

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

LAGRANGE COUNTY PUBLIC LIBRARY

LAGRANGE COUNTY, INDIANA

January 1, 2019 to December 31, 2020



FILED
12/09/2021

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Richard Kuster	01-01-19 to 12-31-21
Treasurer	Kimberly Dunkel Sarah M. Walker, EA	01-01-19 to 12-31-19 01-01-20 to 12-31-21
President of the Library Board	Robert Shanahan Martin Franke Sam Plew	01-01-19 to 03-20-19 03-21-19 to 12-31-19 01-01-20 to 12-31-21



STATE OF INDIANA
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TO: THE OFFICIALS OF THE LAGRANGE COUNTY PUBLIC LIBRARY, LAGRANGE COUNTY, INDIANA

This report is supplemental to our audit report of the LaGrange County Public Library (Library), for the period from January 1, 2019 to December 31, 2020. 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 our 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.

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

December 2, 2021

LAGRANGE COUNTY PUBLIC LIBRARY
AUDIT RESULTS AND COMMENTS

ORDINANCES AND RESOLUTIONS

Condition and Context

The Library's salary resolutions did not list a biweekly salary for salaried employees. As stated in the resolution, the Library Director and Assistant Library Director are paid: Salaried. There is no salary amount listed in the resolution, just the term "Salaried." The salary paid to these employees was based upon the salary noted in 2016 and then the percent increase given to these employees each year was used to calculate the pay that was paid during the current audit period. A salary amount must be listed in the resolution.

The Library's salary resolutions did not list Librarians and Library Assistants as salaried employees. The resolutions presented noted that these employees are to be paid at an hourly rate. However, the Library's payroll system reported these employees as being paid on a salaried basis. The salary resolution and basis of pay must be in agreement.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 1)

CAPITAL ASSETS

Condition and Context

The Library reported the Capital Asset Schedule on the Indiana Gateway for Government Units financial reporting system. There were no records available to support the reported amounts. The Library must maintain a Capital Assets Ledger using a Historical Cost Index whenever new capital asset purchases are made. A complete physical inventory was not taken every two years to verify account balances carried in the accounting records. The Library must complete a physical inventory to ensure the accuracy of the account balances carried in the accounting records.

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)



LaGrange County Public Library

www.lagrange.lib.in.us

December 8, 2021

State Board of Accounts
302 West Washington Street
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Indianapolis, Indiana 46204-2765

RE: Official Response to Audit Results and Comments

To Whom It May Concern:

On December 2, 2021, the LaGrange County Public Library officials participated in an Exit Conference subsequent to a recent SBOA Audit. In that conference there were two issues presented to which we wish to respond:

1. ORDINANCES AND RESOLUTIONS:

A new Resolution stating the biweekly compensation of all salaried employees will be presented and adopted at the next Library Board Meeting scheduled for December 16, 2021.

2. CAPITAL ASSETS:

A new Capital Assets Policy will be presented and adopted at the next Library Board Meeting scheduled for December 16, 2021, which will include provisions required by recent SBOA rules.

An inventory of Capital Assets will be conducted in January of 2022, and the results will be incorporated in the next Annual Financial Report due March 1, 2022.

A revised Capital Assets Ledger will be created incorporating recent SBOA requirements.

Respectfully Submitted,

Richard Kuster
Director of the LaGrange County Public Library
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203 West Spring Street
LaGrange, IN 46761
(260) 463-2841

Topeka - Branch Library
133 North Main Street
Topeka, IN 46571
(260) 593-3030

Shipshewana - Branch Library
250 Depot Street
Shipshewana, IN 46565
(260) 768-7444

Bookmobile
203 West Spring Street
LaGrange, IN 46761
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LAGRANGE COUNTY PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on December 2, 2021, with Richard Kuster, Director; Sarah M. Walker, EA, Treasurer; and Anna Mendoza, Assistant Director.