

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

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

SUPPLEMENTAL COMPLIANCE REPORT
OF
CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
STEUBEN COUNTY, INDIANA
January 1, 2023 to December 31, 2024



FILED

04/28/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Sonya Dorris	01-01-23 to 12-31-25
Treasurer	Gayle Camp Sue Shollenberger	01-01-23 to 12-31-24 01-01-25 to 12-31-25
President of the Library Board	Travis Heavin Gay Kirkton Laurie Gentry	01-01-23 to 12-31-23 01-01-24 to 12-31-24 01-01-25 to 12-31-25



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TO: THE OFFICIALS OF THE CARNEGIE PUBLIC LIBRARY
OF STEUBEN COUNTY, STEUBEN COUNTY, INDIANA

This report is supplemental to the audit report of the Carnegie Public Library of Steuben County (Library), for the period from January 1, 2023 to December 31, 2024. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Library. It should be read in conjunction with the Financial Statement Audit Report of the Library, which provides our opinions on the Library's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

April 14, 2025

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

Internal controls were not in place to ensure compliance with laws, regulations, and uniform compliance guidelines established by the Indiana State Board of Accounts. The Library was not in compliance with laws, regulations, and uniform compliance guidelines as detailed further in the following comments:

- Annual Financial Report
- Public Records Retention/Supporting Documentation
- Record of Hours Worked

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. . . ."

ANNUAL FINANCIAL REPORT

Condition and Context

The Library is required to file financial reports after the close of each fiscal year. The reports are to be filed electronically as prescribed.

The Library filed its reports as prescribed; however, the internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the Library's Annual Financial Report (AFR) and financial statement, were not effective.

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

The Library failed to properly review the other information prepared and submitted in Gateway. Although one employee prepared and entered the other information into Gateway, and another employee reviewed and approved the information entered, the internal control was not effective and did not detect or correct errors prior to submission.

Due to lack of effective internal controls, the AFRs presented for audit included the following errors:

Leases and Debt

Due to the timing of payments, the annual lease payments due within one year as shown on the Schedule of Leases and Debt for the General Obligation Bonds were overstated by \$115,000.

An adjustment was proposed, accepted by the Library, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statement Audit Report of the Library.

Capital Assets

The Library's total reported capital assets at December 31, 2024, of \$9,996,478 could not be verified with the listing presented for audit.

The Schedule of Capital Assets reported on the AFR for 2024 contained the following errors:

- Buildings were overstated by \$1,843,738.
- Improvements Other Than Buildings were understated by \$146,185.
- Books and Other were overstated by \$182,510.

Adjustments were proposed, accepted by the Library, and made to the Schedule of Capital Assets presented as Other Information in the Financial Statement Audit Report of the Library.

Criteria

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](#)."

PUBLIC RECORDS RETENTION/SUPPORTING DOCUMENTATION

Condition and Context

The Library was unable to provide evidence that the contract for the Chiller Project was properly bid. The Library was unable to provide the contractor's financial statements, bid bond, and performance bond.

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
AUDIT RESULTS AND COMMENTS
(Continued)

Criteria

Indiana Code 5-15-6-3 states:

"No financial records or records relating to financial records shall be destroyed until the earlier of the following actions:

- (1) The audit of the records by the state board of accounts has been completed, report filed, and any exceptions set out in the report satisfied.
- (2) The financial record or records have been copied or reproduced in accordance with a retention schedule or with the written consent of the administration."

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for examination to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

RECORD OF HOURS WORKED

Condition and Context

The Library was unable to provide timecards/timesheets for one of the six employees tested during the audit period. Additionally, none of the timecards observed had evidence of review or approval by a supervisor.

Criteria

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

- General Form 99A, Employee's Service Record
- General Form 99B, Employee's Earnings Record
- General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly.

Additional information regarding FLSA rules and regulations may be obtained from the Department of Labor.

(Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

CARNEGIE PUBLIC LIBRARY OF STEUBEN COUNTY
EXIT CONFERENCE

The contents of this report were discussed on April 14, 2025, with Sonya Dorris, Director; Sue Shollenberger, Treasurer; Haley Billow, Library Board member; Jeanine Samuelson, Library Board member; Gay Kirkton, Library Board member; Travis Heavin, Library Board member; and Bert Schulz, Library Board member.