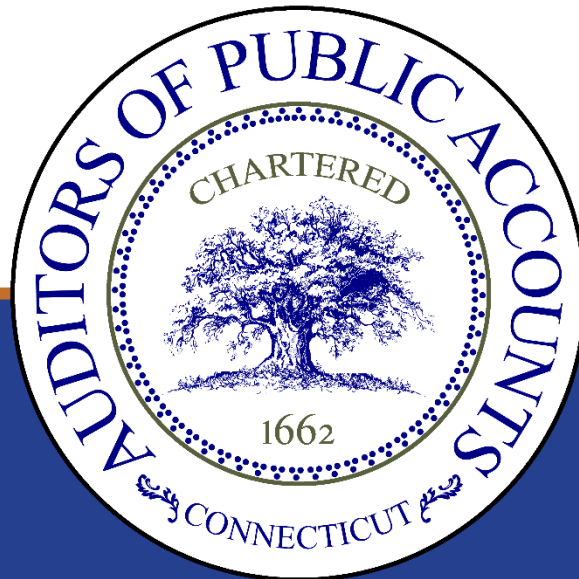


AUDITORS' REPORT

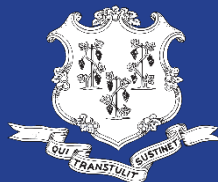
Connecticut State Library

FISCAL YEARS ENDED JUNE 30, 2023 AND 2024



STATE OF CONNECTICUT
Auditors of Public Accounts

JOHN C. GERAGOSIAN
State Auditor



CRAIG A. MINER
State Auditor

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STATE OF CONNECTICUT



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October 9, 2025

INTRODUCTION

We are pleased to submit this audit of the Connecticut State Library (State Library) for the fiscal years ended June 30, 2023 and 2024 in accordance with the provisions of Section 2-90 of the Connecticut General Statutes. Our audit identified internal control deficiencies; instances of noncompliance with laws, regulations, or policies; and a need for improvement in practices and procedures that warrant management's attention.

The Auditors of Public Accounts wish to express our appreciation for the courtesies and cooperation extended to our representatives by the personnel of the Connecticut State Library during the course of our examination.

The Auditors of Public Accounts also would like to acknowledge the auditors who contributed to this report:

Jaimie Hubeny
Stephanie Jackie

A handwritten signature in black ink that reads "Jaimie Hubeny".

Jaimie Hubeny
Associate Auditor

Approved:

A handwritten signature in black ink, appearing to be "John C. Geragosian".

John C. Geragosian
State Auditor

A handwritten signature in black ink that reads "Craig A. Miner".

Craig A. Miner
State Auditor

STATE AUDITORS' FINDINGS AND RECOMMENDATIONS

Our examination of the records of the Connecticut State Library disclosed the following five recommendations, of which four were repeated from the previous audit.

Finding 1

Annual Inventory Reporting Deficiency

Criteria

Section 4-36 of the General Statutes requires state agencies to annually transmit a detailed inventory of the real or personal state property in its custody to the Comptroller using a CO-59 report in accordance with the State Property Control Manual.

Governmental Accounting Standards Board (GASB) Codification Section 1400.102 requires donated capitalized assets to be reported at their acquisition value, which is the price that would be paid to acquire an asset with equivalent service potential in an orderly market transaction at the acquisition date.

Condition

The State Library could not provide support for the fine art balance reported on its CO-59 reports during the audited period. We were unable to quantify the CO-59 misstatement due to insufficient records. We also found the State Library did not assign acquisition values to donated assets for accounting purposes.

Context

The State Library reported \$215,653,084 of Fine Art on its CO-59 reports for the fiscal years ended June 30, 2023 and 2024. The Department of Administrative Services submitted the CO-59 on the State Library's behalf during the audited period.

Effect

The State Library reported unsupported amounts on its CO-59 form, which could impact the fixed asset balance on the state's financial statements.

Cause

The State Library informed us that it carried forward its fine art balance for years and management was unaware of its history. Documentation of an item's acquisition cost may no longer be available due to the age of the collections and lack of complete records.

