repayment was not posted to the ledger once approved.

In addition, 2011 temporary loans made from the Rainy Day to the Operating fund were not fully repaid as of December 31, 2011, as required by statute. A balance of \$16,250 remained unpaid as of December 31, 2015.

As of December 31, 2015 the Operating fund owes the Rainy Day fund for outstanding temporary loans totaling \$26,250.

Indiana Code 36-1-8-4 states:

"(a) The fiscal body of a political subdivision may, by ordinance or resolution, permit the transfer of a prescribed amount, for a prescribed period, to a fund in need of money for cash flow purposes from another fund of the political subdivision if all these conditions are met:

1. It must be necessary to borrow money to enhance the fund that is in need of money for cash flow purposes.
2. There must be sufficient money on deposit to the credit of the other fund that can be temporarily transferred.
3. Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs.
4. The amount transferred must be returned to the other fund at the end of the prescribed period.
5. Only the revenues derived from the levying and collection of property taxes or special taxes or from operation of the political subdivision may be included in the amount transferred.

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

1. Passes an ordinance or a resolution that contains the following:
  - A. A statement that the fiscal body has determined that an emergency exists.
  - B. A brief description of the grounds for the emergency.
  - C. The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
2. Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

## Official Response

The Hammond Public Library had its exit conference for our audit on January 12, 2017. We were found to not have repaid temporary Rainy Day Fund loans to the Operating Fund in the amount of \$16,250 for the year 2011, and for \$10,000 for the year 2010.

To correct this, we will transfer \$26,250 from the Operating Fund back to the Rainy Day Fund. Then we will document the reason for the correction. This will take place following our next Hammond Public Library Board of Trustees meeting on January 31, 2017.

Thank you,

Cornell White  
Financial Analyst  
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HAMMOND PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on January 12, 2017, with Rene' L. Greenleaf, Director; Caryn Janiga, Treasurer; Carol Odom, President of the Board; Cornell White, Financial Analyst; and Whitney Chapman, Administrative Services Manager.