

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

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

COMPLIANCE EXAMINATION REPORT

OF

SHELBY COUNTY PUBLIC LIBRARY

SHELBY COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED

12/03/2024



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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December 3, 2024

Board of Directors
Shelby County Public Library
Shelby County, Indiana

This report is supplemental to the audit report of the Shelby 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/.

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 Findings and Results contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the Supplemental Audit Report for Shelby 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 findings in the report on page 3.

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

Tammy R. White, CPA
Deputy State Examiner

SHELBY COUNTY PUBLIC LIBRARY

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

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SHELBY COUNTY 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	Gina Bishop	01-01-22 to 12-31-22
	Gayle Wiley	01-01-23 to 12-31-23
Director	Janet Wallace	01-01-22 to 12-24-23
	Brandy Graves	12-25-23 to 12-31-23
Treasurer	Brian Brammer	01-01-22 to 12-31-23

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Shelby County Public Library

We have examined the Shelby 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 January 1, 2022 through December 31, 2023, as described in findings 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 January 1, 2022 through December 31, 2023.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
August 1, 2024

SHELBY COUNTY PUBLIC LIBRARY
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2022 through December 31, 2023

FINDING 2023-001: BANK ACCOUNT RECONCILIATIONS

Criteria: Indiana Code 5-13-6-1(e) states, *"All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."*

Condition: During testing, we noted the Library did not prepare bank reconciliations for two of the 13 accounts on at least a monthly basis. Due to the lack of reconciliations, the December 31, 2023 cash balance could not be reconciled to bank statements. An unresolved variance of \$32,796 was noted, with the bank ending balance being \$1,846,714 and the Annual Financial Report cash ending balance being \$1,813,918 at December 31, 2023.

FINDING 2023-002: CAPITAL ASSETS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Libraries states in part, *"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."*

Condition: During testing of capital assets, we noted the Library did not have a written policy concerning capital assets and the threshold at which an item is considered a capital asset.

FINDING 2023-003: OTHER INFORMATION SUPPORTING SCHEDULES

Criteria: The Library must maintain supporting detail that agrees to the following schedules presented in the financial statements as part of the Other Information:

- Schedule of Payables and Receivables
- Schedule of Leases and Debt
- Schedule of Capital Assets

Condition: The Library was unable to provide supporting detail that agreed to the following Other Information schedules:

- Schedule of Leases and Debt
- Schedule of Capital Assets

Management has a system in place to track leases and debt payments and future obligations as well as a listing of capital assets, however, the support provided did not tie directly to the amounts presented as Other Information within the financial statements.

SHELBY COUNTY PUBLIC LIBRARY
EXIT CONFERENCE
January 1, 2022 through December 31, 2023

The contents of this report were discussed on August 1, 2024, with Brandy Graves, Director and Brian Brammer, Treasurer of the Board.