

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

SUPPLEMENTAL COMPLIANCE REPORT
OF

ELECTRIC, WASTEWATER, WATER, AND
TELECOMMUNICATIONS UTILITIES
CITY OF LEBANON
BOONE COUNTY, INDIANA

January 1, 2013 to December 31, 2014



FILED
06/16/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Harold "Huck" Lewis Matt Gentry	01-01-13 to 12-31-15 01-01-16 to 12-31-19
President of the Board of Public Works	Harold "Huck" Lewis Matt Gentry	01-01-13 to 12-31-15 01-01-16 to 12-31-19
Clerk-Treasurer	Tonya Thayer	01-01-13 to 12-31-19
President Pro Tempore of the Common Council	Jeremy Lamar Preston Myers Steve Large	01-01-13 to 12-31-14 01-01-15 to 12-31-15 01-01-16 to 12-31-16
General Manager of Utilities	Michael Martin Jay McCoskey Mike Whitman	01-01-13 to 01-06-14 01-07-14 to 12-11-15 12-12-15 to 12-31-16
President of the Utility Service Board	Dan Lamar Allen Woods	01-01-13 to 12-31-15 01-01-16 to 12-31-16
Utility Finance Manager	Sandra Morgan	01-01-13 to 12-31-16



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE ELECTRIC, WATER, WASTEWATER, AND TELECOMMUNICATIONS UTILITIES, CITY OF LEBANON, BOONE COUNTY, INDIANA

This report is supplemental to our examination report of the City of Lebanon Electric, Water, Wastewater, and Telecommunications Utilities (Utilities), for the period from January 1, 2013 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 Utilities. It should be read in conjunction with our Financial Statements Examination Report of the Utilities, which provides our opinion on the Utilities' financial statements. This report may be found at 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

March 30, 2016

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ELECTRIC UTILITY
CITY OF LEBANON

ELECTRIC UTILITY
CITY OF LEBANON
EXAMINATION RESULT AND COMMENT

CONTRACTS

In 2014, payments totaling \$191,730 and \$264,940 were made for work completed at the West and Central Substations, respectively. Written contracts for the work provided did not exist.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)



One Municipal Plaza
401 S. Meridian Street
Lebanon, IN 46052
765-482-5100
www.lebanon-utilities.com

April 8, 2016

Re: State Board of Accounts Report for the City of Lebanon Utilities

In accordance with Indiana Code 5-11-5-1 General Manager Mike Whitman is responding to the report for the period examined of 1-1-2013 to 12-31-2014.

The City of Lebanon is currently modifying our procedures to ensure that contracts are received for contractual services.

Respectfully Submitted,

A handwritten signature in black ink, appearing to read "Mike Whitman", is written over the typed name.

Mike Whitman,
General Manager
Lebanon Utilities
765-482-8382

mwhitman@lebanon-utilities.com

ELECTRIC UTILITY
CITY OF LEBANON
EXIT CONFERENCE

The contents of this report were discussed on March 30, 2016, with Mike Whitman, General Manager of Utilities, and Sandra Morgan, Utility Finance Manager.