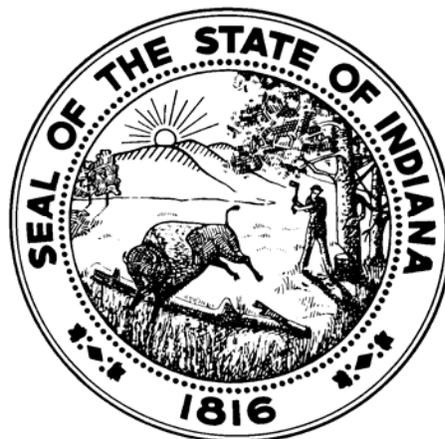


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

AUDIT REPORT
OF

CIVIC CENTER BOARD OF MANAGERS
CITY OF SOUTH BEND
ST. JOSEPH COUNTY, INDIANA

January 1, 2006 to December 31, 2006



FILED
07/05/2007

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Chief Fiscal Officer	Thomas Davis	01-01-06 to 05-17-07
Interim Fiscal Officer	M. Catherine Fanello	05-18-07 to 12-31-07
Controller	M. Catherine Fanello	04-14-05 to 12-31-07
Executive Director	Brian Hedman	01-01-06 to 03-17-06
Interim Executive Director	Brian Hedman	03-18-06 to 03-15-07
Facility Manager	Global Spectrum, L. P.	01-01-07 to 12-31-09
Mayor	Stephen J. Luecke	01-01-04 to 12-31-07
President of the Civic Center Board of Managers	Anthony Douglas Vivian Sallie	01-01-06 to 12-31-06 01-01-07 to 12-31-07
President of the Common Council	Timothy A. Rouse	01-01-06 to 12-31-07



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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TO: THE OFFICIALS OF THE CIVIC CENTER BOARD OF MANAGERS

We have audited the records of the Civic Center Board of Managers, City of South Bend, for the period from January 1, 2006 to December 31, 2006, 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 Audit Results and Comments. The financial transactions of this office are reflected in the Annual Report of the City of South Bend for the year 2006.

STATE BOARD OF ACCOUNTS

May 25, 2007

CIVIC CENTER BOARD OF MANAGERS
CITY OF SOUTH BEND
ST. JOSEPH COUNTY
AUDIT RESULTS AND COMMENTS

OVERPAYMENTS - WITHHOLDING OF FEDERAL TAX ON INVESTMENT EARNINGS

In 2004 and 2005, federal withholdings totaling \$4,947.13 for taxes on interest earned were withheld on several bank accounts of Century Center. In 2006, federal withholdings totaling \$3,867.62 for taxes on interest earned were withheld from an investment account of Century Center. Century Center, a department of the City of South Bend, is not required to pay taxes on interest earnings. A refund of these withholdings has not been received as of the date of this report. No evidence was provided showing that a refund has been requested.

The federal withholdings from 2004 and 2005 totaling \$4,947.13 were previously noted in an Audit Result and Comment, in Report B27188, dated April 27, 2006, on the Civic Center Board of Managers, City of South Bend for the year 2005.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 Cities and Towns, Chapter 7)

PENALTIES, INTEREST AND OTHER CHARGES

In some instances, amounts payable to vendors and other suppliers of goods and services were not being paid until after the vendor due dates. A late payment fee of \$33.00 was paid on one automobile lease in 2006. Penalties totaling \$49.62 and \$105.54 accrued on two other automobile leases in 2006. Penalties of \$113.93 accrued on a copy machine operating lease in 2006. Penalties totaling \$815 accrued on an energy savings loan in 2006. Except for the \$33.00 late fee payment, no late charge penalties were paid on the amounts listed above, but the charges have been carried forward to the most recent invoices. These unpaid charges totaled \$1,084.09 at December 31, 2006.

Penalties and interest totaling \$175.40 were paid to the Indiana Department of Revenue on November 29, 2006, for late payment of October 2006 sales tax collections.

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. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 Cities and Towns, Chapter 7)

CIVIC CENTER BOARD OF MANAGERS
CITY OF SOUTH BEND
ST. JOSEPH COUNTY
EXIT CONFERENCE

The contents of this report were discussed on May 23, 2007, with Kurt Brown, Century Center General Manager, Global Spectrum, L.P.

The contents of this report were discussed on May 25, 2007, with Thomas Davis, Chief Fiscal Officer.

The contents of this report were also discussed on May 25, 2007, with M. Catherine Fanello, Controller.

The contents of this report were discussed on May 29, 2007, with Stephen J. Luecke, Mayor; and with Timothy A. Rouse, President of the Common Council.