

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF LOGOOTE

MARTIN COUNTY, INDIANA

January 1, 2013 to December 31, 2017



**FILED**

07/24/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Nancy L. Jones	01-01-12 to 12-31-19
Mayor	Noel D. Harty	01-01-12 to 12-31-19
President of the Board of Public Works	Noel D. Harty	01-01-12 to 12-31-19
President Pro Tempore of the Common Council	Donald "Rick" Norris Richard Taylor Carroll Rayhill Ruth Smith	01-01-12 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-17 01-01-18 to 12-31-18



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF LOOGOOTEE, MARTIN COUNTY, INDIANA

This report is supplemental to our audit report of the City of Loogootee (City), for the period from January 1, 2013 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statements Audit Report of the City, which provides our opinions on the City's financial statements compliance. 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.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

June 7, 2018

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CLERK-TREASURER  
CITY OF LOOGOOTE

CLERK-TREASURER  
CITY OF LOOGOOTEE  
AUDIT RESULT AND COMMENT

***FINANCIAL TRANSACTIONS AND REPORTING***

On December 30, 2015, the City issued Bond Anticipation Notes (BAN) to acquire the West Boggs Sewer District (District). The City used the proceeds to pay off the Rural Development Loan of the District. The BAN proceeds of \$1,650,000 were transferred to a financial institution, who then directly paid Rural Development \$1,522,592 for the payoff of the loan; \$60,000 to a law firm for legal fees; \$60,000 to an accounting firm for bond issue costs; and \$7,408 to the City for the remaining bond proceeds. The bond proceeds and the related bond payments, except for the \$7,408 of remaining proceeds, were not recorded in the City's ledger.

As a result, the related receipts and disbursements totaling \$1,642,592 were not reported by the Clerk-Treasurer in the Indiana Gateway for Government Units financial reporting system, which is used to generate the Annual Financial Report and financial statements.

Adjustments were proposed, approved by the City, and made to the Financial Statement.

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

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

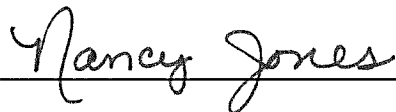
"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days 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."

CITY OF LOOGOOTEE  
401 JFK AVENUE  
LOOGOOTEE, IN 47553  
MAYOR: 812-295-4770  
CLERK TREASURER: 812-295-3200

**OFFICIAL RESPONSE**

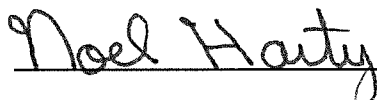
June 13, 2018

This letter is in response to the audit result and comment regarding the BAN to acquire West Boggs. The City hired H. J. Umbaugh as consulting accountants and Bingham Greenbaum Doll as bond attorneys. Under the advice and direction of those professionals the BAN proceeds of \$1,650,000 were transferred to German American Bank and then directly paid to Rural Development, the bond attorneys and the accounting firm. The City received the remaining \$7,408 which was receipted into our books. According to the SBOA, all the proceeds should have been receipted into our bank accounts and paid out through our system so transactions would have been reported in the annual financial report.



Nancy Jones

Clerk Treasurer



Noel Harty

Mayor

CLERK-TREASURER  
CITY OF LOOGOOTEE  
EXIT CONFERENCE

The contents of this report were discussed on June 7, 2018, with Nancy L. Jones, Clerk-Treasurer; Noel D. Harty, Mayor; Ruth Smith, President Pro Tempore of the Common Council; Teresa Nolley, Common Council member; and Carol Harder, Deputy Clerk-Treasurer.