Prior Audit Finding

This finding has been previously reported in the last audit report covering the fiscal years 2021 through 2022.

Recommendation

The Connecticut State Library should seek guidance from the Office of the State Comptroller to ensure it accurately and completely reports asset values on its annual inventory report.

Agency Response

"The agency agrees and has opened a dialogue with the Office of State Comptroller regarding the Fine Art inventory policy and its reflection on form CO-59. Additionally, the Museum is working toward having a full inventory and related appraisals, anticipated to take several years given the associated costs and size of the collection. During this process, assets will be appreciated/depreciated accordingly and reflected on the CO-59 designation to Fine Arts. This will also benefit the reconciliation of the Insurance and Risk Management policy."

Finding 2

Museum of Connecticut History's Collection Management Practices

Background

The State Library does not maintain the permanent collection of the Museum of Connecticut History in Core-CT and does not include it as a part of its annual physical inventory inspection. The State Library utilizes a commercial software application (PastPerfect) designed specifically for museums to account for their permanent collection.

Criteria

Accessioning is the process of producing a permanent record of an artifact received from a single source for which the museum holds custody, right, or title, and provides a unique control number to the piece. Electronic accession records provide for a quick inventory of the permanent collection as well as artifact acquisition accountability.

Condition

We reviewed 40 items from the museum's collection with acquisition values totaling \$199,468 and found the following exceptions:

- Twenty-three items, totaling \$94,245, had missing or incorrect locations in the PastPerfect inventory system.
- Five items, totaling \$9,764, were not physically tagged.
- Four items, totaling \$675, had insufficient property control records in the PastPerfect inventory system.

- One \$958 item was not accessioned into the PastPerfect inventory system.

In addition, we randomly selected 20 items from the museum's display and various storage locations and found the following exceptions:

- Eight objects were not accessioned into the PastPerfect inventory system.
- Eight objects had missing or incorrect locations in the PastPerfect inventory system.
- Three objects were not physically tagged.

Context

The PastPerfect inventory database contained 35,441 active items with acquisition values totaling \$2,988,727. However, more than 70% of items did not have acquisition values in PastPerfect. We judgmentally selected 40 items with emphasis on items that were acquired in the previous audited period but not accessioned at the time of our prior inspection, higher value items, and items that were housed in storage areas. The other 20 items were selected randomly from the museum display and various storage locations.

Effect

Without a reliable electronic record of the permanent collection, an inventory is not readily available, and the museum is not able to provide assurance that it appropriately accessioned all acquisitions into the collection.

Cause

The museum experienced turnover in recent years, and the new administration inherited a collection with management deficiencies. We note that during our review, the museum was beginning to migrate to a new cloud-based collection management system. However, this will take time given the age and volume of the collection and the museum's limited resources and staff.

Prior Audit Finding

This finding has previously been reported in the last two audit reports covering the fiscal years 2019 through 2022.

Recommendation

The Connecticut State Library should continue to improve its collection management practices and ensure artifacts are accurately and fully accessioned into its permanent database.

Agency Response

"The agency agrees, and the Museum Administrator will prioritize continuing to review the accession process as well as continuing the migration process for the software used to account for the Museum's collection. A recent budget expansion option for fiscal year 2027 will provide funding for the Museum to begin an inventory on its collection. This will provide better management of the collection as

staff can make updates to the database and controls over individual pieces. The agency will continue to pursue funding and support for a full inventory.”

Finding 3

Historic Documents Preservation Grant Program – Insufficient Controls over Eligibility Monitoring

Background

The Historic Documents Preservation Program (HDPP) supports municipalities in improving the preservation and management of local records. The public records administrator is responsible for establishing and administering HDPP grants.

Section 7-34a(d) of the General Statutes requires municipalities to charge a \$10 document recording fee when certain documents are recorded in their land records. Municipalities remit two-fifths of this fee to the State Library for deposit into the historic document preservation account established under Section 11-8i of the General Statutes. These payments are to be submitted along with the State Library’s Monthly Document Recording Reports (Form GP-005) to the Department of Administrative Services (DAS) no later than the 15th day of the month following the month the fee is collected.

