

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

COMPLIANCE ENGAGEMENT REPORT

OF

LOGANSPOUT-CASS COUNTY PUBLIC LIBRARY

CASS COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
04/29/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	David M. Ivey	01-01-19 to 12-31-24
Treasurer	Jeanne Kistler	01-01-19 to 12-31-20
	David Wynn	01-01-21 to 12-31-22
	Jon M. Myers	01-01-23 to 12-31-24
President of the Library Board	David Wynn	01-01-19 to 12-31-20
	Patrick Dailey	01-01-21 to 12-31-22
	John D. Brown	01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE LOGANSPOUR-CASS COUNTY
PUBLIC LIBRARY, CASS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Logansport-Cass 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 Comment contained herein, if any, describes the identified reportable instance 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 Comment 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 David M. Ivey, Director; Jon M. Myers, Treasurer; and John D. Brown, President of the Library Board, on April 23, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 4, 2024

LOGANSPOUR-CASS COUNTY PUBLIC LIBRARY
COMMENT

STALE DATED OUTSTANDING CHECKS

Condition and Context

Internal controls were not in place to ensure all stale, outstanding checks had been voided. During bank reconciliation testing, it was found that the Library had stale, outstanding checks included in the bank reconciliation that should have been voided. This included six checks dating back to 2016 for a total of \$463.

Criteria

Indiana Code 5-11-10.5-2 states in part: "All warrants or checks drawn upon public funds of a political subdivision that are outstanding and unpaid for a period of two (2) or more years as of the last day of December of each year are void. . . ."

Indiana Code 5-11-10.5-3 states:

"Not later than March 1 of each year, the treasurer of each political subdivision shall prepare or cause to be prepared a list in triplicate of all warrants or checks that have been outstanding for a period of two (2) or more years as of December 31 of the preceding year. The original copy of each list shall be filed with the:

- (1) board of finance of the political subdivision; or
- (2) fiscal body of a city or town.

The duplicate copy shall be transmitted to the disbursing officer of the political subdivision. The triplicate copy of each list shall be filed in the office of the treasurer of the political subdivision. If the treasurer serves also as the disbursing officer of the political subdivision, only two (2) copies of each list need be prepared or caused to be prepared by the treasurer."

LOGANSPOORT-CASS COUNTY PUBLIC LIBRARY
COMMENT
(Continued)

Indiana Code 5-11-10.5-5 states:

"(a) Upon the preparation and transmission of the copies of the list of the outstanding warrants or checks, the treasurer of the political subdivision shall enter the amounts so listed as a receipt into the fund or funds from which they were originally drawn and shall also remove the warrants or checks from the record of outstanding warrants or checks.

(b) If the disbursing officer does not serve also as treasurer of the political subdivision, the disbursing officer shall also enter the amounts so listed as a receipt into the fund or funds from which the warrants or checks were originally drawn. If the fund from which the warrant or check was originally drawn is not in existence, or cannot be ascertained, the amount of the outstanding warrant or check shall be receipted into the general fund of the political subdivision. However, in the case of a school corporation, the warrant or check shall be receipted into the operations fund."

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. . . ."

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

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LOGANSPORT-CASS 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
General Operating Fund	\$ 1,565,063	\$ 1,643,375	\$ 1,364,996	\$ 1,843,442	\$ 1,639,954	\$ 1,536,433	\$ 1,946,963
Rainy Day Fund	12,779	-	-	12,779	-	12,670	109
Lirf Fund	187,653	24,070	396	211,327	100,429	10,970	300,786
Payroll	-	134,206	134,206	-	135,288	135,288	-
Petty Cash	80	-	-	80	-	-	80
Gift Fund	235,020	16,262	16,949	234,333	15,422	6,310	243,445
Totals	<u>\$ 2,000,595</u>	<u>\$ 1,817,913</u>	<u>\$ 1,516,547</u>	<u>\$ 2,301,961</u>	<u>\$ 1,891,093</u>	<u>\$ 1,701,671</u>	<u>\$ 2,491,383</u>

LOGANSPORT-CASS 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
General Operating Fund	\$ 1,946,963	\$ 1,766,303	\$ 1,454,265	\$ 2,259,001	\$ 1,692,813	\$ 1,537,440	\$ 2,414,374
Rainy Day Fund	109	-	-	109	-	-	109
Lirf Fund	300,786	100,039	396	400,429	100,039	396	500,072
Payroll	-	146,894	146,894	-	159,082	159,082	-
Petty Cash	80	-	-	80	-	-	80
Gift Fund	243,445	16,814	9,695	250,564	18,282	17,993	250,853
Totals	<u>\$ 2,491,383</u>	<u>\$ 2,030,050</u>	<u>\$ 1,611,250</u>	<u>\$ 2,910,183</u>	<u>\$ 1,970,216</u>	<u>\$ 1,714,911</u>	<u>\$ 3,165,488</u>

LOGANSPOUR-CASS 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
General Operating Fund	\$ 2,414,373	\$ 1,862,434	\$ 1,647,388	\$ 2,629,419
Rainy Day Fund	109	-	-	109
Lirf Fund	500,072	102,082	243	601,911
Payroll	-	174,579	174,579	-
Petty Cash	80	-	-	80
Gift Fund	250,853	24,880	21,735	253,998
Totals	<u>\$ 3,165,487</u>	<u>\$ 2,163,975</u>	<u>\$ 1,843,945</u>	<u>\$ 3,485,517</u>