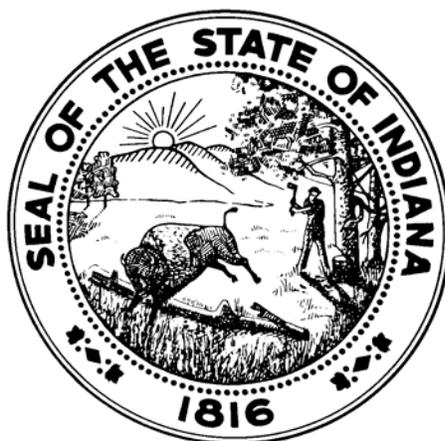


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
LOGOOTEER PUBLIC LIBRARY
MARTIN COUNTY, INDIANA
January 1, 2006 to December 31, 2006



FILED
11/15/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary Ringwald	01-01-06 to 12-31-07
Treasurer	J.D. Faris Judith F. Walton	01-01-06 to 06-30-07 07-01-07 to 12-31-07
President of the Board	Stephanie D. McAtee Donna K. Graber	01-01-06 to 12-31-06 01-01-07 to 12-31-07



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE LOOGOOTEE PUBLIC LIBRARY, MARTIN COUNTY, INDIANA

We have examined the financial information presented herein of the Loogootee Public Library (Library), for the period of January 1, 2006 to December 31, 2006. The Library's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the Library for the year ended December 31, 2006, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not a required part of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information, and accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 20, 2007

LOGOOTE PUBLIC LIBRARY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
 As Of And For The Year Ended December 31, 2006

	Cash and Investments 01-01-06	Receipts	Disbursements	Cash and Investments 12-31-06
Governmental Funds:				
General	\$ 38,398	\$ 97,328	\$ 96,317	\$ 39,409
Gift	2,173	14,045	14,960	1,258
Rainy Day	5,505	-	-	5,505
Library Contractual Services	17,479	344	-	17,823
Technology Grant	-	3,600	300	3,300
Fiduciary Fund:				
PLAC	28	-	28	-
Totals	<u>\$ 63,583</u>	<u>\$ 115,317</u>	<u>\$ 111,605</u>	<u>\$ 67,295</u>

The accompanying notes are an integral part of the financial information.

LOOGOOTEE PUBLIC LIBRARY
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The Library was established under the laws of the State of Indiana. The Library provides the following services: public safety, health and social services, culture and recreation, and general administrative services.

Note 2. Fund Accounting

The Library uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Library in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Library on or prior to December 31 of the year collected.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the Library to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

LOGOOTE PUBLIC LIBRARY
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

LOANS PAYABLE

The Library has entered into the following loan:

Description of Asset	Ending Balance	Due Within One Year
Governmental Activities:		
Notes and loans payable		
Purchase of the Library building	\$ 46,925	\$ 4,207

LOGOOTE PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

OFFICIAL BOND

As stated in prior reports, the official bond covering the Treasurer and Deputy Treasurer was not filed in the Office of the County Recorder for 2006 and 2007.

Indiana Code 36-12-2-22(g) states in part: "The treasurer shall give a surety bond for the faithful performance of the treasurer's duty and for the accurate accounting of all money coming into the treasurer's custody. The bond must be: . . . (7) deposited in the office of the recorder of the county in which the library district is located."

LATE PAYMENT FEES

The Library incurred, and subsequently paid, financial charges for delinquent payment of vendor invoices during 2006.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit. Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

CAPITAL ASSET RECORDS

The General Fixed Asset Account Group presented for examination did not reflect the additions, in the amount of \$21,033, for 2004 and the purchase of a building, in the amount of \$150,000, for 2005.

The Library capital asset record did not reflect additions and disposals for 2006. Furthermore, capital asset records from prior periods did not always reflect the monetary value of the asset, nor was each capital asset classified by type to reflect whether it was land, buildings, improvement other than buildings, etc. When the Library disposes of a capital asset, the cost of the asset and the related accumulated depreciation should also be recorded in the records as deletions.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

SALES TAX

Sales tax was paid on some purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

LOGOOTEER PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on September 20, 2007, with Mary Ringwald, Director; Judith F. Walton, Treasurer; and Deborah Schwartz, Accountant. The officials concurred with our findings.