Criteria

The State Library’s HDPP Application and Guidelines requires that municipalities be current with their monthly filings to be eligible for an HDPP grant. Any municipality that is more than two consecutive months behind in its monthly filings or has outstanding obligations for any past grant is ineligible to apply for a grant until it has met all requirements. Additionally, the State Library will not release grant funds to a municipality that fails to submit the required monthly filings after a grant has been awarded.

Condition

Our review of the State Library’s administration of HDPP grants found that it lacks procedures to ensure grant recipients met the program’s eligibility requirements.

Furthermore, our review of 20 grants, totaling \$131,000 during the audited period, found one grant recipient did not provide required supporting documentation, but was awarded with a subsequent \$11,000 grant.

Context

The State Library paid \$1,979,700 in HDPP grants during fiscal years 2023 and 2024. We randomly selected 20 grants from the universe of HDPP grant payments.

Effect	Without established monitoring procedures, grant funds may be distributed to municipalities that do not meet the program's eligibility requirements.
Cause	Weak internal controls and inadequate management oversight contributed to these conditions.
Prior Audit Finding	This finding has been previously reported in the last audit report covering the fiscal years 2021 through 2022.
Recommendation	The Connecticut State Library should implement procedures to ensure compliance with eligibility requirements in the Historic Documents Preservation Grant Program Application and Guidelines.
Agency Response	"The agency agrees and is already establishing procedures to ensure compliance with eligibility requirements set forth by the Historic Documents Preservation Grant Program Application and Guidelines."

Finding 4

Public Library Construction Grant Recipient Single Audit Reports

Criteria	Section 4-231(a)(1) of the General Statutes (prior to the July 1, 2024 amendment) requires non-state entities that expend \$300,000 or more in state financial assistance to have a single audit performed for that fiscal year. Section 4-236-23 of the Regulations of Connecticut State Agencies requires the single audit to include a schedule of expenditures of state financial assistance (SESFA). Section 4-236-29 of the Regulations of Connecticut State Agencies requires grantor state agencies to review the audit reports of grant recipients and to follow up on any audit findings that may include the disallowance of certain costs and recovery of those funds. The Office of Policy and Management (OPM) provides grantor agencies with a single audit desk review checklist to assist state agencies in their compliance monitoring. The checklist includes detailed instructions for grantor agencies, along with steps for monitoring SESFA reporting.
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Condition	We reviewed \$4,900,000 in public library construction grants to five recipients and found the State Library did not have procedures to review the grantee's state single audit reports.
Context	The State Library paid \$5,691,931 in public library construction grants during fiscal years 2023 and 2024. We judgmentally selected grants with bias towards the largest grant recipients.
Effect	The State Library is not monitoring grant recipients in accordance with state regulations. Failure to review single audit findings increases the risk of undetected problem areas, which could impact grant funding.
Cause	The State Library failed to utilize the OPM single audit desk review checklist and did not have staff with sufficient experience to review single audit reports.
Prior Audit Finding	This finding has previously been reported in the last six audit reports covering the fiscal years 2010 through 2022.
Recommendation	The Connecticut State Library should review grant recipient state single audit reports to ensure it understands and responds to problems identified in those reports.
Agency Response	"The agency agrees with the recommendation that it should review single audit reports and respond to problems specific to this agency and clarify that this process must include OPM as well as agency staff. Entities are required to submit their audits electronically to OPM, which, as the Cognizant Agency, is responsible for conducting the initial review of state single audit reports. The agency currently reviews reports sent by OPM, and a checklist provided by OPM will be used going forward ahead of issuing grants over \$300,000".

Finding 5

Unrecorded Accounts Receivable

Background	The State Library generates revenue through a fee on the reproduction and publication of its collections. This creates an accounts receivable on such orders that are invoiced for billing. Pursuant to the memorandum of understanding (MOU) between the State Library and Department of Administrative Services (DAS), the State Library submits invoices to DAS for it to process for billing in
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Core-CT. DAS is also responsible for assisting the State Library with collection referrals and write-offs.

