

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

WESTFIELD WASHINGTON PUBLIC LIBRARY

HAMILTON COUNTY, INDIANA

January 1, 2020 to December 31, 2021



**FILED**  
10/06/2022



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Sheryl Sollars	01-01-20 to 12-31-22
Treasurer	Dan Pitcock Kelley Kemper Justin Wiley	01-01-20 to 03-31-20 04-01-20 to 03-31-21 04-01-21 to 12-31-22
President of the Library Board	Brian Morales Nancy Knochel	01-01-20 to 12-31-20 01-01-21 to 12-31-22



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE WESTFIELD WASHINGTON  
PUBLIC LIBRARY, HAMILTON COUNTY, INDIANA

This report is supplemental to our audit report of the Westfield Washington Public Library (Library), for the period from January 1, 2020 to December 31, 2021. 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/](http://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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

September 26, 2022

WESTFIELD WASHINGTON PUBLIC LIBRARY  
AUDIT RESULT AND COMMENT

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

The Library did not have an adequate system of internal controls in place over the Annual Financial Report (AFR) to ensure the accuracy of the information being reported. The Library reported its financial activity into the Indiana Gateway for Government Units financial reporting system, which was the source of the AFR and the financial statement. During the audit, we identified bank transfers that were reported in receipts and disbursements, which overstated both receipts and disbursements in the financial statement by \$435,661.

Additionally, the supplementary information reporting in the AFR contained material errors. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis contained material errors due to the inclusion of the aforementioned bank transfers. The Schedule of Leases and Debt also contained errors. The 2012 GO Bond ending principal balance was overstated by \$55,000. The 2020 GO Bond ending principal balance was overstated by \$15,000 and the principal due within one year was understated by \$165,000. The 2021 GO Bond principal due within one year was understated by \$170,000.

Adjustments were proposed, accepted by management, and made to the financial statement, the Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, and the Schedule of Leases and Debt.

*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. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from audited entity 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](#)."

WESTFIELD WASHINGTON PUBLIC LIBRARY  
EXIT CONFERENCE

The contents of this report were discussed on September 26, 2022, with Sheryl Sollars, Director, and Nancy Knochel, President of the Library Board.