

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

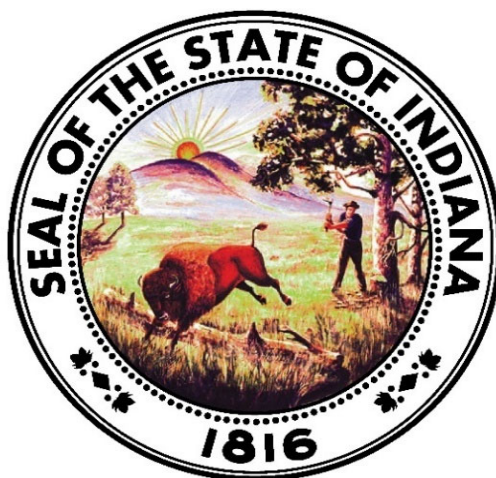
COMPLIANCE ENGAGEMENT REPORT

OF

MORRISSON-REEVES LIBRARY

WAYNE COUNTY, INDIANA

January 1, 2019 to December 31, 2023



**FILED**

07/18/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Paris Pegg (Vacant) Davina Little	01-01-19 to 11-25-22 11-26-22 to 11-27-22 11-28-22 to 12-31-24
Treasurer	Susan Isaacs	01-01-19 to 12-31-24
President of the Library Board	Jennifer Lewis	01-01-19 to 12-31-24



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE MORRISSON-REEVES LIBRARY, WAYNE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Morrison-Reeves 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 Davina Little, Director; Barbara Judy, Administrative Assistant; Susan Isaacs, Treasurer; and Jennifer Lewis, President of the Library Board, on July 10, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

July 4, 2024

MORRISSON-REEVES LIBRARY  
COMMENT

**ANNUAL FINANCIAL REPORT**

The same comment also appeared in prior Reports B46680 and B54722.

*Condition and Context*

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Library had not established effective internal controls over the AFR information entered into Gateway, which resulted in the following errors:

- In 2021, the Coffin LP fund receipts and disbursements were overstated by \$9,406.
- In 2023, the receipt and disbursement activity for the Lumpkin Trust fund was not reported in the AFR, resulting in receipts being understated by \$327,261 and total disbursements being understated by \$1,958,607. Lastly, this caused the cash and investments balance for the Lumpkin Trust fund to be overstated by \$1,631,346.
- In 2023, the FBR - Lumpkin fund was not reported in the AFR, causing receipts and cash and investment balance to be understated by \$1,972,833.

Information reported in the AFR was used to compile the financial statements presented in this report. Adjustments were proposed, approved by the Library, and made to the financial statements.

*Criteria*

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance 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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MORRISSON-REEVES 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	\$ 2,135,961	\$ 2,294,168	\$ 2,226,948	\$ 2,203,181	\$ 2,185,074	\$ 2,308,228	\$ 2,080,027
Levy Excess	-	-	-	-	-	-	-
PLAC	-	130	130	-	-	-	-
Brown Trust	1,019,650	195,737	88,098	1,127,289	299,427	264,785	1,161,931
Lumpkin Trust	1,293,469	262,001	11,067	1,544,403	482,736	241,382	1,785,757
Gift	26,654	2,914	2,037	27,531	1,849	3,385	25,995
Memorial Donations	916	380	177	1,119	990	203	1,906
Brown	10,900	71,000	75,939	5,961	71,088	75,153	1,896
Reeves Committee	6,354	-	-	6,354	-	-	6,354
Summersault	2,350	-	-	2,350	-	-	2,350
Donations for Materials	172	500	491	181	491	76	596
Coffin LP	16,471	2,959	1,434	17,996	2,989	2,521	18,464
Coffin	11,348	2,959	1,881	12,426	2,989	1,526	13,889
James Lemon	1,539	27	-	1,566	-	-	1,566
Crockett	1,016	-	-	1,016	-	-	1,016
Stegall	495	-	-	495	-	-	495
Marcia Lemon	6,060	105	-	6,165	-	-	6,165
Community	4,927	-	594	4,333	-	-	4,333
Wooldridge	6,278	2,000	-	8,278	2,000	-	10,278
WCF Endowment	66,489	10,566	-	77,055	10,733	-	87,788
Archivist	110	110	-	220	1,275	-	1,495
AV Disc	54	8	-	62	63	-	125
WCF Women's Fund	41	50	-	91	-	-	91
Friends of MRL	13,285	28,200	26,161	15,324	27,700	22,267	20,757
WayNet	2,059	29,550	28,039	3,570	25,425	21,849	7,146
FSA MRL	4,136	-	-	4,136	-	-	4,136
Payroll	26,274	1,112,463	1,112,915	25,822	1,214,682	1,211,134	29,370
Contractual Services	-	-	-	-	154,779	111,334	43,445
Boys & Girls Club	-	-	-	-	509	354	155
Grant - Cares Act	-	-	-	-	1,400	1,400	-
Petty Cash	110	-	-	110	-	-	110
Change	595	133	212	516	-	-	516
PLAC Revenue	4,826	-	-	4,826	-	-	4,826
Rainy Day	64,494	150,000	-	214,494	-	-	214,494
Library Improvement Reserve Fund	2,300	37	-	2,337	150,043	-	152,380
Totals	<u>\$ 4,729,333</u>	<u>\$ 4,165,997</u>	<u>\$ 3,576,123</u>	<u>\$ 5,319,207</u>	<u>\$ 4,636,242</u>	<u>\$ 4,265,597</u>	<u>\$ 5,689,852</u>

