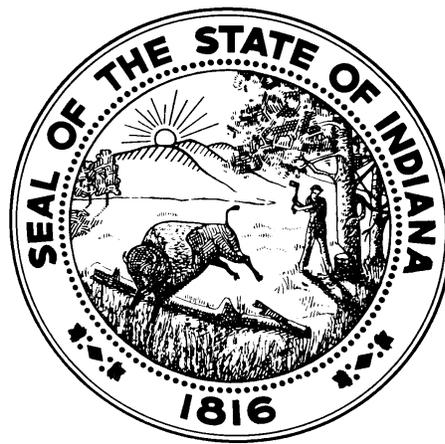


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

AUDIT REPORT  
OF

ENGINEERING DEPARTMENT  
CITY OF ANDERSON  
MADISON COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**  
09/17/2008



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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Engineer	Michael Spyers	01-01-07 to 12-31-08
Controller	Morris D. Long Morris D. Long (Contractual) C. Karen Carpenter	01-01-07 to 09-12-07 09-13-07 to 12-31-07 01-01-08 to 12-31-08
Mayor	Honorable Kevin S. Smith Honorable M. Kris Ockomon	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Board of Public Works	Robert Sparks Greg Graham	01-01-07 to 12-31-07 01-01-08 to 12-31-08
President of the Common Council	Donna Davis Joseph Newman	01-01-07 to 12-31-07 01-01-08 to 12-31-08



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302 WEST WASHINGTON STREET  
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INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF THE CITY OF ANDERSON, MADISON COUNTY, INDIANA

We have audited the records of the Engineering Department for the period from January 1, 2007 to December 31, 2007, 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 Result and Comment. The financial transactions of this office are reflected in the Comprehensive Annual Financial Report of the City of Anderson for the year 2007.

STATE BOARD OF ACCOUNTS

July 21, 2008

ENGINEERING DEPARTMENT  
CITY OF ANDERSON  
AUDIT RESULT AND COMMENT

MISSING FUNDS INVESTIGATION

According to a City of Anderson Police report, on November 26, 2007, Michael Spyers, City Engineer, filed a police report after discovering \$79 in cash and three checks totaling \$50 missing from the City of Anderson Engineering Department. A former employee of the Engineering Department, admitted to taking the monies and later replacing the missing monies when the deposits were made to the Controller's office. Additionally, officials state that \$58 in cash and \$50 in checks, a total of \$108, remains missing from a June 2007 deposit.

On January 31, 2008, an Anderson Police Department officer prepared a probable cause affidavit for theft under Indiana Code 35-43-4-2 versus the former employee and forwarded it to the Madison County Prosecuting Attorney's office. The status of these proceedings will be reviewed by the State Board of Accounts during a subsequent audit of the City.

ENGINEERING DEPARTMENT  
CITY OF ANDERSON  
EXIT CONFERENCE

The contents of this report were discussed on July 21, 2008, with Michael Spyers, City Engineer.

The contents of this report were discussed on July 28, 2008, with C. Karen Carpenter, Controller; and Joseph Newman, President of the Common Council.