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

EXAMINATION REPORT

OF

CITY OF LAWRENCEBURG

DEARBORN COUNTY, INDIANA

January 1, 2005 to December 31, 2005

FILED

12/29/2006

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OFFICIALS

Office	Official	Term
Clerk-Treasurer	Jacqueline A. Stutz	01-01-04 to 12-31-07
Mayor	William Cunningham	01-01-04 to 12-31-07
President of the Board of Public Works	William Cunningham	01-01-04 to 12-31-07
President of the Common Council	William Cunningham	01-01-04 to 12-31-07
Superintendent of Utilities	Charles M. Davis	01-01-05 to 12-31-06
Utility Office Manager	Lee Ann Lucier	01-01-05 to 04-27-05
	Vacant	04-28-05 to 06-14-05
	Ginger Cotton	06-15-05 to 12-31-06

STATE OF INDIANA

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF LAWRENCEBURG, DEARBORN COUNTY, INDIANA

We have examined the financial information presented herein of the City of Lawrenceburg (City), for the period of January 1, 2005 to December 31, 2005. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2005, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

STATE BOARD OF ACCOUNTS

November 22, 2006

CITY OF LAWRENCEBURG
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, FIDUCIARY, AND PROPRIETARY FUND TYPES
As Of And For The Year Ended December 31, 2005

	Cash and Investments 01-01-05	Receipts	Disbursements	Cash and Investments 12-31-05
Governmental Funds:				
General	$ (39,393)	$ 9,135,810	$ 5,931,997	$ 3,164,420
Motor Vehicle Highway	623,693	1,255,834	621,744	1,257,783
Local Road and Street	175,812	31,987	80,242	127,557
Parks and Recreation	(129,082)	935,652	477,795	328,775
Nonreverting Parking Fees	19,773	860	-	20,633
Police Tow Fund	(1,275)	-	-	(1,275)
Nonreverting Parks Operating	263,044	94,650	14,741	342,953
Law Enforcement Continuing Education	14,862	3,195	11,080	6,977
Nonreverting Police Activity Fund	226	1,130	450	906
Nonreverting Economic Development	54,106	12,195	8,815	57,486
Remedial Flood Control	66,433	2,880	211,450	(142,137)
Nonreverting K-9 Operating	5,411	15,030	19,770	671
Nonreverting Drug Buy Program	(10,482)	20,170	5,410	4,278
Municipal Development	14,061,697	41,478,502	34,744,653	20,795,546
Municipal Development Bond Bank	3,871,292	113,074	-	3,984,366
Municipal Development Special Sewage	614,265	17,942	-	632,207
Riverboat	56,793,982	24,266,676	12,547,006	68,513,652
Nonreverting Refuse Collection	132,878	17,185	75	149,988
Nonreverting Police Equipment	5,196	1,524	1,825	4,895
Nonreverting Self Insurance Disaster	65,289	-	-	65,289
Cumulative Capital Improvement	(61,849)	6,206	52,940	(108,583)
Nonreverting Capital Improvement Parks	(287)	-	-	(287)
Nonreverting Planning Commission	44,556	38,971	8,705	74,822
Nonreverting Industrial Park	290,782	-	-	290,782
Nonreverting Lawrenceburg Emergency Rescue Unit	-	82,620	17,546	65,074
Lawrenceburg Emergency Rescue Unit Fees	-	243,239	-	243,239
Nonreverting Fire Fighting Equipment	466,018	133,869	18,319	581,568
Nonreverting Cumulative Equipment	(17,531)	-	-	(17,531)
Worker Training Fund	798	-	-	798
Clerk's Record Perpetuation	24,336	4,454	6,810	21,980
Housing Rehabilitation	89,932	21,492	21,092	90,332
Redevelopment Capital	50,000	29,665	29,185	50,480
Fiduciary Funds:				
Police Pension	1,370,513	172,025	137,288	1,405,250
Payroll	(9,087)	4,106,319	4,093,283	3,949
Law Enforcement User Fees	(139)	7,962	7,962	(139)
County Court Costs	-	50,652	50,652	-
City Court	30,596	457,464	455,272	32,788
Proprietary Funds:				
Electric Operating	2,196,047	9,051,131	8,867,279	2,379,899
Electric Depreciation	413,640	-	-	413,640
Electric Reserve	437,874	-	-	437,874
Electric Customer Deposits	133,390	59,688	45,234	147,844
Water Operating	133,937	547,047	648,881	32,103
Water Depreciation	197,780	-	-	197,780
Wastewater Operating	808,621	743,440	873,411	678,650
Totals	$ 83,187,654	$ 93,160,540	$ 70,010,912	$ 106,337,282

The accompanying notes are an integral part of the schedules.

