

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

COMPLIANCE EXAMINATION REPORT

OF

LAGRANGE COUNTY PUBLIC LIBRARY

LAGRANGE 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 LaGrange County Public Library
LaGrange County Public Library
203 W Spring St
LaGrange, IN 46761

This report is supplemental to the audit report of the LaGrange County 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/.

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 LaGrange County 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 and 4.

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
LAGRANGE COUNTY PUBLIC LIBRARY
LaGrange County, Indiana
January 1, 2021 to December 31, 2022

LAGRANGE COUNTY PUBLIC LIBRARY

LaGrange County, Indiana
January 1, 2021 to December 31, 2022

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Library Director	Richard Kuster	01-01-21 to 12-31-22
Assistant Director	Anna Mendoza	01-01-21 to 12-31-22
President of the Board	Sam Plew	07-01-21 to 12-31-22

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the LaGrange County Public Library

We have examined the LaGrange County 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 Libraries* applicable to the Library during the period January 1, 2021 to December 31, 2022, as described in items 2022-001, 2022-002, 2022-003, 2022-004 and 2022-005 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

Indianapolis, Indiana
September 26, 2023

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

FINDING 2022-001: ORDINANCES AND RESOLUTIONS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *“All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements.”*

Condition: The Library's salary resolutions did not list a biweekly salary for salaried employees. As stated in the resolution, the Library Director and Assistant Library Director are paid: Salaried. There is no salary amount listed in the resolution, just the term "Salaried." The salary paid to these employees was based upon the salary noted in 2016 and then the percent increase given to these employees each year was used to calculate the pay that was paid during the current audit period. A salary amount must be listed in the resolution.

The Library's salary resolutions did not list Librarians and Library Assistants as salaried employees. The resolutions presented noted that these employees are to be paid at an hourly rate. However, the Library's payroll system reported these employees as being paid on a salaried basis. The salary resolution and basis of pay must be in agreement.

FINDING 2022-002: 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: A complete physical inventory was not taken every two years to verify account balances carried in the accounting records. The Library must complete a physical inventory to ensure the accuracy of the account balances carried in the accounting records.

FINDING 2022-003: BANK ACCOUNT RECONCILIATION REVIEW

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 our performance of compliance examination procedures, we noted that an outside accounting firm prepares bank reconciliations on a monthly basis. Completed bank reconciliations are then provided to the Treasurer for review prior to the Director's submission to the SBOA's Gateway site. However, there is no formal documentation of the Treasurer's review and approval of the monthly bank reconciliations.

(Continued)

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

FINDING 2022-004: 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 that the Library was unable to provide proof that the June 2022 list of employees was filed with the County Treasurer.

FINDING 2022-005: CASH DISBURSEMENTS SUPPORTING DOCUMENTATION

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *"Disbursements, other than properly authorized petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by law."*

Condition: During testing of disbursements, we noted four instances, in a sample of 18, where the supporting check copies did not agree to the check numbers recorded in the accounting system. Additionally, we noted one selection without authorized approval by the Director.

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

The contents of this report were discussed on September 26, 2023 with Richard Kuster, Library Director, Anna Mendoza, Assistant Director, and Sam Plew, President of the Board.