

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

OWENSVILLE CARNEGIE PUBLIC LIBRARY

GIBSON COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

05/21/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Margo English	01-01-20 to 06-29-22
	(Vacant)	06-30-22 to 08-31-22
	Kyle Evans	09-01-22 to 12-31-25
Treasurer	Crystal R. Smith	01-01-20 to 07-31-22
	(Vacant)	08-01-22 to 08-31-22
	Angela R. Williams	09-01-22 to 12-31-25
President of the Library Board	Robin Angermeier	01-01-20 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

TO: THE OFFICIALS OF THE OWENSVILLE CARNEGIE
PUBLIC LIBRARY, GIBSON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Owensville Carnegie Public Library (Library), for the period of January 1, 2020 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 Kyle Evans, Director; Angela R. Williams, Treasurer; and Robin Angermeier, President of the Library Board, on May 8, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 30, 2025

OWENSVILLE CARNEGIE PUBLIC LIBRARY
COMMENTS

ANNUAL FINANCIAL REPORT

Condition and Context

Internal controls were not in place to ensure compliance with requirements related to the Annual Financial Report (AFR). Financial and other information is required to be entered annually into the AFR via the Indiana Gateway for Government Units financial reporting system. The AFR contained the following errors:

Leases and Debt Schedule

- In 2021, the lease schedule was understated by \$1,392.
- In 2022, the lease schedule was overstated by \$1,522.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

The Indiana State Board of Accounts (SBOA) is required under the 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. . . ."

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Internal controls were not in place to ensure the Library complied with bank reconciliation requirements. The outstanding check listing was not correct for December 31, 2021. The outstanding check list included a check for \$1,540 which was not voided after a replacement check was issued in the same month. A bank reconciliation was not completed for March 2022.

OWENSVILLE CARNEGIE PUBLIC LIBRARY
COMMENTS
(Continued)

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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TRANSFERS

Condition and Context

Internal controls were not in place to ensure the Library complied with requirements for transfers. A transfer of \$25,057 was made on February 11, 2020, from the Operating fund to the Rainy Day Fund which had not been approved by the governing body.

Criteria

Indiana Code 36-1-8-5.1 states in part:

". . . (d) In any fiscal year, a political subdivision may, at any time, do the following:

- (1) Transfer any unused and unencumbered funds specified in subsection (b)(2)(A) from any fiscal year to the rainy day fund.
- (2) Transfer any other unobligated cash balances from any fiscal year that are not otherwise identified in subsection (b)(2)(A) or section 5 of this chapter to the rainy day fund as long as the transfer satisfies the following requirements:
 - (A) The amount of the transfer is authorized by and identified in an ordinance or resolution.
 - (B) The amount of the transfer is not more than:

OWENSVILLE CARNEGIE PUBLIC LIBRARY
COMMENTS
(Continued)

- (i) before January 1, 2021, ten percent (10%);
- (ii) after December 31, 2020, and before January 1, 2025, fifteen percent (15%);
and
- (iii) after December 31, 2024, ten percent (10%);

of the political subdivision's total annual budget adopted under [IC 6-1.1-17](#) for that fiscal year.

(C) The transfer is not made from a debt service fund.

(e) A political subdivision may use only the funding sources specified in subsection (b)(2)(A) or in the ordinance or resolution establishing the rainy day fund. The political subdivision may adopt a subsequent ordinance or resolution authorizing the use of another funding source.

(f) The department of local government finance may not reduce the actual or maximum permissible levy of a political subdivision as a result of a balance in the rainy day fund of the political subdivision. . . ."

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COMPENSATION AND BENEFITS

Condition and Context

Internal controls were not in place to ensure the Library complied with applicable laws and regulations related to compensation and benefits. The former Director's salary did not match the salary ordinance for 2022. Compensation was paid to employees bi-monthly, but only one payment was made in January, so remaining checks were calculated by dividing the annual amount by 23 pays. When the Director left in the middle of the year, the salary amount and unused vacation amount paid upon the Director's separation was calculated based on the 23-pay amount. This resulted in an overpayment of salary in the amount of \$1,220 and unused vacation in the amount of \$80.

OWENSVILLE CARNEGIE PUBLIC LIBRARY
COMMENTS
(Continued)

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

Units have a responsibility to collect amounts owed to the unit pursuant to procedures authorized by law. (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:

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

OWENSVILLE CARNEGIE PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
Operating	\$ 210,991	\$ 283,519	\$ 260,655	\$ 233,855	\$ 289,615	\$ 307,449	\$ 216,021
LIRF	75,153	10,398	-	85,551	53	-	85,604
Thyra Mauck Gift-Capital Only	188,224	923	-	189,147	102	93,000	96,249
Gift Fund	-	443	50	393	250	214	429
Rainy Day Fund	35,168	25,329	-	60,497	30	46,500	14,027
Toyota Grant	1,086	-	-	1,086	-	-	1,086
Federal Tax	-	7,862	7,862	-	8,493	8,493	-
FICA	-	7,327	7,327	-	7,673	7,673	-
Medicare	-	1,714	1,714	-	1,794	1,794	-
State Tax	-	3,692	3,692	-	3,870	3,870	-
County Tax	-	957	957	-	1,001	1,001	-
Capital Projects-Building Fund	8,308	544	-	8,852	6	-	8,858
Cares Grant	-	3,084	3,084	-	-	-	-
Totals	<u>\$ 518,930</u>	<u>\$ 345,792</u>	<u>\$ 285,341</u>	<u>\$ 579,381</u>	<u>\$ 312,887</u>	<u>\$ 469,994</u>	<u>\$ 422,274</u>

OWENSVILLE CARNEGIE PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2022 and 2023

Fund	Cash and	Receipts	Disbursements	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments			Investments
	01-01-22			12-31-22			12-31-23
Operating	\$ 216,021	\$ 298,701	\$ 294,400	\$ 220,322	\$ 319,224	\$ 270,183	\$ 269,363
LIRF	85,604	13,284	-	98,888	13,140	-	112,028
Thyra Mauck Gift-Capital Only	96,249	1,438	-	97,687	4,639	-	102,326
Gift Fund	429	3,296	149	3,576	184	738	3,022
Rainy Day Fund	14,027	210	-	14,237	737	-	14,974
Toyota Grant	1,086	-	-	1,086	-	751	335
Federal Tax	-	8,782	8,782	-	8,998	8,998	-
FICA	-	8,269	8,269	-	8,430	8,430	-
Medicare	-	1,934	1,934	-	1,972	1,972	-
State Tax	-	4,167	4,167	-	4,298	4,298	-
County Tax	-	1,077	1,077	-	1,120	1,120	-
Capital Projects-Building Fund	8,858	132	-	8,990	466	-	9,456
Levy Excess Fund	-	1,058	-	1,058	-	-	1,058
ARPA Grant	-	10,377	10,377	-	-	-	-
Norma Clark Gift Fund	-	-	-	-	104,840	-	104,840
Julia Angle Memorial Fund	-	-	-	-	2,254	-	2,254
Totals	<u>\$ 422,274</u>	<u>\$ 352,725</u>	<u>\$ 329,155</u>	<u>\$ 445,844</u>	<u>\$ 470,302</u>	<u>\$ 296,490</u>	<u>\$ 619,656</u>