

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

AUDIT REPORT
OF

CITY COURT
CITY OF GAS CITY
GRANT COUNTY, INDIANA

January 1, 2008 to December 31, 2008



FILED
09/22/2009

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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Court Judge	Steven J. Barker	01-01-08 to 12-31-11
Mayor	H. Larry Leach	01-01-08 to 12-31-11
President of the Common Council	Larry J. Terwillegar	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF GAS CITY

We have audited the records of the City Court for the period from January 1, 2008 to December 31, 2008, 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 Gas City, Grant County for the year 2008.

STATE BOARD OF ACCOUNTS

August 18, 2009

CITY COURT
CITY OF GAS CITY
AUDIT RESULTS AND COMMENTS

DEPOSITS

In numerous instances, receipts were deposited later than the next business day. Of the receipts tested, 52% were deposited four days or more after the date of the receipt. Two deposit dates were twelve days after the date of the receipt. Receipt reports and deposits were completed daily; however, the deposits were only taken to the bank an average of one time per week. A similar comment appeared in prior Report B32431.

IC 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."

DISTRIBUTION OF COURT FEES

The Court did not comply with IC 33-37-7-8 which regulates distribution of court costs to the state, county, and city. Proper percentages were not always applied to these costs. A similar comment appeared in prior Report B32431.

IC 33-37-7-8 states in part:

"(a) . . . shall distribute semiannually to the auditor of state . . . fifty-five percent (55%) of the amount."

"(b) . . . shall distribute monthly to the county auditor . . . twenty percent (20%) of the amount."

"(c) . . . shall retain twenty-five percent (25%) . . . of the fees collected."

PAYMENTS TO STATE, COUNTY, AND CITY

Fines and court costs that have been collected and are due and unpaid to the state, county, and city at December 31, 2008, are as follows:

<u>Collected In</u>	<u>State</u>	<u>County</u>	<u>City</u>
June 2008	\$ 35,099	\$ -	\$ -
July 2008	39,834	-	-
August 2008	25,880	-	-
September 2008	45,655	-	-
October 2008	43,550	28,514	39,371
November 2008	32,084	13,551	26,705
Totals	<u>\$ 222,120</u>	<u>\$ 42,065</u>	<u>\$ 66,076</u>

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

A similar comment appeared in prior Report B32431.

IC 33-37-7-8 states in part:

"(d) The clerk of a city or town court shall distribute semiannually to the auditor of state . . ."

"(e) The clerk of a city or town court shall distribute monthly to the county auditor . . ."

"(f) The clerk of a city or town court shall distribute monthly to the city or town fiscal officer . . ."

UNCLAIMED FUNDS OVER FIVE YEARS OLD

At December 31, 2008, there were \$12,368 of bond funds and \$6,185 of trust funds that were unclaimed and over five years old. A similar comment appeared in prior Report B32431.

All items that can be legally disbursed should be paid immediately to the person or persons entitled thereto. All fees and funds five or more years old, including old outstanding checks, should be scheduled on forms provided by the Attorney General and paid over to the Attorney General as required by Indiana Code 32-34-1-20(c)(7). Items should not be allowed to accumulate beyond the five year anniversary date. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

BANK RECONCILEMENTS

Record balances were not reconciled to depository balances from January 2008 to May 2009. A similar comment appeared in prior Report B32431.

IC 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."

NONSUFFICIENT FUNDS CHECKS

The Court has not established procedures for the tracking and collection of nonsufficient funds (NSF) checks. A complete list of outstanding NSF checks could not be provided.

Each court should establish written guidelines on how to handle refunds and NSF checks. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

CITY COURT
CITY OF GAS CITY
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2009, with Steven J. Barker, City Court Judge.