

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

COMPLIANCE EXAMINATION REPORT

OF

MOORESVILLE PUBLIC LIBRARY

MORGAN COUNTY, INDIANA

January 1, 2021 to December 31, 2022



**FILED**

10/05/2023



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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October 5, 2023

To: The Officials of the Mooresville Public Library  
Mooresville Public Library  
32 W Main Street  
Mooresville, IN 46158

This report is supplemental to the audit report of the Mooresville Public Library (Library), for the period from January 1, 2021 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the Library. It should be read in conjunction with the financial statement audit report of the Library, which provides an 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 engaged private examiners under our review to perform the audit of the Library and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Mooresville Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2021 to December 31, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 through 4.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF**  
**MOORESVILLE TOWNSHIP LIBRARY**  
Morgan County, Indiana  
January 1, 2021 to December 31, 2022

MOORESVILLE TOWNSHIP LIBRARY

Mooreville, Indiana  
January 1, 2021 to December 31, 2022

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MOORESVILLE TOWNSHIP LIBRARY  
SCHEDULE OF OFFICIALS  
January 1, 2021 to December 31, 2022

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<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Ashley Duke	01-01-21 to 12-31-22
President of the Board	Steve Saucerman	01-01-21 to 12-31-22

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the Mooresville Township Library

We have examined the Mooresville Township Library ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period January 1, 2021 to December 31, 2022. Management of the District is responsible for the Library's compliance with the specified requirements. Our responsibility is to express an opinion on the Library's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Library complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Library complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Library's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Guidelines Manual For Libraries* applicable to the Library during the period January 1, 2021 to December 31, 2022, as described items 2022-001 through 2022-002 on the following Schedule of Examination Findings and Results.

In our qualified opinion, except for the material noncompliance described in the preceding paragraph, the Library complied, in all material respects, with the aforementioned requirements during the period January 1, 2021 to December 31, 2022.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
September 29, 2023

MOORESVILLE TOWNSHIP LIBRARY  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2021 to December 31, 2022

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**FINDING 2022-001: INTERNAL CONTROLS**

**Criteria:** The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual: *"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."*

**Condition:** We noted that 2021 and 2022 Annual Financial Reports (AFR) cash balances did not agree to the underlying Funds Ledgers. A primary difference was that the AFR reflected a LIRF fund cash balance that was approximately \$12,700 higher than the Funds Ledger balance. Crowe recommends that the Library reviews the Funds Ledgers as part of the AFR submission process and ensures the balances in the Fund Ledgers agree to the AFR before submission.

The Library did not maintain proper records to support the reconciliation between fund ledger receipt and disbursement amounts to those reported in the AFR. For the 2022 Receipts, the Library was unable to reconcile a roughly \$11,715 difference between the Receipt detail and the AFR submission. For the 2021 and 2022 Disbursements, the Library was unable to provide full Disbursement details that tied to the amounts submitted in the AFR. During its testing, Crowe noted that the differences in the populations were due to the Library being unable to provide Disbursement details for Payroll related accounts. Crowe recommends that the Library institutes a review process where the Receipt and Disbursement details are tied to the AFR and Funds Ledger in total before submission to prevent errors in the future.

**FINDING 2022-002: MISSING GATEWAY UPLOADS**

**Criteria:** The Indiana State Board of Accounts (SBOA) Directive 2018-1 states in part, " Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients.

The following files and governmental unit information are required to be uploaded monthly by all units:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

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(Continued)

MOORESVILLE TOWNSHIP LIBRARY  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2021 to December 31, 2022

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**FINDING 2022-002: MISSING GATEWAY UPLOADS** (Continued)

The following files and governmental unit information are required to be uploaded annually by all units:

- Detail of Receipts for the year
- Detail of Disbursements for the year
- Current year Salary Ordinance (or Schedule)
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund

**Condition:** During testing, we noted the Unit did not upload timely the following required items:

- The month of December 2021 Funds Ledger
- The month of November 2022 Bank Reconciliation, Funds Ledger and Board Minutes
- The month of December 2022 Bank Reconciliation, Funds Ledger and Board Minutes
- No annual submissions were made for each year under audit

MOORESVILLE TOWNSHIP LIBRARY  
EXIT CONFERENCE  
January 1, 2021 to December 31, 2022

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The contents of this report were discussed on September 29, 2023, with Diane Heurkamp, Director; and Lynn Adams, President of the Board.