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, highways and streets, sanitation, health and social services, culture and recreation, general administrative services, public improvements, planning and zoning, electric, water, wastewater and economic development.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively.

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 6. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF administers the plan and issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and fire-fighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF.

CAPITAL ASSET RECORDS - GOVERNMENTAL ACTIVITIES (Applies to Clerk-Treasurer)

The City does not maintain sufficient detailed records of its capital assets for its governmental activities.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS - PROPRIETARY FUNDS (Applies to Electric, Water, and Wastewater Utilities)

The Utility does not maintain sufficient detailed records of capital assets for its Utility Plant in Service accounts. Upon purchase, the costs of the capital assets are added to an aggregate Utility Plant in Service account, and to subsidiary accounts for land, buildings, etc., in the General Ledger. However, records providing historical costs for some of the Utility's capital assets are not available, and records classifying and summarizing the Utility's capital assets are incomplete. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SWIMMING POOL COLLECTIONS (Applies to Park Board)

Controls for receipts generated by the pool are insufficient. A prenumbered ticket is not issued nor is a receipt written for the pool admission fees. The daily collections are counted each night and a receipt is written for the total amount of cash in the cash box less $100 cash change. Since there were no prenumbered tickets issued or receipts written the amount of money collected could not be verified.

A receipt is written for the sale of season passes; however, no prenumbered season pass is issued to the customer. A handwritten list of names of all the people who purchased a season pass is kept at the cashier's window. According to the pool manager, this list was not retained for examination.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

PAYMENT OF ELECTRIC BILL AND SERVICE WORK (Applies to Electric Utility)

A customer contacted the Electric Utility regarding their electric bill that had increased substantially from their normal bill. Based on interviews, the following is a summary of the steps taken by the Utility to resolve the problem:

1. The Utility replaced the meter servicing the customer. However, the electrical usage remained excessive based on historical usage.

2. The Utility paid $277.50 for an electrician to determine if there were any electrical system leaks on the customer's side of the meter. The electrician did not find any electrical system leaks on the customer's side of the meter.

3. Utility personnel then determined that the problem was a low amperage fault in the meter base where the meter sits. This was then corrected by Utility personnel.

4. The City then estimated the amount of the excess billing to be $782.96 and paid the customer's acount in this amount from the City's Municipal Development Fund.

The following are our findings regarding our follow up of the above matter:

1. No policy was presented for examination that would provide a basis to support the payment of an electrician to determine electrical system leaks on the customer's side of the meter.

2. The Utility sells the meter base to the customer. Mel Davis, Superintendent of Utilities, stated it is the practice of Utility to be responsible for the meter base even though it is purchased by the customer.

No policy was presented for our examination defining where the Utility's responsibility for the distribution system ends and the where the residential customer's responsibility begins.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DELINQUENT UTILITY ACCOUNTS (Applies to Electric, Water, and Wastewater Utilities)

Provisions made in the Disconnection for Non-Payment Policy approved by the Utility Board on November 20, 2000, allow a customer to enter into a payment arrangement prior to disconnection by paying 50% of the account balance, with the remaining 50% to be paid within 30 days to avoid disconnection.

Per inquiry of the Utility Superintendent, the Utility Officer Manager and the Utility Customer Service Employee, the Utility's practice is to allow customers to make other arrangements, handled on a case by case basis, that are not included in the written policy. The practice includes allowing customers to do one of the following:

1. Sign a payment agreement for amounts less than 50% of the account balance.

2. Sign a list in the Utility office, without making a payment, specifying the date that payment will be made.

3. Make a verbal arrangement over the telephone with the Utility Superintendent, Utility Office Manager or Utility Customer Service Employee.

