

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

COMPLIANCE EXAMINATION REPORT

OF

KENDALLVILLE PUBLIC LIBRARY

NOBLE COUNTY, INDIANA

January 1, 2021 to December 31, 2022



FILED

08/25/2023



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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August 25, 2023

To: The Officials of the Kendallville Public Library
Kendallville Public Library
221 S Park Avenue
Kendallville, IN 46755

This report is supplemental to the audit report of Kendallville Public Library (Library), for the period 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/.

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 Kendallville 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 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

COMPLIANCE EXAMINATION OF
Kendallville Public Library
Noble County, Indiana
January 1, 2021 to December 31, 2022

KENDALLVILLE PUBLIC LIBRARY
Noble County, Indiana
January 1, 2021 to December 31, 2022

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KENDALLVILLE PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
January 1, 2021 to December 31, 2022

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Katie Mullins Mindy Patterson	01-01-21 to 04-10-22 04-11-22 to 12-31-22
Treasurer	Deb Blaine	01-01-21 to 12-31-22
President of the Library Board	Linda Routsong Sam Zollman	01-01-21 to 05-10-21 05-11-21 to 12-31-22



INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Kendallville Public Library

We have examined the Kendallville Public 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 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 Indiana Libraries* applicable to the Library during the period January 1, 2021 to December 31, 2022, as described in items 2022-001 and 2022-002 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, 2021 to December 31, 2022.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
August 17, 2023

KENDALLVILLE PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2021 to December 31, 2022

FINDING 2022-001: OVERDRAWN CASH BALANCES

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual For Libraries states in part, "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."

Condition: During testing of cash fund balances, we noted the following funds that were not cost-reimbursement grant based with a cash balance below zero as of December 31, 2021 and December 31, 2022:

Fund	Amount Overdrawn June 30, 2021	Amount Overdrawn June 30, 2022
Health	\$ 680	\$ 680
Vision	85	85
Dental	390	390

FINDING 2022-002: BANK ACCOUNT RECONCILIATIONS

Criteria: 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: During testing, we noted the Library did not prepare bank reconciliations on at least a monthly basis as the reconciliation for the month of December 2022 was not presented for audit.

KENDALLVILLE PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2021 to December 31, 2022

The contents of this report were discussed on August 17, 2023 with Mindy Patterson, Director and Sam Zollman, President of the Library Board.