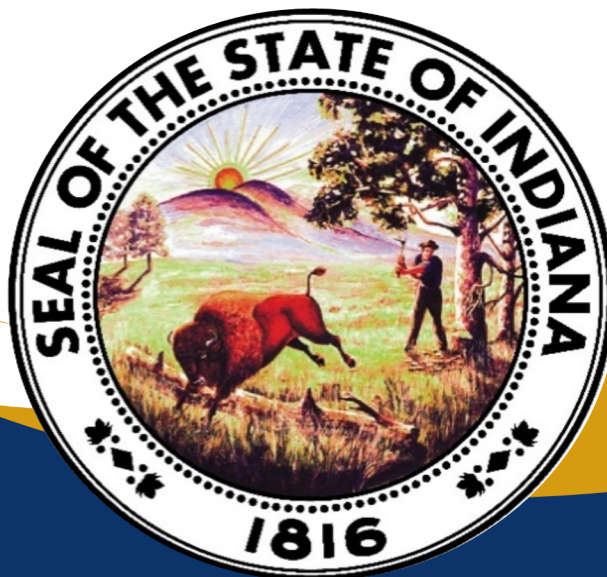


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE EXAMINATION REPORT
OF
PRINCETON-PATOKA TOWNSHIP PUBLIC LIBRARY
GIBSON COUNTY, INDIANA
January 1, 2022 to December 31, 2023



FILED
01/22/2025



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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January 22, 2025

Board of Directors
Princeton-Patoka Township Public Library
Gibson County, Indiana

This report is supplemental to the audit report of Princeton-Patoka Township Public Library (Library), for the period from January 1, 2022 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the Library. It should be read in conjunction with the financial statement audit report of the Library, which provides an opinion 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 engaged private examiners under our review to perform the audit of the Library and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report for Princeton-Patoka Township Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2023. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

COMPLIANCE EXAMINATION OF
PRINCETON-PATOKA TOWNSHIP PUBLIC LIBRARY
Gibson County, Indiana
January 1, 2022 through December 31, 2023

PRINCETON-PATOKA TOWNSHIP PUBLIC LIBRARY

Gibson County, Indiana
January 1, 2022 through December 31, 2023

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PRINCETON-PATOKA TOWNSHIP PUBLIC LIBRARY
SCHEDULE OF OFFICIALS
January 1, 2022 through December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board	Matt Wallace	01-01-22 to 12-31-22
	Cindy Petty	01-01-23 to 12-31-23
Director	Shannon Lindsay	01-01-22 to 12-31-23
Treasurer	Julie A. Sheridan	01-01-22 to 12-31-23



INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Princeton-Patoka Township Public Library

We have examined the Princeton-Patoka Township Public Library's ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period of January 1, 2022 through December 31, 2023. Management of the Library is responsible for the Library's compliance with the specified requirements. Our responsibility is to express an opinion on the Library's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Library complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Library complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Library's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Libraries* applicable to the Library during the period of January 1, 2022 through December 31, 2023, as described in items 2023-001 through 2023-003 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Library complied, in all material respects, with the aforementioned requirements during the period of January 1, 2022 through December 31, 2023.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
December 30, 2024

PRINCETON-PATOKA TOWNSHIP PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2022 through December 31, 2023

FINDING 2023-001: ANNUAL FINANCIAL REPORT – OTHER INFORMATION

Criteria: The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Libraries, Chapter 1)

Condition: Financial and other information are required to be entered annually into the AFR via the Indiana Gateway for Governmental Units (Gateway) financial reporting system. The information entered into Gateway contained the following errors:

Schedule of Leases and Debt

The Library reported a \$3,645,955 ending principal balance for the General Obligation Bonds which did not agree to the underlying bond amortization schedules total ending balance of \$3,995,000. The schedule has been updated in the financial statement.

Capital Assets

Management was not able to provide a complete and accurate capital asset listing that was up-to-date that tied to the balance reported on the Annual Financial Report.

FINDING 2023-002: INTERNAL CONTROLS

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 . . ."

The same finding appeared in the prior report B60078.

Condition: There were deficiencies in the internal control system of the Library related to payroll disbursements. Payroll was being approved, however, the payroll docket did not adequately detail the payroll fund appropriations being associated with each employee of the types of payroll withholdings. There were no documented internal controls in place to prevent, or detect and correct, errors in payroll disbursements such as an oversight, review, or approval process. As a result, for 6 out of our 13 payroll selections, we noted that the number of hours worked per the timesheet did not agree to the number of hours on the payroll report.

(Continued)

PRINCETON-PATOKA TOWNSHIP PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2022 through December 31, 2023

FINDING 2023-003: CAPITAL ASSETS

Criteria: Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

The same finding appeared in the prior report B60078.

Condition: The Library did not have a complete detailed listing of its capital assets. All additions and deletions during the audit period were not properly recorded into the records. Additionally, a physical inventory had not been taken in the past two years.

PRINCETON-PATOKA TOWNSHIP PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2022 through December 31, 2023

The contents of this report were discussed on December 30, 2024, with Nora Nixon, Bookkeeper, Shannon Lindsay, Director, and Cindy Petty, President of the Board.