Further, it has been the Utility's practice to not disconnect service to customers who had either a written or verbal agreement with the Utility.

Service for two employees who made verbal payment arrangements, was not disconnected for nonpayment, in accordance with the Utility's policy.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CREDIT CARD PAYMENTS (Applies to Electric, Water and Wastewater Utilities and Clerk-Treasurer)

We found the following during our review of credit card payments:

1. There were payments made based on the monthly statement without adequate supporting documentation such as paid bills and receipts. Of six months of statements reviewed, the following cardholders had charges with no receipts or other supporting documentation presented for examination:

Employee	Undocumented Charges
Thomas Widener	$ 579.36
Charles (Mel) Davis	607.23
Andrew Lyons	1,464.88
James Cunningham	590.00
Robert Weber	561.72
Tony O'Neal	43.54
Total	$ 3,846.73

2. There were interest charges incurred in 2005 totaling $128.59, of which $49.05 was paid on November 8, 2005.

Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PRIVATE PROPERTY (Applies to Common Council)

During a review of the City's Municipal Development Fund budget we noted a line item for paving of the Center Street Parking Lot. The budget documents indicated additional costs due to paving on private property. Per inquiry of the City Manager and the Project Manager, the additional paving was done to provide a property owner with access to his property, as well as additional public parking. Per the City Manager, either easements or agreements were acquired from the property owners allowing public use of the paved drive and parking spaces. However, no easements or agreements were presented for examination.

Generally, public funds may not be used to make improvements to property not owned by the governmental unit, unless permitted by statute, federal or state requirements, or safety concerns. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

APPROPRIATIONS (Applies to Clerk-Treasurer and Common Council)

The records presented for examination indicated the Cumulative Capital Improvement Fund expenditures exceeded the budgeted appropriations by $52,940.

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."

OVERDRAWN FUND BALANCES (Applies to Clerk-Treasurer)

The following funds were overdrawn as December 31, 2005:

Fund	Amount
Remedial Flood Control	$ 142,137
Cumulative Capital Improvement	108,583
Nonreverting Cumulative Equipment	17,531
Police Tow Fund	1,275

The fund 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)

REVENUE SHARING AGREEMENTS (Applies to Common Council)

The City entered into riverboat revenue sharing agreements with Ivy Tech State College, three not-for-profit corporations and two library foundations.

The total amount paid to Ivy Tech State College and the three not-for-profit organizations from the Riverboat Fund in 2005 was $996,287.

In 2005, the City paid a total of $240,940 from gaming tax revenues to the library foundations. Prior to 2005, the City entered into separate revenue sharing agreements with each of the public libraries in Dearborn County; however, there were no agreements between the City and the two library foundations.

Indiana Code 4-33-13-6(b) states: "This chapter does not prohibit the city or county designated as the home dock of the riverboat from entering into agreements with other units of local government in Indiana or in other states to share the city's or county's part of the tax revenue received under this chapter."

Indiana Code 36-1-2-23 states: "Unit means county, municipality, or township."

Governmental funds should not be donated or given to other organizations, individuals, or governmental units unless specifically authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was included in the prior report.

DONATIONS TO SCHOOL ENDOWMENT CORPORATIONS (Applies to Common Council)

There are three school corporations in Dearborn County and three school endowment corporations established to provide educational resources to the respective school corporations. In 2005, the City paid a total of $1,084,230 from gaming tax revenues to the three school endowment corporations. Prior to 2005, the City entered into separate revenue sharing agreements with each of the school corporations that provided for a portion of the gaming tax revenue received by the City from riverboat gaming operations to be paid to the respective school endowment corporations. However, there were no agreements between the three school endowment corporations and the City.

Indiana Code 20-47-1-3 states:

"A political subdivision may donate proceeds from riverboat gaming to a public school endowment corporation under the following conditions:

(1) The public school endowment corporation retains all rights to the donation, including investment powers.

(2) The public school endowment corporation agrees to return the donation to the political subdivision if the corporation:

(A) loses the corporation's status as a public charitable organization;

(B) is liquidated; or

(C) violates any condition of the endowment set by the fiscal body of the political subdivision."

