

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

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

COMPLIANCE ENGAGEMENT REPORT

OF

HAGERSTOWN-JEFFERSON TOWNSHIP PUBLIC LIBRARY

WAYNE COUNTY, INDIANA

January 1, 2021 to December 31, 2024



FILED

04/15/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Brenda Campbell	01-01-21 to 12-31-25
Treasurer	Everett Hampton Amy Zetzi	01-01-21 to 10-18-23 10-19-23 to 12-31-25
President of the Library Board	Lynn Logston	01-01-21 to 12-31-25



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TO: THE OFFICIALS OF THE HAGERSTOWN-JEFFERSON TOWNSHIP
PUBLIC LIBRARY, WAYNE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Hagerstown-Jefferson 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 Brenda Campbell, Director, and Lynn Logston, President of the Library Board, on April 2, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 24, 2025

HAGERSTOWN-JEFFERSON TOWNSHIP PUBLIC LIBRARY
COMMENT

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report B59356.

Condition and Context

The Library's system of internal controls was ineffective in preventing, or detecting and correcting, material errors noted in its Annual Financial Reports (AFR) for 2023 and 2024.

The Library's financial information was entered into the Indiana Gateway for Government Units financial reporting system, which was the source for the AFR and financial statements. The AFRs for 2023 and 2024 contained errors as the Payroll Withholding fund activity was omitted. These omissions resulted in receipts being understated in 2023 and 2024 by \$36,862 and \$37,270, respectively, along with disbursements being understated in 2023 and 2024 by \$35,393 and \$40,921, respectively.

Further, the Operating Fund had 2024 receipt totals that were understated by \$19,107, and the 2024 disbursements totals were understated by \$61,050.

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

HAGERSTOWN-JEFFERSON 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
Operating Fund	\$ 415,728	\$ 315,339	\$ 327,428	\$ 403,639	\$ 305,925	\$ 448,400	\$ 261,164
Rainy Day	10,430	-	-	10,430	-	-	10,430
State Technology Grant	-	279	-	279	298	577	-
FICA	653	11,118	12,074	(303)	11,610	11,307	-
Employee Purchase Pass Through	-	-	-	-	-	-	-
Federal	2,021	10,916	15,809	(2,872)	12,560	9,688	-
Medicare	-	1,250	2,518	(1,268)	3,912	2,644	-
County	74	2,598	2,741	(69)	2,941	2,872	-
State	124	5,082	5,321	(115)	5,749	5,634	-
PLAC Fund	-	-	-	-	65	65	-
Evergreen Pass Through	1	-	-	1	-	1	-
CARES Act Grant Fun	4	1,382	1,382	4	-	4	-
ARPA Grant	-	-	-	-	5,816	5,816	-
Levy Excess Fund	27	-	-	27	-	27	-
Gift	537	2,677	1,311	1,903	1,263	3,114	52
Memorial	377	1,330	1,339	368	100	-	468
Friends Fund	33	-	-	33	-	33	-
LIRF FUND	22,958	-	-	22,958	-	-	22,958
Totals	<u>\$ 452,967</u>	<u>\$ 351,971</u>	<u>\$ 369,923</u>	<u>\$ 435,015</u>	<u>\$ 350,239</u>	<u>\$ 490,182</u>	<u>\$ 295,072</u>

HAGERSTOWN-JEFFERSON 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
Operating Fund	\$ 261,164	\$ 425,247	\$ 472,663	\$ 213,748	\$ 399,821	\$ 371,322	\$ 242,247
Rainy Day	10,430	-	-	10,430	-	-	10,430
Gift	52	1,171	1,065	158	4,586	1,436	3,308
Memorial	468	965	1,205	228	2,392	1,012	1,608
LIRF FUND	22,958	-	-	22,958	-	-	22,958
Totals	\$ 295,072	\$ 427,383	\$ 474,933	\$ 247,522	\$ 406,799	\$ 373,770	\$ 280,551