Criteria

The State Accounting Manual requires accounts receivable records to be accurate, complete, and maintained in a manner to indicate the length of time the debt has been outstanding. Agencies must subject all accounts that are more than 30 days past due to collection procedures and keep a record for each action taken to collect an account to support classifying an account as uncollectible. Agencies should make at least three documented efforts to collect all delinquent accounts over \$25.

Condition

During our review we discovered a stack of customer invoices that were not recorded in Core-CT. Consequently, there was no schedule to track how long the accounts were outstanding.

Context

There were 67 unrecorded invoices totaling \$2,305. However, it was unclear which invoices had been paid because there was no corresponding receivable established to charge against.

Effect

Unrecorded accounts receivable could result in revenue loss for the state. Ineffective accounts receivable management practices could increase administrative costs.

Cause

It appears the turnover of fiscal staff at the State Library contributed to the unrecorded accounts receivable.

Prior Audit Finding

This finding has not been previously reported.

Recommendation

The Connecticut State Library should promptly submit invoices to the Department of Administrative Services to process for billing in Core-CT in accordance with the State Accounting Manual and the memorandum of understanding between the agencies.

Agency Response

"The agency agrees with the recommendation and has contacted DAS to resume creating invoices and providing oversight on accounts receivables with regard to payments. Additionally, the agency will send an invoice to DAS at the same time as one is sent to the customer."

STATUS OF PRIOR AUDIT RECOMMENDATIONS

Our [prior audit report](#) on the Connecticut State Library contained five recommendations. One has been implemented or otherwise resolved and four have been repeated or restated with modifications during the current audit.

Prior Recommendation	Current Status
The Connecticut State Library should review its internal controls to ensure artifacts are accurately and fully accessioned into its permanent database after acquisition.	REPEATED Recommendation 2
The Connecticut State Library should strengthen internal controls to ensure it has proper segregation of duties for the collection of donations and gifts.	RESOLVED
The Connecticut State Library should seek guidance from the Office of the State Comptroller to ensure it accurately and completely reports asset values on its annual inventory report.	REPEATED Recommendation 1
The Connecticut State Library should review grant recipient state single audit reports to ensure it understands and responds to problems identified in those reports.	REPEATED Recommendation 3
The Connecticut State Library should establish procedures to ensure compliance with eligibility requirements in the Historic Documents Preservation Grant Program Application and Guidelines.	REPEATED Recommendation 4

OBJECTIVES, SCOPE, AND METHODOLOGY

We have audited certain operations of the Connecticut State Library in fulfillment of our duties under Section 2-90 of the Connecticut General Statutes. The scope of our audit included, but was not necessarily limited to, the fiscal years ended June 30, 2023 and 2024. The objectives of our audit were to evaluate the:

1. State Library's internal controls over significant management and financial functions;
2. State Library's compliance with policies and procedures internal to the State Library or promulgated by other state agencies, as well as certain legal provisions; and
3. Effectiveness, economy, and efficiency of certain management practices and operations, including certain financial transactions.

In planning and conducting our audit, we focused on areas of operations based on assessments of risk and significance. We considered the significant internal controls, compliance requirements, or management practices that in our professional judgment would be important to report users. The areas addressed by the audit included payroll and personnel, purchasing and expenditures, grants, asset management, and reporting systems. We also determined the status of the findings and recommendations in our prior audit report.

The Department of Administrative Services administers payroll and personnel functions and informational technology services for the Connecticut State Library. Our audit reviewed these functions, based on assessments of risk and significance, as they relate to the Connecticut State Library. Our review did not include reviewing other aspects of the Department of Administrative Service's operations.

Our methodology included reviewing written policies and procedures, financial records, meeting minutes, and other pertinent documents. We interviewed various personnel of the State Library. We also tested selected transactions. This testing was not designed to project to a population unless specifically stated. We obtained an understanding of internal controls that we deemed significant within the context of the audit objectives and assessed whether such controls have been properly designed and placed in operation. We tested certain of those controls to obtain evidence regarding the effectiveness of their design and operation. We also obtained an understanding of legal provisions that are significant within the context of the audit objectives, and we assessed the risk that illegal acts, including fraud, and violations of contracts, grant agreements, or other legal provisions could occur. Based on that risk assessment, we designed and performed procedures to provide reasonable assurance of detecting instances of noncompliance significant to those provisions.