A similar comment was included in the prior report.

AGNER HALL RENTALS (Applies to Park Board and Clerk-Treasurer)

According to the Agner Hall rental agreement, if there will be alcoholic beverages on the premises, the renter is to contact the Lawrenceburg Police Department and arrange for police coverage during the renter's event. The agreement sets the cost of the police coverage at twenty dollars per hour. An off-duty police officer or a reserve officer is then assigned. The renter would be obligated to pay the assigned police officer or reserve officer directly for his services.

Receipts shall be issued and recorded at the time of the transaction, for example, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

All financial transactions pertaining to the governmental unit should be recorded in the records of the government unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was included in the prior report.

ERRORS ON CLAIMS (Applies to Electric, Water, and Wastewater Utilities)

We found instances of the Utility accounts payable vouchers not showing evidence in support of the receipt of goods or services.

Indiana Code 5-11-10-1.6 states, in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless . . .

(2) the invoice or bill is approved by the officer or person receiving the goods and services."

FAILURE TO COMPLY WITH THE CITY'S COLLECTIVE BARGAINING AGREEMENT (Applies to Electric, Water, and Wastewater Utilities and Clerk-Treasurer)

The City failed to comply with the Collective Bargaining Agreement (Agreement) between the City of Lawrenceburg and the International Association of Machinists and Aerospace Workers as described below:

1. In 2005, the City paid a $450 clothing allowance to all City employees (excluding the police officers and dispatchers). The allowance was paid without the employee submitting proof of purchase for the clothing. The payment was not run through the payroll system and was not reported on a W-2 form.

2. In 2005, the Utility employees were paid the clothing allowance. Throughout the year, employees submitted the proof of purchase of the clothing. For any employee who did not submit proof of purchase for the entire amount of the allowance, the difference between the amount of the allowance paid and the total of the proof of purchases submitted, was run through the payroll system and reported on a W-2 form.

Article III (7) of the collective bargaining agreement between the City of Lawrenceburg, Indiana and the International Association of Machinists and Aerospace Workers, effective through December 31, 2008, states in part: "The Employer agrees to pay each employee the cost of five complete sets of uniforms per employee per year, to be paid in March of each year. The City agrees to obtain current prices each year... Employees will be required to show proof of purchase and wear the uniforms."

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)

Each governmental unit is responsible for compliance with all rules, regulations, guidelines, and directives of the Internal Revenue Service and the Indiana Department of Revenue. All questions concerning taxes should be directed to these agencies. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was included in the prior report.

PERSONAL USE OF CITY OWNED VEHICLES (Applies to Clerk-Treasurer and Electric, Water and Wastewater Utilities)

Automobiles are furnished by the City to various employees. It has been the City's practice to allow the Mayor, City Manager, Project Manager, Utility Superintendent, Foremen, Ordinance Enforcement Officer, and Safety Inspector to drive the vehicles to and from work. With the exception of the Utility Superintendent, the employees do not reimburse the City or Utility for use of the City vehicle and no additional income is shown on these employee's W-2 forms for use of the vehicle to drive to and from work.

Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

LERU ACCOUNT (Applies to Clerk-Treasurer)

In 2005, the Local Emergency Rescue Unit (LERU) became a department of the City. Receipts colected by the LERU for emergency runs are deposited into a separate City bank account; however, these funds are not recorded in the records of the City.

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 7)

DELINQUENT WASTEWATER ACCOUNTS (Applies to Wastewater Utility)

Delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

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

"(b) Except as provided in subsection (l), 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."

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

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

A similar comment was included in the prior report.

CITY OF LAWRENCEBURG
EXIT CONFERENCE

The contents of this report were discussed on November 22, 2006, with William Cunningham, Mayor; Jaqueline A. Stutz, Clerk-Treasurer; Mario Todd, City Council Member and Park Board Member; Tom Stiedel, City Adminstrator; Charles M. Davis, Superintendent of Utilities. The officials concurred with our findings.

The contents of this report were also discussed on November 22, 2006, with Ginger Cotton, Utility Office Manager.