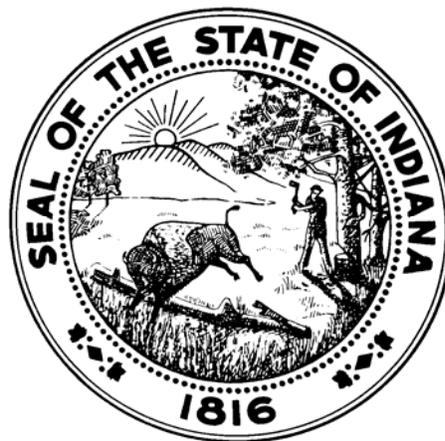


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

EXAMINATION REPORT
OF

CITY COURT
CITY OF GAS CITY
GRANT COUNTY, INDIANA

January 1, 2005 to December 31, 2005



FILED
10/25/2006

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Court Judge	Fred L. Schrader	01-01-04 to 12-31-07
Mayor	H. Larry Leach	01-01-04 to 12-31-07
President of the Common Council	Michael Planck Larry Terwillegar	01-01-05 to 12-31-05 01-01-06 to 12-31-06



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AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF GAS CITY

We have examined the records of the City Court for the period from January 1, 2005 to December 31, 2005, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Gas City, Grant County, for the year 2005.

STATE BOARD OF ACCOUNTS

October 4, 2006

CITY COURT
CITY OF GAS CITY
EXAMINATION RESULTS AND COMMENTS

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping that were cited in the prior Audit Report B25434, were again present during our period of examination:

- (1) Record balances were not reconciled to depository balances from June 2005 through August 2006.

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 deposits not receipted, checks and receipts not recorded in the proper amounts, interest not recorded, and nonsufficient funds checks incorrectly recorded.

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 Cities and Town Courts, Chapter 4)

DEPOSITS

In numerous instances, receipts were deposited later than the next business day. This comment appeared in the prior Audit Report B25434.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

DEFERRED PROSECUTION COURT COSTS NOT CHARGED

Court costs for deferred prosecution infraction cases were not charged. This comment appeared in the prior Audit Report B25434.

Indiana Code 34-28-5-1 requires the defendant in a deferral program to pay court costs to the clerk of the circuit court if the action involves a moving traffic offense (as defined in IC 9-13-2-110). (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 2)

BOND ADMINISTRATIVE FEE

Bond administrative fees are not being retained by the Court on all ten percent (10%) cash bonds. In some cases where a fee was collected, the wrong amount was collected.

CITY COURT
CITY OF GAS CITY
EXAMINATION RESULTS AND COMMENTS
(Continued)

The Court may admit a defendant to bail and require the defendant to execute a bail bond by depositing cash or securities with the clerk in an amount not less than ten percent (10%) of the bail. A portion of this deposit, not to exceed ten percent (10%) of the monetary value or fifty dollars (\$50), whichever is the lesser amount, may be retained as an administrative fee (IC 35-33-8-3.2). (Accounting and Uniform Compliance Guidelines for City and Town Courts, Chapter 3)

OFFICIAL BOND

The official bond for the City Court Judge was not filed in the Office of the County Recorder. This comment appeared in the prior Audit Report B25434.

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. . . ."

CITY COURT
CITY OF GAS CITY
EXIT CONFERENCE

The contents of this report were discussed on October 4, 2006, with Fred L. Schrader, City Court Judge. The official concurred with our audit findings.