

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

SUPPLEMENTAL COMPLIANCE REPORT  
OF  
WEST LAFAYETTE PUBLIC LIBRARY  
TIPPECANOE COUNTY, INDIANA  
January 1, 2012 to December 31, 2016



**FILED**  
12/06/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Nick Schenkel	01-01-12 to 12-31-17
Treasurer	Jeffery Schwab Mark Pugh Anastasia Krutulis	07-01-11 to 06-30-12 07-01-12 to 06-30-17 07-01-17 to 06-30-18
President of the Library Board	Nancy Dunn Jeffery Schwab	07-01-11 to 06-30-12 07-01-12 to 06-30-18



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AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE WEST LAFAYETTE PUBLIC LIBRARY, TIPPECANOE COUNTY, INDIANA

This report is supplemental to our examination report of the West Lafayette 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 21, 2017

WEST LAFAYETTE PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

The Financial Statements Examination Report for the Library included the following funds with overdrawn cash balances:

Fund	Amount Overdrawn At 12-31-12	Amount Overdrawn At 12-31-13	Amount Overdrawn At 12-31-14
Operating Fund	\$ 28,583	\$ 19,250	\$ 52,605
RDA Toolkit Fund	-	370	-
Library Capital Projects Fund	-	4,677	-
Gifts And Memorials	-	770	-
Debt Service Fund	-	58,274	-

The same comment also appeared in prior Reports B33797, B38009, and B41996.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

**ANNUAL FINANCIAL REPORT**

The Annual Financial Reports for 2012 through 2016 did not match the records of the Library. Funds were omitted from the financial statements resulting in material understatements as shown in the table below. The financial statements have been adjusted with management's approval and are now fairly presented in the Financial Statements Examination Report for the Library.

Years	Fund	Beginning Balance	Receipts	Disbursements	Ending Balance
2012	BONY Sinking Fund	\$ -	\$ 475,141	\$ -	\$ 475,141
	BONY Oper & Reserve	-	8,541	-	8,541
	BONY Escrow Acct	-	7,303,896	471,855	6,832,041
	BONY 2003 Construction Acct	75,646	-	-	75,646
2013	BONY Sinking Fund	475,141	890,000	920,141	445,000
	BONY Oper & Reserve	8,541	7,242	-	15,783
	BONY Escrow Acct	6,832,041	-	6,832,041	-
	BONY 2003 Construction Acct	75,646	-	-	75,646
2014	BONY Sinking Fund	445,000	885,000	887,500	442,500
	BONY Oper & Reserve	15,783	4,701	-	20,484
	BONY 2003 Construction Acct	75,646	-	75,646	-

WEST LAFAYETTE PUBLIC LIBRARY  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Years	Fund	Beginning Balance	Receipts	Disbursements	Ending Balance
2015	BONY Sinking Fund	442,500	888,000	886,500	444,000
	BONY Oper & Reserve	20,484	3,753	-	24,237
2016	BONY Sinking Fund	444,000	888,131	888,081	444,050
	BONY Oper & Reserve	24,237	4,663	-	28,900

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

**APPROPRIATIONS**

The following expenditures were in excess of budgeted appropriations:

Fund	Years	Excess Amount Expended
Operating Fund	2012	\$ 1,122
Debt Service Fund	2012	3,802
Debt Service Fund	2013	1,939
Operating Fund	2014	170,833
Debt Service Fund	2014	3,273
Library Capital Projects Fund	2014	33,786
Operating Fund	2015	177,946
Debt Service Fund	2015	2,123
Debt Service Fund	2016	1,672

The same comment also appeared in prior Reports B33797, B38009, and B41996.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

WEST LAFAYETTE PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on November 21, 2017, with Mark Pugh, former Treasurer and Vice President of the Library Board; Jeffery Schwab, former Treasurer and President of the Library Board; Anastasia Krutulis, Treasurer; and Nicholas Schenkel, Director.