

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF MITCHELL

LAWRENCE COUNTY, INDIANA

January 1, 2012 to December 31, 2014



**FILED**  
05/20/2016



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	George James Mark Bryant	01-01-12 to 12-31-15 01-01-16 to 12-31-19
Mayor	Gary L. Pruett John D. England	01-01-12 to 12-31-15 01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Gary L. Pruett John D. England	01-01-12 to 12-31-15 01-01-16 to 12-31-16
President Pro-Tempore of the Common Council	Nancy Miller Vickie Schlegel William Arnold	01-01-12 to 12-31-12 01-01-13 to 12-31-15 01-01-16 to 12-31-16
Superintendent of Utilities	Tyler Duncan	01-01-12 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF MITCHELL, LAWRENCE COUNTY, INDIANA

This report is supplemental to our examination report of the City of Mitchell (City), for the period from January 1, 2012 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statements Examination Report of the City, which provides our opinion on the City's financial statements. 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 Examination Results and Comments contained herein describe the identified reportable instances 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

February 9, 2016

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CLERK-TREASURER  
CITY OF MITCHELL

CLERK-TREASURER  
CITY OF MITCHELL  
EXAMINATION RESULTS AND COMMENTS

**OVERDRAWN CASH BALANCES**

As stated in prior Report B40863, the financial statements presented for examination included the following funds with overdrawn cash balances at December 31, 2012, 2013, and 2014:

Fund	Amount Overdrawn		
	12-31-12	12-31-13	12-31-14
MOTOR VEHICLE HIGHWAY	\$ -	\$ 15,901	\$ 4,116
CUM CAP IMP -CIG TAX	1,200	18,688	-
SAFE ROUTES TO SCHOOL	-	-	3,696
MITCHELL INDUSTRIES GRANT	750	-	-
SIDC/INDUSTRIAL PARK	5	5	5
PAYROLL AFLAC	231	206	206
PAYROLL COMPDENT	725	725	725
PAYROLL BANKERS NATION	1,303	1,304	1,304
PAYROLL FICA WITHHOLDIN	867	939	1,268
PAYROLL MEDICARE WITHHO	4,096	4,236	4,313
PAYROLL COUNTY ADJ. GRO	1,630	1,606	1,708
PAYROLL PERF WITHHOLDIN	2,760	2,760	2,760
PAYROLL POLICE PENSION	1,906	1,895	1,895
PAYROLL AMERICAN UNITED LIFE	4,289	6,033	5,993
PAYROLL -VISION W/H	779	-	-
PAYROLL -DENTAL W/H	2,813	-	-
PAYROLL AULI/LTD	2,238	3,254	3,568
GARNISH 2	-	50	-
GARNISHMENT 3	-	178	-
GARNISHMENT 10	-	36	-
GARNISHMENT 7	-	25	-
GARNISHMENT 8	-	60	-
UNIFORM FEE	515	607	603
SEWAGE METER DEPOSIT RE	-	-	197,415
SEWAGE CAPITAL PROJECTS	102,039	102,039	102,039
WATER UTL CONST EDA	18,759	18,759	18,759

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds 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)

**DELINQUENT WASTEWATER ACCOUNTS**

As stated in prior Report B40863, delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor during the examination period, which would result in a lien against the property.

CLERK-TREASURER  
CITY OF MITCHELL  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

Indiana Code 36-9-23-33 states in part:

"(c) Except as provided in subsection (m), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

(1) A list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

(A) The name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent.

(B) A description of the premises, as shown by the records of the county auditor.

(C) The amount of the delinquent fees, together with the penalty.

(2) An individual instrument for each lot or parcel of real property on which the fees are delinquent.

(d) The officer shall record a copy of each list or each individual instrument with the county recorder . . .

(f) . . . Using the lists and instruments prepared under subsection (c) and recorded under subsection (d), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (d), certify to the county auditor a list of the unpaid liens for collection with the next May installment of property taxes."

**APPROPRIATIONS**

The records presented for examination indicated \$4,200 of expenditures in excess of budgeted appropriations for the Cum Cap Imp-Cig Tax fund for the year 2014.

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CLERK-TREASURER  
CITY OF MITCHELL  
EXIT CONFERENCE

The contents of this report were discussed on February 9, 2016, with Mark Bryant, Clerk-Treasurer; John D. England, Mayor; William Arnold, President Pro-Tempore of the Common Council; and Vickie Schlegel, former President Pro-Tempore of the Common Council.

The contents of this report were discussed on February 11, 2016, with George James, former Clerk-Treasurer.