

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

**Paul D. Joyce, CPA  
State Examiner**

COMPLIANCE EXAMINATION REPORT

OF

POSEYVILLE CARNEGIE PUBLIC LIBRARY

POSEY COUNTY, INDIANA

January 1, 2020 to December 31, 2023



**FILED**  
12/03/2024



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

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December 3, 2024

Board of Directors  
Poseyville Carnegie Public Library  
Posey County, Indiana

This report is supplemental to the audit report of the Poseyville Carnegie Public Library (Library), for the period from January 1, 2020 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any Examination Findings that pertain to the Library. It should be read in conjunction with the financial statement audit report of the Library, which provides an opinion on the Library's financial statements. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Library and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of Poseyville Carnegie Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2023. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 through 5.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA  
Deputy State Examiner

POSEYVILLE CARNEGIE PUBLIC LIBRARY

Posey County, Indiana  
January 1, 2020 through December 31, 2023

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POSEYVILLE CARNEGIE PUBLIC LIBRARY  
SCHEDULE OF OFFICIALS  
January 1, 2020 through December 31, 2023

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<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board	Linda K. Reising	01-01-20 to 12-31-23
Director	Heather R. Morlan	01-01-20 to 12-31-23
Treasurer	Edith Creek Heather Baehl	01-01-20 to 11-08-21 11-09-21 to 12-31-23



## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the Poseyville Carnegie Public Library

We have examined the Poseyville Carnegie Public Library's ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period January 1, 2020 through December 31, 2023. Management of the Library is responsible for the Library's compliance with the specified requirements. Our responsibility is to express an opinion on the Library's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Library complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Library complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Library's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Libraries* applicable to the Library during the period January 1, 2020 through December 31, 2023, as described in items 2023-001 through 2023-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Library complied, in all material respects, with the aforementioned requirements during the period January 1, 2020 through December 31, 2023.

*Crowe LLP*  
Crowe LLP

Indianapolis, Indiana  
November 15, 2024

POSEYVILLE CARNEGIE PUBLIC LIBRARY  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2020 through December 31, 2023

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**FINDING 2023-001: INTERNAL CONTROLS**

**Criteria:** 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. . . ."*

**Condition:** During testing, we noted that the Library did not meet the minimum standards of internal control. Specifically, we noted the following issue:

*Financial Transactions Reporting*

The Library had not properly designed or implemented a system of internal control over financial transactions and reporting. There was no documented proof that an independent review of the Annual Financial Report (AFR) had taken place prior to being submitted to the Indiana Gateway for Government Units financial reporting system, which was the source for the financial statement. Further, audit adjustments were posted to the AFR to get it to agree to the underlying detail and supporting documentation.

**FINDING 2023-002: CAPITAL ASSETS**

**Criteria:** Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *"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."*

**Condition:** During testing of capital assets, we noted that a physical inventory is not taken at least every two years.

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POSEYVILLE CARNEGIE PUBLIC LIBRARY  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2020 through December 31, 2023

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**FINDING 2023-003: MISSING GATEWAY UPLOADS**

**Criteria:** The Indiana State Board of Accounts (SBOA) Directive 2018-1 states in part, " Beginning with July 2018 files, which will be due September 15, 2018, all cities, towns, townships, Districts, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. The Directive was amended with additional required uploads effective December 31, 2023.

The following files and governmental unit information are required to be uploaded monthly by all units:

- Bank Reconcilements, Bank Statements, and Outstanding Check Lists
- Approved Board Minutes, please see the user guide for more information and examples
- Funds Ledger, summarizing total receipts, disbursements, and beginning and ending balances by fund

The following files and governmental unit information are required to be uploaded annually by all units:

- Year-end investment statements and register of investments
- Excel Data Capture/ Data Dump
- Detail of Receipts by fund and account
- Detail of Disbursements by fund and account
- Current year Salary ordinance (or Schedule) and Amendments (except Schools)
- Annual Vendor History Report
- Annual Payroll History Report, without social security numbers
- Annual Funds Ledger, summarizing year-to-date total receipts, year-to-date disbursements, and beginning and ending balances by fund
- Accounts Payable/ Accounts Receivable Schedule support
- Direct Federal Grant Agreements/Award Letters and Amendments initiated during the year
- Agreements for Subawards made to Subrecipients for all Federal Grants initiated during the year
- Personnel Policy (to be uploaded in 2023 and in future years if updated)

**Condition:** During testing, we noted that the Library had not uploaded the following for each respective year:

2020

- year end investment report
- current year salary schedule and amendments
- annual payroll history

2021

- current year salary schedule and amendments

2022

- current year salary schedule and amendments

2023

- detail receipts by fund and account
- detail disbursements by fund and account
- current year salary schedule and amendments

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POSEYVILLE CARNEGIE PUBLIC LIBRARY  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2020 through December 31, 2023

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**FINDING 2023-003: GATEWAY UPLOADS** (Continued)

- annual vendor history report
- annual funds ledger
- annual payroll history report
- excel data capture
- A/R and A/P schedules

POSEYVILLE CARNEGIE PUBLIC LIBRARY  
EXIT CONFERENCE  
January 1, 2020 through December 31, 2023

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The contents of this report were discussed on November 15, 2024, with Heather Morlan, Director, and Linda Reising, Board President