

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

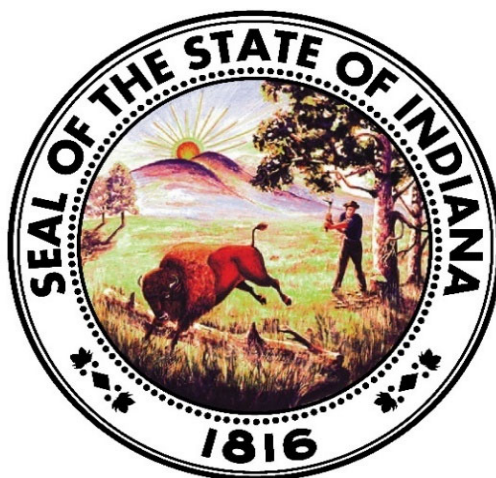
COMPLIANCE ENGAGEMENT REPORT

OF

ALEXANDRIAN PUBLIC LIBRARY

POSEY COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

04/10/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Marissa Priddis	01-01-19 to 12-31-24
Treasurer	Tammy Weatherford	01-01-19 to 12-31-20
	Jake Hansen	01-01-21 to 12-31-22
	Tina McCloud	01-01-23 to 12-31-24
President of the Library Board	Tracy Wilson	01-01-19 to 12-31-20
	Tina McCloud	01-01-21 to 12-31-22
	Julie Kissinger	01-01-23 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ALEXANDRIAN PUBLIC LIBRARY, POSEY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Alexandrian Public Library (Library), for the period of January 1, 2019 to December 31, 2022. 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 had 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 Marissa Priddis, Director; Holly Konrath, Business Manager; Tina McCloud, Treasurer; Paula Rudibaugh, Library Board member; and Jake Hansen, former Treasurer, on February 7, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

January 8, 2024

ALEXANDRIAN PUBLIC LIBRARY
COMMENT

CAPITAL ASSETS

Condition and Context

The Library maintained a detailed listing of capital assets, which reflected the acquisition value. However, the listing was determined to be incomplete. The Library acquired two capital assets during the engagement period, which were not properly added to the capital asset listing. Additionally, one capital asset was replaced during the engagement period and was not removed from the capital asset listing. The total amount of additions and deletions not properly recorded totaled \$1,291,793 and \$155,200, respectively.

In addition, the Library did not complete a physical inventory at least every two years as required. The Library reported \$5,953,585 in capital assets as of December 31, 2022, in its Annual Financial Report filed in the Indiana Gateway for Government Units financial reporting system.

The Library did not have a proper system of internal controls in place to ensure compliance with laws and regulations related to capital assets.

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)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (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

ALEXANDRIAN 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	\$ 1,142,858	\$ 2,014,395	\$ 2,259,682	\$ 897,571	\$ 2,038,201	\$ 1,848,583	\$ 1,087,189
Rainy Day Fund	-	30	-	30	-	-	30
Levy Excess	1,337	-	-	1,337	-	-	1,337
Capital Funds	484,009	154,528	224,189	414,348	59	314,671	99,736
LIRF Trust	323,071	-	-	323,071	-	-	323,071
PLAC	105	130	130	105	130	65	170
Cash Register Fund	150	-	-	150	-	-	150
Gift Fund	13,355	8,795	10,063	12,087	1,034	2,186	10,935
Operating Investments	2,070,962	50,973	68	2,121,867	12,919	-	2,134,786
Payroll W/H	15,651	740,359	741,680	14,330	765,488	765,201	14,617
E-Rate Funding	-	10,264	10,237	27	10,268	10,264	31
Totals	<u>\$ 4,051,498</u>	<u>\$ 2,979,474</u>	<u>\$ 3,246,049</u>	<u>\$ 3,784,923</u>	<u>\$ 2,828,099</u>	<u>\$ 2,940,970</u>	<u>\$ 3,672,052</u>

ALEXANDRIAN 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	\$ 1,087,189	\$ 1,302,755	\$ 2,065,908	\$ 324,036	\$ 2,699,410	\$ 2,022,602	\$ 1,000,844
Rainy Day Fund	30	-	-	30	-	-	30
Levy Excess	1,337	-	1,337	-	-	-	-
Capital Funds	99,736	11	98,302	1,445	-	-	1,445
LIRF Trust	323,071	-	-	323,071	-	-	323,071
PLAC	170	65	-	235	65	65	235
Cash Register Fund	150	-	-	150	-	-	150
Gift Fund	10,935	3,442	5,181	9,196	8,325	3,735	13,786
Operating Investments	2,134,786	157,682	-	2,292,468	35,476	242,249	2,085,695
Payroll W/H	14,617	767,773	765,499	16,891	889,181	891,751	14,321
E-Rate Funding	31	8,375	8,406	-	8,955	8,955	-
Totals	<u>\$ 3,672,052</u>	<u>\$ 2,240,103</u>	<u>\$ 2,944,633</u>	<u>\$ 2,967,522</u>	<u>\$ 3,641,412</u>	<u>\$ 3,169,357</u>	<u>\$ 3,439,577</u>