

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

COMPLIANCE ENGAGEMENT REPORT

OF

JAY COUNTY PUBLIC LIBRARY

JAY COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
05/16/2024

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3-4
Comments	5-6
Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis.....	9-11

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Eric Hinderliter	01-19-19 to 12-31-24
Treasurer	Holly Weaver Jessica Cook	01-01-19 to 12-31-22 01-01-23 to 12-31-24
President of the Library Board	Dolphus Stephens Carolyn Jounay Tracey Carpenter Liz Lawson	01-01-19 to 12-31-20 01-01-21 to 12-31-21 01-01-22 to 12-31-23 01-01-24 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE JAY COUNTY PUBLIC LIBRARY, JAY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Jay County Public Library (Library), for the period of January 1, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Library as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.


We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Library's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Eric Hinderliter, Director; Liz Lawson, President of the Library Board; Tracy Carpenter, Secretary of the Library Board; Dolphus Stephens, Assistant Treasurer of the Library Board; and Carolyn Journey, Assistant Secretary of the Library Board, on May 13, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 4, 2024

JAY COUNTY PUBLIC LIBRARY
COMMENTS

TIMELY RECORDING

Condition and Context

Internal controls were not in place to ensure receipts were timely recorded. The Library posted 15 of the 35 receipts tested to the financial accounting system between 9 and 27 days after the issuance of a receipt.

Criteria

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

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. . . ."

JAY COUNTY PUBLIC LIBRARY
COMMENTS
(Continued)

CAPITAL ASSETS

Condition and Context

Internal controls were not in place to ensure compliance over capital assets. The Library had not performed a physical inventory of its capital assets in the last two years. The Library reported capital assets of \$3,494,907 in its December 31, 2023 Annual Financial Report filed by management on the Indiana Gateway for Government Units financial reporting system

Criteria

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. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

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JAY COUNTY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
Library Operating Fund	\$ 560,301	\$ 948,853	\$ 938,970	\$ 570,184	\$ 1,051,952	\$ 993,504	\$ 628,632
Rainy Day	183,764	494	2,738	181,520	79,122	77,289	183,353
State Technology Fund	-	3,876	3,876	-	4,464	4,464	-
Library Improvement Reserve	534,065	49,972	53,653	530,384	104,531	15,867	619,048
Evergreen Indiana	71	285	296	60	61	107	14
Flexible Benefit	1,498	3,800	3,708	1,590	1,500	3,089	1
Withholding Funds	-	134,651	134,651	-	119,475	119,475	-
Petty Cash	100	-	-	100	-	-	100
Change	150	-	-	150	-	-	150
Endowment Allocation	52,133	12,644	9,183	55,594	13,827	3,713	65,708
Gift	182,675	9,935	13,528	179,082	7,432	7,528	178,986
Totals	<u>\$ 1,514,757</u>	<u>\$ 1,164,510</u>	<u>\$ 1,160,603</u>	<u>\$ 1,518,664</u>	<u>\$ 1,382,364</u>	<u>\$ 1,225,036</u>	<u>\$ 1,675,992</u>

JAY COUNTY PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
Library Operating Fund	\$ 628,632	\$ 1,022,956	\$ 966,897	\$ 684,691	\$ 1,039,018	\$ 973,554	\$ 750,155
Rainy Day	183,353	868	-	184,221	-	-	184,221
State Technology Fund	-	3,643	3,643	-	3,999	3,999	-
Library Improvement Reserve	619,048	156,676	50,000	725,724	175,701	-	901,425
Evergreen Indiana	14	244	196	63	99	162	-
Flexible Benefit	1	1,500	1,352	148	-	148	-
Withholding Funds	-	102,544	102,544	-	107,780	107,780	-
ARPA Grant	-	-	435	(435)	5,057	4,622	-
LSTA Cares Act Fund	-	1,837	1,837	-	-	-	-
Purdue Extension	-	-	-	-	2,000	-	2,000
Petty Cash	100	-	-	100	-	-	100
Change	150	-	-	150	-	-	150
Endowment Allocation	65,708	13,032	4,526	74,214	15,753	11,784	78,183
Gift	178,986	3,630	13,034	169,582	4,156	19,134	154,604
Totals	<u>\$ 1,675,992</u>	<u>\$ 1,306,930</u>	<u>\$ 1,144,464</u>	<u>\$ 1,838,458</u>	<u>\$ 1,353,563</u>	<u>\$ 1,121,183</u>	<u>\$ 2,070,838</u>

JAY COUNTY PUBLIC LIBRARY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Library Operating Fund	\$ 750,155	\$ 1,102,613	\$ 1,052,182	\$ 800,586
Rainy Day	184,221	1,010	-	185,231
State Technology Fund	-	3,914	3,914	-
Library Improvement Reserve	901,425	155,561	25,000	1,031,986
Evergreen Indiana	-	115	91	24
Flexible Benefit	-	1,500	1,272	228
Withholding Funds	-	110,354	110,354	-
Purdue Extension	2,000	-	2,000	-
Petty Cash	100	-	-	100
Change	150	-	-	150
Endowment Allocation	78,183	14,979	17,441	75,721
Gift	154,604	9,011	14,820	148,795
Totals	<u>\$ 2,070,838</u>	<u>\$ 1,399,057</u>	<u>\$ 1,227,074</u>	<u>\$ 2,242,821</u>