We conducted this performance audit in accordance with generally accepted government auditing standards. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

The accompanying financial information is presented for informational purposes. We obtained this information from various available sources including the State Library's management and state information systems. It was not subject to our audit procedures. For the areas audited, we identified

1. Deficiencies in internal controls;
2. Apparent noncompliance with laws, regulations, contracts and grant agreements, policies, or procedures; and
3. A need for improvement in management practices and procedures that we deemed to be reportable.

The State Auditors' Findings and Recommendations section of this report presents findings arising from our audit of the Connecticut State Library.

ABOUT THE AGENCY

Overview

The [Connecticut State Library](#) and State Library Board operate under the provisions of Title 11 of the Connecticut General Statutes. The State Library Board oversees the activities of the Connecticut State Library and is within the State Department of Education for administrative purposes only. The primary functions of the State Library include providing advice, planning, and financial assistance to all libraries in the state, operating the Raymond E. Baldwin Museum of Connecticut History and Heritage, maintaining library services for the blind and other persons with disabilities, and providing library and information services for state government and the public.

The mission of the State Library is to be a gateway to lifelong learning for all residents and visitors, inspiring a shared and informed future through its diverse, historic, and cultural resources.

Pursuant to Section 11-1(d) of the General Statutes, the State Library Board established a nonprofit foundation, the Connecticut Heritage Foundation, Inc., to raise funds from private sources to enhance the collections and programs of the State Library and museum. Our office conducts a separate financial audit of the foundation.

Organizational Structure

Deborah E. Schander was appointed state librarian by the State Library Board effective January 4, 2021 and continues to serve in that capacity.

Section 11-1(a) of the General Statutes provides the State Library Board shall consist of 12 members. The board promotes the mission of the State Library by raising awareness and advocating for the State Library to elected officials and residents of the state. The board also adopts written policies to govern the administration and programs of the State Library.

The State Library Board has two statutorily established advisory groups. The Advisory Council for Library Planning and Development, pursuant to Sections 11-1(f)(1) and (f)(2) of the General Statutes, consists of 19 members appointed by the State Library Board. The council advises on library planning and development issues. Section 11-6a(b) of the General Statutes establishes the Museum Advisory Committee, which consists of eight members. The committee advises the State Library Board regarding the policies, collections, programs, activities, and operations of the Raymond E. Baldwin Museum of Connecticut History and Heritage. However, this committee is not currently functioning due to vacancies.

Other advisory groups to the State Library Board include the Connecticut Library for Accessible Books Advisory Committee and the Connecticut Digital Library Advisory Board.

The State Library employs approximately 80 individuals and is divided into various divisions including the Reference Services Group, the Collection Services Group, the Discovery and Delivery Department, the Division of Library Development, the Museum of Connecticut History, the Public Records Office, and State Archives.

The State Library's fiscal and human resource functions were transferred to the Department of Administrative Services' (DAS) Small Agency Resource Team in October 2011. Additionally, the State Library's information and technology services were transferred to the DAS Bureau of Information

Technology Solutions in December 2021 as part of the state-wide information technology optimization initiative.

Significant Legislative Changes

Notable legislative changes that took effect during the audited period are presented below:

- **Public Act 23-205 (Section 60)**, effective July 1, 2023, adjusted the provisions for public library construction projects to allow the State Library Board to grant amounts up to fifty percent of the total construction cost of each project (or eighty percent for projects located in distressed municipalities), up to a maximum of two million dollars (previously one million dollars).

Financial Information

General Fund Receipts

General Fund revenue was relatively steady during fiscal years 2023 and 2024, with receipts totaling \$1,495,425 and \$1,320,09, respectively.

