

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

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

ATTICA PUBLIC LIBRARY

FOUNTAIN COUNTY, INDIANA

January 1, 2021 to December 31, 2024



FILED

05/05/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Library Director	Brittany Hays	01-01-21 to 12-31-25
Treasurer	Brad Gayler	01-01-21 to 05-31-23
	Annette Crane	06-01-23 to 10-31-24
	Zak Thomas	11-01-24 to 03-12-25
	(Vacant)	03-13-25 to 04-07-25
	Krista Reese	04-08-25 to 12-31-25
President of the Library Board	Jill Mandeville	01-01-21 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE ATTICA PUBLIC LIBRARY, FOUNTAIN COUNTY, INDIANA

This report is supplemental to the audit report of the Attica Public Library (Library), for the period from January 1, 2021 to December 31, 2024. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Library. It should be read in conjunction with the Financial Statements Audit Report of the Library, which provides our opinions on the Library's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

April 16, 2025

ATTICA PUBLIC LIBRARY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

There were deficiencies in the internal control system of the Library related to receipts and financial transactions and reporting. The Library had not separated incompatible activities related to receipts and financial reporting. The failure to establish an effective system of internal controls could have enabled material misstatements to occur and to remain undetected.

Receipts

The Library had not designed or implemented a system of internal controls to ensure compliance with receipts. One employee was responsible for posting receipts to the ledger for the Library. There was no documentation of an internal control in place, such as a review, oversight, or approval process, to ensure the receipts were properly recorded.

Financial Reporting

Financial information is required to be entered annually into the Indiana Gateway for Government Units financial reporting system, which is the source of the Library's Annual Financial Report (AFR). The AFR information was entered and submitted by one employee for 2021-2024 without a documented oversight, review, or approval process in place to ensure accuracy and timely submission.

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. . . ."

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Library compiled and submitted the financial information into Gateway without an oversight or review of the financial information prior to submission to ensure the accuracy of the information.

ATTICA PUBLIC LIBRARY
AUDIT RESULTS AND COMMENTS
(Continued)

Due to the lack of internal controls, the information entered into Gateway contained the following errors:

Schedule of Leases and Debt

- The ending principal balance for the 2015 GO Bond as of December 31, 2021, was overstated by \$19,710, and the principal due within one year was overstated by \$6,986.
- The ending principal balance for the 2015 GO Bond as of December 31, 2022, was overstated by \$12,723, and the principal due within one year was overstated by \$4,799.
- The ending principal balance for the 2015 GO Bond as of December 31, 2023, was overstated by \$7,524, and the principal due within one year was overstated by \$7,612.
- The ending principal balance for the 2015 GO Bond as of December 31, 2024, was understated by \$488, and the principal due within one year was understated by \$488.
- The principal due within one year for the 2024 GO Bond as of December 31, 2024, was overstated by \$56,869.

Audit adjustments were presented, approved by the Library, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statements Audit Report of the Library.

Schedule of Capital Assets

- As of December 31, 2021, the amount reported for other non-depreciable assets was overstated by \$12,000, and the amount reported for improvements other than buildings was overstated by \$90.
- As of December 31, 2022, the amount reported for other non-depreciable assets was overstated by \$12,000, and the amount reported for improvements other than buildings was overstated by \$90. In addition, the amount reported for machinery, equipment, and vehicles was overstated by \$40,697, and the amount reported for buildings was understated by \$95,662.
- As of December 31, 2023, the amount reported for other non-depreciable assets was overstated by \$12,000, and the amount reported for improvements other than buildings was overstated by \$90. In addition, the amount reported for machinery, equipment, and vehicles was overstated by \$46,843, and the amount reported for buildings was understated by \$95,662.
- As of December 31, 2024, the amount reported for other non-depreciable assets was overstated by \$12,000, and the amount reported for improvements other than buildings was overstated by \$90. In addition, the amount reported for machinery, equipment, and vehicles was overstated by \$40,697, and the amount reported for buildings was understated by \$95,662.

Audit adjustments were presented, approved by the Library, and made to the Schedule of Capital Assets presented as Other Information in the Financial Statements Audit Report of the Library.

ATTICA PUBLIC LIBRARY
AUDIT RESULTS AND COMMENTS
(Continued)

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. . . ."

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](#)."

TRAINING ON INTERNAL CONTROL STANDARDS

Condition and Context

Internal controls were not in place to ensure the Library complied with laws and regulations related to training on internal control standards. The Library's employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Library had not received training over internal control standards that were developed or approved by the Indiana State Board of Accounts.

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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ATTICA PUBLIC LIBRARY
AUDIT RESULTS AND COMMENTS
(Continued)

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Indiana Code 5-11-1-27(g) states in part:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that: . . .

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

CERTIFICATION ON INTERNAL CONTROL STANDARDS

Condition and Context

Internal controls were not in place to ensure the Annual Financial Report submission was accurate. The Library certified in the Indiana Gateway for Government Units financial reporting system that all personnel defined by Indiana Code 5-11-1-27(c) had received training concerning the internal control standards adopted by the Library in 2021, 2022, 2023, and 2024; however, during the engagement, evidence of training certifications was not provided for audit.

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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ATTICA PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on April 16, 2025, with Brittany Hays, Library Director; Jill Mandeville, President of the Library Board; and Krista Reese, Treasurer.