MORRISON-REEVES 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	\$ 2,080,027	\$ 2,271,403	\$ 2,541,970	\$ 1,809,460	\$ 2,202,490	\$ 2,652,229	\$ 1,359,721
Levy Excess	-	-	-	-	-	-	-
Brown Trust	1,161,931	178,230	94,805	1,245,356	76,893	350,181	972,068
Lumpkin Trust	1,785,757	245,128	34,407	1,996,478	100,336	464,329	1,632,485
Gift	25,995	1,885	1,934	25,946	2,281	11,987	16,240
Memorial Donations	1,906	1,770	1,402	2,274	50	851	1,473
Brown	1,896	74,790	76,686	-	71,092	62,517	8,575
Reeves Committee	6,354	-	3,689	2,665	-	-	2,665
Summersault	2,350	-	-	2,350	-	-	2,350
Donations for Materials	596	-	10	586	50	45	591
Coffin LP	18,464	3,018	547	20,935	6,325	5,370	21,890
Coffin	13,889	3,018	16,907	-	-	-	-
James Lemon	1,566	49	-	1,615	20	-	1,635
Crockett	1,016	-	961	55	-	-	55
Stegall	495	-	-	495	-	-	495
Marcia Lemon	6,165	195	53	6,307	78	-	6,385
Community	4,333	-	-	4,333	-	-	4,333
Wooldridge	10,278	2,000	12,278	-	2,000	502	1,498
WCF Endowment	87,788	10,932	55,045	43,675	11,585	-	55,260
Archivist	1,495	30	-	1,525	-	-	1,525
AV Disc	125	-	-	125	-	-	125
WCF Women's Fund	91	-	-	91	-	-	91
Friends of MRL	20,757	18,274	23,488	15,543	20,000	34,072	1,471
WayNet	7,146	25,242	19,290	13,098	18,183	20,403	10,878
FSA MRL	4,136	6,153	-	10,289	-	131	10,158
Payroll	29,370	1,242,096	1,271,466	-	1,295,966	1,295,966	-
Contractual Services	43,445	162,030	117,408	88,067	168,996	115,762	141,301
Boys & Girls Club	155	500	640	15	500	441	74
Grant - LSTA	-	-	1,540	(1,540)	1,780	240	-
Grant - Cares Act 2	-	2,000	-	2,000	-	-	2,000
WAYNE COUNTY LIT CO	-	-	-	-	5,738	301	5,437
Grant - ARPA	-	-	-	-	20,089	20,089	-
Grant - Storywalk	-	-	-	-	11,400	11,400	-
Petty Cash	110	-	-	110	-	-	110
Change	516	-	-	516	-	-	516
PLAC Revenue	4,826	-	-	4,826	-	-	4,826
Rainy Day	214,494	150,000	-	364,494	60,000	-	424,494
Library Improvement Reserve Fund	152,380	108,467	-	260,847	305,144	-	565,991
Totals	<u>\$ 5,689,852</u>	<u>\$ 4,507,210</u>	<u>\$ 4,274,526</u>	<u>\$ 5,922,536</u>	<u>\$ 4,380,996</u>	<u>\$ 5,046,816</u>	<u>\$ 5,256,716</u>

MORRISSON-REEVES 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	\$ 1,359,723	\$ 2,392,477	\$ 2,431,146	\$ 1,321,054
Brown Trust	972,068	163,972	112,920	1,023,120
Lumpkin Trust	1,632,486	327,261	1,958,607	1,140
Gift	16,240	7,258	5,513	17,985
Memorial Donations	1,473	90	-	1,563
Brown	8,576	65,162	64,559	9,179
Reeves Committee	2,664	-	-	2,664
Summersault	2,350	-	-	2,350
Donations for Materials	592	-	-	592
Coffin LP	21,891	2,621	10,019	14,493
James Lemon	1,635	-	-	1,635
Crockett	55	-	-	55
Stegall	495	-	-	495
Marcia Lemon	6,384	-	-	6,384
Community	4,334	-	-	4,334
Wooldridge	1,498	2,000	-	3,498
WCF Endowment	55,260	12,293	-	67,553
Archivist	1,525	-	-	1,525
AV Disc	125	30	125	30
WCF Women's Fund	91	-	-	91
Friends of MRL	1,472	28,027	26,830	2,669
WayNet	10,877	-	2,638	8,239
FSA MRL	10,158	-	69	10,089
Payroll	-	1,329,719	1,329,719	-
Contractual Services	141,301	177,444	119,167	199,578
Boys & Girls Club	74	1,000	849	225
Grant - Cares Act 2	2,000	-	-	2,000
WAYNE COUNTY LIT CO	5,437	-	-	5,437
IGELMAN	-	100,000	-	100,000
Petty Cash	110	-	-	110
Change	516	-	-	516
PLAC Revenue	4,826	-	-	4,826
Rainy Day	424,494	-	-	424,494
Library Improvement Reserve Fund	565,989	7,116	-	573,105
FBR - Lumpkin	-	1,972,833	-	1,972,833
Totals	<u>\$ 5,256,719</u>	<u>\$ 6,589,303</u>	<u>\$ 6,062,161</u>	<u>\$ 5,783,861</u>