

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

COMPLIANCE EXAMINATION REPORT

OF

NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY

HENRY COUNTY, INDIANA

January 1, 2022 to December 31, 2023



**FILED**  
08/30/2024



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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August 30, 2024

Board of Directors  
New Castle-Henry County Public Library  
Henry County, Indiana

This report is supplemental to the audit report of the New Castle-Henry County 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 Examination 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/](http://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 Examination Finding and Result contained herein describe the identified reportable instance of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for New Castle-Henry County Public Library prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2022 to December 31, 2023. In our opinion, the Supplemental Audit Report was prepared in accordance with the guidelines established by the State Board of Accounts.

We call your attention to the finding in the report on page 3.

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

A handwritten signature in black ink that reads 'Tammy R. White'.

Tammy R. White, CPA  
Deputy State Examiner

**COMPLIANCE EXAMINATION OF**  
NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY  
Henry County, Indiana  
January 1, 2022 through December 31, 2023

NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY

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

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NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY  
SCHEDULE OF OFFICIALS  
January 1, 2022 through December 31, 2023

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<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Board	Terry Matney	01-01-22 to 12-31-23
Director	Winnie Logan	01-01-22 to 12-31-23
Business Office Manager	Brenda Martinez	01-01-22 to 12-31-23

## INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and  
Management of the New Castle-Henry County Public Library

We have examined the New Castle-Henry County Public Library's ("Library") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Libraries* during the period 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 item 2023-001 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

Indianapolis, Indiana  
August 12, 2024

NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY  
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS  
January 1, 2022 through December 31, 2023

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**FINDING 2023-001: SCHEDULES IN 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 no later than (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 Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The leases and debt information entered into Gateway contained the following errors:

*Leases and Debt*

During our examination procedures, we noted the Schedule of Leases and Debt in the Annual Financial Report, as reported on the Indiana Gateway for Government Units financial reporting system, contained errors. The Library reported \$843,263 in principal due within one year which did not agree to the underlying loan amortization schedules total amount of \$250,000.

We also noted the Schedule of Leases and Debt in the Annual Financial Report, as reported on the Indiana Gateway for Government Units financial reporting system, contained errors. The Library reported a lease ending date for the Quadient Finance Lease of July 20, 2024, which did not agree to the underlying lease agreement noting an ending date of July 20, 2025. The Library reported a lease ending date for the Building Lease – 2023 Series of December 31, 2024, which did not agree to the underlying lease agreement noting an ending date of December 31, 2041.

The Library had also incorrectly included \$3,600,000 of debt that is in the holding corporation's name, in the debt section of the schedule. The annual lease payments to the holding corporation were also being included in the lease section of the schedule, thus being double counted. The schedule has been updated to exclude the \$3,600,000 from the debt section.

NEW CASTLE-HENRY COUNTY PUBLIC LIBRARY  
EXIT CONFERENCE  
January 1, 2022 through December 31, 2023

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The contents of this report were discussed on August 12, 2024, with Winnie Logan, Library Director, Brenda Martinez, Library Business Manager, Terry Matney, Library Board President, Linda Shore, Library Board Vice President, Adam Warwas, Library Board Treasurer, Nancy Cook, Library Board Secretary, David Gratner, Library Board Member, and Romona Hacker, Library Board Member.