General Fund Expenditures

A summary of General Fund expenditures during the audited period as compared to the preceding fiscal year follows:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Personal Services and Employee Benefits	\$ 5,394,007	\$ 5,103,775	\$ 5,237,645
Purchased and Contracted Services	1,906,657	256,602	77,848
Premises and Property Expenses	369,017	392,990	413,461
Information Technology	342,757	270,905	325,742
Purchased Commodities	13,892	125,232	73,771
Grants-In-Aid	828,040	828,040	1,552,992
Capital Outlays	120,808	1,880,609	1,974,903
Other Miscellaneous Expenses	36,119	41,064	18,241
Total	\$ 9,011,297	\$ 8,899,217	\$ 9,674,603

General Fund expenditures remained relatively steady during the audited period. The increase in Grants-In-Aid expenditures in fiscal year 2024 was due to additional funding authorized by the Appropriations Committee, including \$500,000 to support three literacy initiatives pursuant to Public Act 23-204 (Section 36), and \$225,000 for public library incentive grants pursuant to Section 11-24b of the Connecticut General Statutes. The increase in Capital Outlays correlated with the decrease in Purchased and Contracted Services in fiscal years 2023 and 2024 due to the reclassification of online information service expenditures to capitalized subscription based information technology arrangements in response to Governmental Accounting Standards Board Statement No. 96.

The State Library administered stable state-aid-grant programs during the audited period. A schedule of grant expenditures by program and a brief description of each program are presented below:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Cooperating Library Service Units	\$ 124,402	\$ 124,402	\$ 124,402
Borrow IT Payments	703,638	703,638	703,638
Total	\$ 828,040	\$ 828,040	\$ 828,040

Cooperating Library Service Units - Section 11-9e of the General Statutes provides for libraries to coordinate services through planning, resource sharing, and the development of programs that are too costly or impractical for a single library to maintain.

BorrowIT (formerly known as Connecticard) Payments - Section 11-31b of the General Statutes provides for a cooperative program among public libraries that allows residents to borrow materials from any participating state public library. Grant payments to participating libraries are based on the volume of program activity levels.

Federal and Other Restricted Accounts Fund

A summary of Federal and Other Restricted Accounts Fund receipts for the audited period and prior fiscal year is presented below:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Federal Grants	\$ 4,687,529	\$ 3,138,991	\$ 2,639,261
Restricted State Aid	1,750,657	1,555,407	1,418,472
Other Receipts	\$9,445	65,318	83,444
Total	\$ 6,447,631	\$ 4,759,716	\$ 4,141,177

Federal Grant receipts consisted of grant agreements with the federal government for the administration of programs and activities supporting statewide library initiatives and services. The decreases in fiscal years 2023 and 2024 were attributed to the conclusion of federal aid received for the COVID-19 pandemic. Restricted State Aid receipts were primarily from the Historic Documents Preservation Grant Program. This program is funded from fees collected by towns, submitted to the State Library, which it used for grants to towns for the preservation and management of historic documents.

A summary of Federal and Other Restricted Accounts Fund expenditures for the audited period and prior fiscal year is presented below:

	Fiscal Year Ended June 30,		
	2022	2023	2024
Restricted Federal Accounts	\$ 3,942,110	\$ 2,817,666	\$ 3,332,040
Historic Document Preservation Account	1,493,046	1,570,802	1,744,300
Other Private Accounts	11,956	6,778	8,794
Capital Equipment Purchases	140,836	110,045	52,213
Capital Projects	72,000	-	-
Grants To Local Governments	1,789,378	3,198,349	3,248,975
Community Conservation and Development	1,515,000	1,000,000	-
Total	\$ 8,964,326	\$ 8,703,640	\$ 8,386,322

The decrease in Restricted Federal Accounts expenditures in fiscal year 2023 correlated with the ending of federal assistance from the COVID-19 pandemic. These funds were mostly passed through to public libraries throughout the state to help offset pandemic related expenses.

Grants to Local Governments and the Community Conservation and Development Fund expenditures predominantly related to grants for public library construction, improvements, and other related projects. The increase during the audited period was primarily due to more construction projects as the economy rebounded from the COVID-19 pandemic. The decrease in the Community Conservation and Development Fund expenditures resulted from the conclusion of various construction projects.

Expenditures for the Historic Documents Preservation Account and Other Private Accounts were relatively stable during the audited period and consisted of personal services, fringe benefits, and grant awards for various federal and state programs.