

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

COMPLIANCE REPORT
OF
NAPPANEE PUBLIC LIBRARY
ELKHART COUNTY, INDIANA
January 1, 2021 to December 31, 2021



FILED
06/20/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Jason Fields Sarah Marty-Schlipf (Interim) Seth James	07-01-21 to 02-11-22 02-12-22 to 06-26-22 06-27-22 to 12-31-23
Treasurer	John Leavitt Sherrie Mullet	01-01-21 to 01-25-23 01-26-23 to 12-31-23
President of the Library Board	Julie Dijkstra	01-01-21 to 12-31-23



STATE OF INDIANA
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TO: THE OFFICIALS OF THE NAPPANEE PUBLIC LIBRARY, ELKHART COUNTY, INDIANA

The Nappanee Public Library (Library) is considered a component unit of Elkhart County (County) under accounting principles generally accepted in the United States of America. The Library's financial information was audited as part of the County's financial statements for the period from January 1, 2021 to December 31, 2021. The Financial Statements Audit Report of the County, which provides our opinions on the County's financial statements, and which includes the Library's financial information, 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 Elkhart County and its significant component units. As a significant component unit of the County, the firm 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 on the Library. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

The Library's Annual Financial Report information can be found on the Indiana Gateway for Government Units financial reporting system website: <https://gateway.ifionline.org> and has not been subjected to any audit procedures.

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

May 10, 2023

NAPPANEE PUBLIC LIBRARY
AUDIT RESULT AND COMMENT

CAPITAL ASSETS

Condition and Context

Capital assets and related accumulated depreciation were entered incorrectly on the Annual Financial Report (AFR), using an old version of the capital asset listing.

Close review of the capital asset reports and the AFR would assist in preventing these errors.

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."

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)

NAPPANEE PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on June 5, 2023, with Seth James, Director; Garrett Seney, Business Manager; Sherrie Mullet, Treasurer; and Julie Dijkstra, Board President.