

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

COMPLIANCE EXAMINATION REPORT

OF

HARTFORD CITY PUBLIC LIBRARY

BLACKFORD COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

09/11/2023



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

September 11, 2023

To: The Officials of the Hartford City Public Library
Hartford City Public Library
314 N High St
Hartford City, IN 47348

This report is supplemental to the audit report of the Hartford City Public Library (Library), for the period from January 1, 2019 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/.

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 the Hartford City Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2019 to December 31, 2022. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the findings in the report on page 3.

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

A handwritten signature in black ink that reads 'Tammy R. White'.

Tammy R. White, CPA
Deputy State Examiner

HARTFORD CITY PUBLIC LIBRARY

Blackford County, Indiana
January 1, 2019 to December 31, 2022

CONTENTS

SCHEDULE OF OFFICIALS	1
INDEPENDENT ACCOUNTANT'S REPORT	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2022-001: CAPITAL ASSETS	3
2022-002: LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER.....	3
2022-003: ADVANCE TAX DRAWS.....	3
EXIT CONFERENCE	4

HARTFORD CITY PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
January 1, 2019 to December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Michele Risinger	01-01-19 to 12-31-22
Treasurer	Max Bennett April Bartlett	01-01-19 to 07-16-19 07-17-19 to 12-31-22
President of the Board	Michael Tabor	01-01-19 to 12-31-22

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Hartford City Public Library

We have examined the Hartford City Public Library ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period January 1, 2019 to December 31, 2022. Management of the Library 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 Compliance Guidelines Manual for Libraries* applicable to the Library during the period January 1, 2019 to December 31, 2022, as described in items 2022-001, 2022-002, and 2022-003 on the following Schedule of Examination Findings and Results.

In our 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, 2019 to December 31, 2022.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
August 25, 2023

HARTFORD CITY PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2019 to December 31, 2022

FINDING 2022-001: CAPITAL ASSETS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *“Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records.”*

Condition: During testing of capital assets, we noted the Library’s detailed listing of capital assets did not materially reconcile with the detailed listing of capital assets found on the Indiana Gateway portal, which is comprised of data entered by the Library as part of the annual financial reporting procedures. The Library does not complete a formal physical inventory at least once every two years.

FINDING 2022-002: LIST OF EMPLOYEES NOT FILED WITH COUNTY TREASURER

Criteria: Indiana Code 6-1.1-22-14(a) states in part, *“On or before June 1 and December 1 of each year . . . the disbursing officer of each political subdivision and the township executive shall certify the names and addresses of each person who has money due from the political subdivision to the treasurer of each county in which the political subdivision is located.”*

Condition: During testing, we noted the Library was unable to provide verification the list of employees was submitted timely to the County Treasurer.

FINDING 2022-003: ADVANCE TAX DRAWS

Criteria: Chapter 3 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *“Pursuant to IC 5-13-6-3 libraries have the power to request an advance on tax money collected for distribution to the various units within the county. Such advance draws can help alleviate cash flow problems caused by a lack of an operating balance. The following procedures must be followed:*

- 1. The advanced draw request must be authorized by formal board resolution.*
- 2. The request must be made in writing to the County Treasurer. In some counties, it is customary to also send the request to the County Auditor.*
- 3. Every County Treasurer shall, not later than thirty (30) days after receipt of written request for the funds, advance such taxes collected before the semiannual distribution.*
- 4. The amount of the advance may not exceed 95% of the total amount collected at the time of the advance or 95% of the amount to be distributed at the next semiannual distribution.”*

Condition: During testing, we noted the Library was unable to provide a formal board resolution for the 2020 advance tax draw.

HARTFORD CITY PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2019 to December 31, 2022

The contents of this report were discussed on August 25, 2023 with Michele Risinger, Library Director, Jen Holst, Bookkeeper, and Michael Tabor, President of the Board.