

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

COATESVILLE-CLAY TOWNSHIP PUBLIC LIBRARY

HENDRICKS COUNTY, INDIANA

January 1, 2021 to December 31, 2024



FILED

04/16/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Korleen Bledsoe	01-01-21 to 12-31-25
Treasurer	Kathy Blake	01-01-21 to 12-31-25
President of the Library Board	Shelly Starbuck Larry McCubbin	01-01-21 to 02-08-22 02-09-22 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE COATESVILLE-CLAY TOWNSHIP
PUBLIC LIBRARY, HENDRICKS COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Coatesville-Clay Township 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 Korleen Bledsoe, Director; Kathy Blake, Treasurer; Connie Bartee, Library Board member; and Robin Cameron, Library Board member, on April 9, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 3, 2025

COATESVILLE-CLAY TOWNSHIP PUBLIC LIBRARY
COMMENT

ANNUAL FINANCIAL REPORT

Condition and Context

Internal controls were not in place to ensure the Annual Financial Reports (AFRs) filed on the Indiana Gateway for Government Units financial reporting system were accurate.

Capital Assets

A detailed listing of capital assets was provided for 2021, 2022, 2023, and 2024 but did not agree to the amounts reported on the AFRs, which totaled \$636,946, \$640,119, \$669,833, and \$750,100, respectively. The amounts reported did not include all capital assets listed on the provided detailed listing, which showed \$2,057,133, \$2,066,277, \$2,084,737, and \$2,135,539, respectively.

Leases and Debt

The leases and debt information entered into the 2021, 2022, 2023, and 2024 AFRs was incorrect. The Library reported the lease with the holding corporation once as a lease and again as bonds. This resulted in the following errors:

- The reported annual lease payments at December 31, 2021 and 2023, were understated by \$115,560 and \$116,560, respectively. The reported annual lease payments at December 31, 2024, were overstated by \$3,240.
- The reported ending principal balances of the general obligation bonds at December 31, 2021, 2022, 2023, and 2024, were \$445,000, \$445,000, \$325,000, and \$207,000, respectively. These amounts should not have been reported as debt of the Library. The bonds were issued to the Coatesville-Clay Township Library Building Corporation.
- The reported principal and interest due within one year at December 31, 2021, 2023, and 2024, was \$117,000, \$118,000, and \$120,000, respectively. These amounts should not have been reported as debt of the Library. The bonds were issued to the Coatesville-Clay Township Library Building Corporation.

COATESVILLE-CLAY TOWNSHIP PUBLIC LIBRARY
COMMENT
(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](#)."

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

COATESVILLE-CLAY TOWNSHIP 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
General	\$ 370,926	\$ 207,206	\$ 142,781	\$ 435,351	\$ 197,381	\$ 157,912	\$ 474,820
Rainy Day	61,702	-	-	61,702	-	-	61,702
Library Improvement Reserve	51,604	126	-	51,730	139	-	51,869
Pass Thru CPL	7	1	8	-	46	46	-
Cares Act Grant	-	2,840	2,840	-	-	-	-
Gift	7,653	100	-	7,753	-	-	7,753
Bond And Interest Redemption	65,403	121,870	120,000	67,273	107,127	117,000	57,400
Construction	18,401	-	-	18,401	1,000	-	19,401
Totals	<u>\$ 575,696</u>	<u>\$ 332,143</u>	<u>\$ 265,629</u>	<u>\$ 642,210</u>	<u>\$ 305,693</u>	<u>\$ 274,958</u>	<u>\$ 672,945</u>

COATESVILLE-CLAY TOWNSHIP 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
General	\$ 474,820	\$ 213,684	\$ 178,842	\$ 509,662	\$ 226,847	\$ 226,253	\$ 510,256
Rainy Day	61,702	-	-	61,702	-	-	61,702
Library Improvement Reserve	51,869	246	-	52,115	257	-	52,372
Pass Thru CPL	-	15	-	15	90	50	55
Gift	7,753	150	-	7,903	3,000	-	10,903
Bond And Interest Redemption	57,400	121,968	120,000	59,368	115,855	118,000	57,223
Construction	19,401	-	-	19,401	-	-	19,401
Totals	<u>\$ 672,945</u>	<u>\$ 336,063</u>	<u>\$ 298,842</u>	<u>\$ 710,166</u>	<u>\$ 346,049</u>	<u>\$ 344,303</u>	<u>\$ 711,912</u>



Coatesville-Clay Township Public Library

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OFFICIAL RESPONSE

April 15, 2025

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: Coatesville-Clay Township Public Library

As authorized under Indiana Code 5-11-1, certain procedures to the accounting records and related documents of Coatesville-Clay Township Public Library (Library) were performed 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.

ANNUAL FINANCIAL REPORT

Condition and Context

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Capital Assets

A detailed listing of capital assets was provided for 2021, 2022, 2023, and 2024, but did not agree to the amounts reported on the AFR which totaled \$636,946, \$640,119, \$669,833, and \$750,100, respectively. The amounts reported did not include all capital assets listed on the provided detailed listing which showed \$2,057,133, \$2,066,277, \$2,084,737, and \$2,135,539, respectively.

This context is accurate. The amounts reported on the AFR were reported correctly with the information that was provided during each year's AFR report. The detailed listing of capital assets provided was not correctly updated until March, 2025. While this listing currently shows updated assets for the years reviewed, the accumulative totals were not accurate until March 2025, after the AFRs were already reported. The 2025 AFR will reflect the current updated capital assets amount.

Leases and Debt

The leases and debt information entered into the 2021, 2022, 2023, and 2024 AFRs was incorrect. The Library reported the lease with the holding corporation once as a lease and again as bonds. This resulted in the following errors:

- The reported annual lease payments at December 31, 2021 and 2023 were understated by \$115,560 and \$116,560, respectively. The reported annual lease payments at December 31, 2024 were overstated by \$3,240.
- The reported ending principal balance of the General Obligations bonds at December 31, 2021, 2022, 2023, and 2024 were \$445,000, \$445,000, \$325,000, and \$207,000, respectively. These amounts should not have been reported as debt of the Library. The bonds were issued to the Coatesville Clay Township Library Building Corporation.
- The reported principal and interest due within one year at December 31, 2021, 2023, and 2024 was \$117,000, \$118,000, and \$120,000, respectively. These amounts should not have been reported as debt of the Library. The bonds were issued to the Coatesville Clay Township Library Building Corporation.

The leases and debt information has always been reported as debt of the Library since the bond was issued January 05, 2006. We understand that from this report forward, our final four payments through January 15, 2027 should be listed as lease payments to the Coatesville-Clay Township Library Building Corporation.

Korleen Bledsoe,
Library Director