

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

LAGRANGE COUNTY PUBLIC LIBRARY

LAGRANGE COUNTY, INDIANA

January 1, 2012 to December 31, 2016



**FILED**  
11/20/2017



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary Hooley	01-01-12 to 11-30-12
	Diana Randall	12-01-12 to 01-09-15
	Katie Bir (interim)	01-10-15 to 09-30-15
	Richard Kuster	10-01-15 to 12-31-17
Treasurer	Amber Taylor, CPA	01-01-12 to 04-15-16
	Kimberly Dunkel	04-16-16 to 12-31-17
President of the Board	Jerry White	01-01-12 to 12-31-13
	Martin Franke	01-01-14 to 12-31-15
	Diane Cameron	01-01-16 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDIANAPOLIS, INDIANA 46204-2769

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

This report is supplemental to our examination report of the LaGrange County Public Library (Library), for the period from January 1, 2012 to December 31, 2016. 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

November 6, 2017

LAGRANGE COUNTY PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

***BANK ACCOUNT RECONCILIATIONS***

Bank account reconciliations were not prepared for the months of April through December 2016. We calculated the total reconciled cash and investments balance at December 31, 2016, to be \$1,693,608. Total cash and investments reported on the Library's Annual Financial Report at December 31, 2016, was \$1,727,748.

In April 2016, Library officials discontinued the services of the certified public accountant who served as the Library's Treasurer. The Library installed accounting software to be utilized in-house, but were unable to properly implement and utilize the system. In September 2017, the Library engaged another certified public accounting firm to perform bookkeeping services.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

***CONDITION OF RECORDS***

For the period April 1 to December 31, 2016, the Library did not properly maintain a ledger of receipts, disbursements and balances (funds ledger). All transactions for the period were posted to the General fund.

In April 2016, Library officials discontinued the services of the certified public accountant who served as the Library's Treasurer. The Library installed accounting software to be utilized in-house, but were unable to properly implement and utilize the system. In September 2017, the Library engaged another certified public accounting firm to perform bookkeeping services.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

**LaGrange County Public Library**  
**203 West Spring Street, LaGrange, IN 46761**  
**(260)-463-2841**

November 15, 2017

State Board of Accounts  
302 West Washington Street  
Room E 418  
Indianapolis, Indiana 46204-2765

**SUBJECT:** Official Response to Examination Results and Comments  
for January 1, 2012, to December 31, 2016

Dear State Board of Accounts,

The LaGrange County Public Library recently completed an audit for the period January 1, 2012, through December 31, 2016. The following are the Library's response to the Examination Results and Comments:

**BANK ACCOUNT RECONCILIATIONS**

- During the specified period, bank reconciliations were done manually for all funds except the General Fund.
- The General Fund financial summaries and reports were done during the specified period using the Library's new accounting software. However, while using this software, the Library was unable to generate financial summaries and reports in an acceptable format.
- The Library has employed a new CPA firm and financial summaries and reports for the calendar year 2017 and beyond will be prepared by the CPA firm using a different accounting software system.

**CONDITION OF RECORDS**

- During the specified time period, a ledger was kept manually for all funds except the General Fund.
- Records were maintained for the General Fund using the Library's new accounting software. However, while using the new accounting software, the Library was unable to generate reports for the General Fund in an acceptable format.
- The Library has employed a new CPA firm and reports for the calendar year 2017 and beyond will be prepared by the CPA firm using a different accounting software system.

Thank you for your advice and assistance in this matter,

Respectfully yours,



Richard Kuster, Library Director

LAGRANGE COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on November 6, 2017, with Richard Kuster, Director; Kimberly Dunkel, Treasurer; and Diane Cameron, President of the Board.