

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

COMPLIANCE EXAMINATION REPORT

OF

UNION COUNTY PUBLIC LIBRARY

UNION COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED
10/28/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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October 28, 2024

Board of Directors
Union County Public Library
Union County, Indiana

This report is supplemental to the audit report of the Union 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 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 of the Union 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 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 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
UNION COUNTY PUBLIC LIBRARY
Union County, Indiana
January 1, 2022 through December 31, 2023

UNION COUNTY PUBLIC LIBRARY

Union County, Indiana
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UNION 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	Mary Shepard	01-01-22 to 12-31-23
Director	Julie Joliff	01-01-22 to 12-31-23
Treasurer	Richard Worcester	01-01-22 to 12-31-23

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the Union 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 and 2023-002 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

Indianapolis, Indiana
September 17, 2024

UNION COUNTY 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)

A similar comment appeared in the prior year report (B59701).

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

Capital Assets

The Library recorded additions of \$130,000 to capital assets in 2023 as part of disbursement detail and the capital assets supporting schedule, however the ending balance within the annual financial report submitted within the Gateway Portal did not include the additions in the ending balance as of December 31, 2023. The Schedule of Capital Assets, reported as Other Information in the Library's financial statement, was revised.

Leases and Debt

The Library had improperly excluded \$138,000 of lease payments to be made to the Union County Public Library Leasing Corporation (holding corporation) in the next year as part of the library expansion project. The lease ends in June 2024.

The Library entered into a new capital lease with the holding corporation in 2023 and payments on the capital lease commence in 2024. The Library had improperly excluded this lease from the other information schedule. The lease payments due in 2024 total \$20,000.

FINDING 2023-002: ANNUAL FINANCIAL REPORT

Criteria: Indiana Code 5-11-1-4(a) states, *"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. 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."*

Condition: During testing of Annual Financial Report (AFR) submission for 2023, we noted management had incorrectly recorded an interbank transfer to receipts and disbursements in the amount of \$215,372. This caused the receipts and disbursements in the Transfer fund to be overstated. Since this was not an interfund transfer (from one fund to another) it should not have been recorded as a receipt or disbursement on the AFR. Crowe posted an adjustment to reduce 2023 receipts and disbursements in fund 812 by \$215,372. There was no impact to the ending cash balance.

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

The contents of this report were discussed on September 17, 2024, with Richard Worcester, Board Treasurer, Julie Joliff, Library Director, and Clara Sizemore, Business Manager.