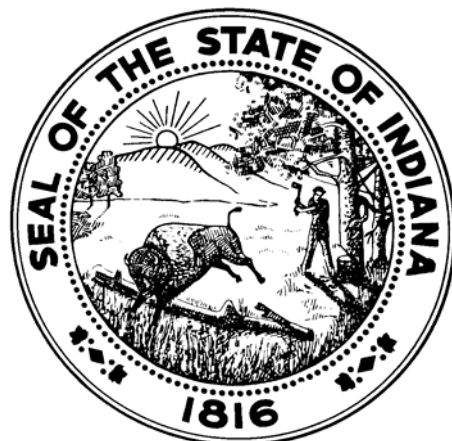


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

EXAMINATION REPORT
OF
LOOGOOTEE PUBLIC LIBRARY
MARTIN COUNTY, INDIANA
January 1, 2004 to December 31, 2005



FILED
12/29/2006

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Director	Mary Ringwald	01-01-04 to 12-31-06
Treasurer	J.D. Faris	01-01-04 to 12-31-06
President of the Board	Stephanie D. McAtee	01-01-04 to 12-31-06



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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, 2004 to December 31, 2005. 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 years ended December 31, 2004 and 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 6, 2006

LOOGOOTEE PUBLIC LIBRARY
 SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
 ALL GOVERNMENTAL AND FIDUCIARY FUND TYPES
 As Of And For The Years Ended December 31, 2004 And 2005

	Cash and Investments 01-01-04	Receipts	Disbursements	Cash and Investments 12-31-04
Governmental Funds:				
General	\$ 40,982	\$ 57,705	\$ 71,481	\$ 27,206
Gift	860	200	98	962
Rainy Day	-	5,505	-	5,505
Library Improvement Reserve	106,567	4,434	-	111,001
Fiduciary Fund:				
PLAC	27	78	105	-
Totals	<u>\$ 148,436</u>	<u>\$ 67,922</u>	<u>\$ 71,684</u>	<u>\$ 144,674</u>

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	\$ 27,206	\$ 133,656	\$ 122,464	\$ 38,398
Gift	962	1,211	-	2,173
Rainy Day	5,505	-	-	5,505
Library Improvement Reserve	111,001	1,478	95,000	17,479
Fiduciary Fund:				
PLAC	-	56	28	28
Totals	<u>\$ 144,674</u>	<u>\$ 136,401</u>	<u>\$ 217,492</u>	<u>\$ 63,583</u>

The accompanying notes are an integral part of the schedules.

LOGOOTEER 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: culture and recreation.

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.

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.

Note 6. Long-Term Debt

The Library has entered into a loan for a library building. The outstanding principal at December 31, 2005, was \$55,000.

Note 7. Subsequent Event

On October 19, 2006, the Library sold the old library building for \$25,000.

LOGOOTEER PUBLIC LIBRARY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies, relating to the recordkeeping that were cited in the prior audit report, were again present during our period of audit:

1. Record balances were not reconciled to depository balances during the two year period.

Indiana Code 5-13-6-1(e) states in part: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

2. There were a considerable number of posting errors. These errors included checks and receipts not recorded in the proper amounts, transactions posted twice, and mathematical errors in totals.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

ANNUAL REPORT

The annual reports for 2004 and 2005 were not presented for audit.

Indiana Code 5-3-1-4 states in part: "(a) The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. . . . (b) The following shall prepare, verify, and file the reports required under subsection (a) not later than sixty (60) days after the end of each year . . . (2) A public library."

OFFICIAL BONDS

The official bond covering the Library's Treasurer and Bookkeeper was not filed in the Office of the County Recorder for 2004, 2005, and 2006.

Indiana Code 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

A similar comment appeared in the prior report.

COMPENSATION AND BENEFITS

No evidence was presented to indicate that the Board fixed or approved salary or wage rates paid during 2004 and 2005.

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Libraries, Chapter 4)

A similar comment appeared in the prior report.

LOGOOTEER PUBLIC LIBRARY
EXIT CONFERENCE

The contents of this report were discussed on November 6, 2006, with Mary Ringwald, Director; J.D. Faris, Treasurer; and Stephanie D. McAtee, President of the Board. The officials concurred with our findings.