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

Paul D. Joyce, CPA
State Examiner

COMPLIANCE ENGAGEMENT REPORT

OF

ODON-WINKELPLECK PUBLIC LIBRARY

DAVIESS COUNTY, INDIANA

January 1, 2021 to December 31, 2024

FILED
04/23/2025

TABLE OF CONTENTS

SCHEDULE OF OFFICIALS

Office	Official	Term
Director	Susan Graber	01-01-21 to 12-31-25
President of the Library Board	Robin Terrell	01-01-21 to 12-31-21
	Elizabeth Schaffer	01-01-22 to 12-31-23
	Joe Cabel	01-01-24 to 12-31-24
	Scott Borders	01-01-25 to 12-31-25
Treasurer	Victoria K. Wittmer	01-01-21 to 12-31-25

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TO: THE OFFICIALS OF THE ODON-WINKELPLECK PUBLIC LIBRARY, DAVIESS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Odon-Winkelpleck Public Library (Library), for the period of January 1, 2021 to December 31, 2024. 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 Susan Graber, Director; Victoria K. Wittmer, Treasurer; and Ruth Porter, Library Board member, on April 10, 2025.

Beth Kelley

Beth Kelley, CPA, CFE
Deputy State Examiner

April 9, 2025

CONDITION OF RECORDS

Condition and Context

Internal controls were not in place to ensure that the Library complied with laws, regulations, and Guidelines. Deficiencies in the Library's system of internal controls resulted in noncompliance over condition of records as detailed below.

The Library maintained manual cash-basis records during the first two years of the engagement period. No issues were noted during review of the ledger and the financial statements for these years. At the beginning of 2023, the Library switched to an accrual-based accounting software. To prepare the Library's 2023 and 2024 Annual Financial Report in the Indiana Gateway for Government Units financial reporting system, which was the source of the Library's financial statements, the Library prepared a cash-basis Excel workbook that summarized the Library's beginning cash and investments balance, receipts, disbursements, and ending cash and investments balance. While the ending cash and investments balance agreed with the reconciled bank balance for 2023 and 2024, the Library was unable to provide a detailed listing of receipts and disbursements from the accounting software that agreed to the financial activity reported in the financial statement for either year.

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. . . ."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Indiana Public Libraries, Chapter 1)

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."

CREDIT CARD POLICY

Condition and Context

Internal controls were not in place to ensure that the Library complied with laws, regulations, and Guidelines. Deficiencies in the Library's system of internal controls resulted in noncompliance over credit cards. The Library used a credit card during the engagement period without an approved credit card policy.

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:

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The SBOA will not take exception to the use of credit cards by a unit provided the following criteria are observed:

1. The governing body must authorize credit card use through an ordinance/resolution, which has been approved in a meeting and documented in the minutes.

2. Issuance and use should be handled by an official or employee designated by the governing body.

3. The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.

4. When the purpose for which the credit card has been issued has been accomplished, the card must be returned to the custody of the responsible person.

5. The designated responsible official or employee must maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned.

6. Credit cards must not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing body and other officials with timely and accurate accounting information and monitoring of the accounting system.

7. Payment cannot be made on the basis of a statement or a credit card slip only. Procedures for payments must be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee may be the personal obligation of the responsible officer or employee.

8. If authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Indiana Public Libraries, Chapter 1)

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

ODON-WINKELPLECK 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	$ 21,564	$ 89,649	$ 67,831	$ 43,382	$ 72,340	$ 76,693	$ 39,029
ARPA	-	1,739	11,148	(9,409)	14,830	5,421	-
Rainy Day	3,691	-	-	3,691	-	-	3,691
Library Improvement Reserve	9,189	583	-	9,772	583	-	10,355
Evergreen Indiana Fund	8	95	81	22	28	54	(4)
Payroll Withholdings Fund	-	5,349	5,349	-	6,592	6,592	-
Petty Cash	25	-	-	25	-	-	25
Cash Change	50	-	-	50	-	-	50
Technology Fund	301	3,021	3,321	1	3,230	3,230	1
Gift	41,625	8,190	5,185	44,630	10,020	28,867	25,783
Totals	$ 76,453	$ 108,626	$ 92,915	$ 92,164	$ 107,623	$ 120,857	$ 78,930

ODON-WINKELPLECK PUBLIC LIBRARY
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2023 and 2024

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23	Receipts	Disbursements	Cash and Investments 12-31-24
Operating	$ 39,028	$ 81,294	$ 74,006	$ 46,316	$ 183,548	$ 116,245	$ 113,619
Rainy Day	3,691	-	-	3,691	-	-	3,691
Library Improvement Reserve	10,356	656	-	11,012	1,178	-	12,190
Evergreen Indiana Fund	14	135	147	2	161	160	3
Payroll Withholdings Fund	-	6,629	6,629	-	9,646	9,646	-
Petty Cash	25	-	-	25	-	-	25
Cash Change	50	-	-	50	-	-	50
Technology Fund	-	5,610	5,545	65	6,077	5,683	459
Gift	25,783	16,294	19,015	23,062	4,797	3,286	24,573
Totals	$ 78,947	$ 110,618	$ 105,342	$ 84,223	$ 205,407	$ 135,020	$ 154,610