

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

COMPLIANCE ENGAGEMENT REPORT

OF

PERRY COUNTY PUBLIC LIBRARY

PERRY COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**

09/11/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	John Mundy	01-01-19 to 07-07-21
	(Vacant)	07-08-21 to 08-14-22
	Nathan Jochum	08-15-22 to 12-31-24
Treasurer	Regina Parker	01-01-19 to 12-31-19
	Colleen Smith	01-01-20 to 12-31-20
	Kim Luecke	01-01-21 to 12-31-22
	Jayne Land	01-01-23 to 12-31-23
	Patti Hoskins	01-01-24 to 12-31-24
President of the Library Board	Sarah Miller	01-01-19 to 12-31-19
	Patsy Alvey	01-01-20 to 12-31-22
	Kim Luecke	01-01-23 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Perry 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.ifonline.org>.

The contents of this report were communicated to Nathan Jochum, Director, and Patti Hoskins, Treasurer, on August 28, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 7, 2024

PERRY COUNTY PUBLIC LIBRARY  
COMMENT

**CAPITAL ASSETS**

*Condition and Context*

Due to an internal control deficiency, the Library had not adopted a capital assets policy that details the threshold at which an item is considered a capital asset, despite reporting a total of \$5,154,261 in capital assets as of December 31, 2023, on the Schedule of Capital Assets in the Indiana Gateway for Government Units financial reporting system.

*Criteria*

Every unit must have a capital asset 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. (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.

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. . . ."

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

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PERRY 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
Operating Fund	\$ 647,613	\$ 959,870	\$ 928,823	\$ 678,660	\$ 974,555	\$ 862,352	\$ 790,863
Rainy Day Fund	148,900	-	-	148,900	-	-	148,900
LIRF	34,854	25,000	-	59,854	25,000	-	84,854
Gift Fund	37,315	8,078	3,929	41,464	12,965	5,256	49,173
State Technology Grant Fund	1,544	8,784	10,328	-	9,481	8,691	790
Evergreen Transactions	-	160	160	-	110	110	-
Payroll Fund	-	90,618	90,618	-	86,198	86,198	-
Transfer Funds	-	942,187	942,187	-	820,600	820,600	-
Totals	\$ 870,226	\$ 2,034,697	\$ 1,976,045	\$ 928,878	\$ 1,928,909	\$ 1,783,207	\$ 1,074,580

PERRY 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
Operating Fund	\$ 790,860	\$ 1,039,058	\$ 915,754	\$ 914,164	\$ 1,073,041	\$ 1,133,584	\$ 853,621
Rainy Day Fund	148,900	-	-	148,900	169,000	-	317,900
LIRF	84,854	29,059	-	113,913	25,000	-	138,913
Gift Fund	49,174	17,985	14,869	52,290	9,666	6,549	55,407
State Technology Grant Fund	790	7,736	8,063	463	8,272	8,735	-
Evergreen Transactions	-	240	240	-	201	201	-
Payroll Fund	-	88,057	88,057	-	91,551	91,551	-
Transfer Funds	-	950,240	950,240	-	1,126,792	1,126,792	-
Totals	\$ 1,074,578	\$ 2,132,375	\$ 1,977,223	\$ 1,229,730	\$ 2,503,523	\$ 2,367,412	\$ 1,365,841

PERRY 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
Operating Fund	\$ 853,619	\$ 1,169,359	\$ 1,072,075	\$ 950,903
Rainy Day Fund	317,900	-	288,576	29,324
LIRF	138,913	25,237	-	164,150
Gift Fund	55,407	32,821	42,022	46,206
State Technology Grant Fund	-	8,517	6,898	1,619
Evergreen Transactions	-	109	109	-
Payroll Fund	-	102,388	102,388	-
Transfer Funds	-	<u>1,338,542</u>	<u>1,338,542</u>	-
Totals	<u>\$ 1,365,839</u>	<u>\$ 2,676,973</u>	<u>\$ 2,850,610</u>	<u>\$ 1,192,202</u>



OFFICIAL RESPONSE

Date: September 9, 2024

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

Re: Perry County Public Library Audit Report

The Perry County Public Library accepts the final report from the audit findings, but does wish to include the following”

Regarding the Capital Assets threshold amount minimum not being clearly defined in documentation, a new minimum was approved by motion in our July 2024 meeting from \$500 to \$1,500. This is now clearly documented and was done before the final audit report came out. We just wanted on record that this issue has been preemptively resolved.

Thank you,

Nathan A Jochum  
Director, Perry County Public Library