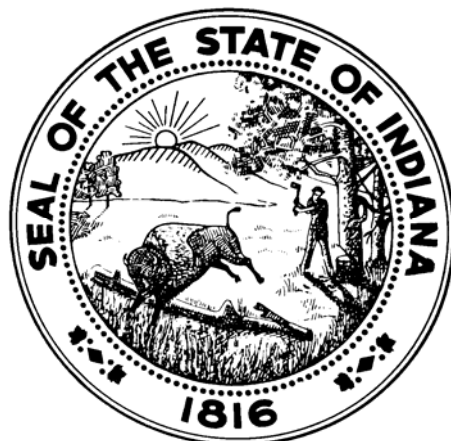


**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

EXAMINATION REPORT  
OF

CITY COURT  
CITY OF GAS CITY  
GRANT COUNTY, INDIANA

January 1, 2006 to December 31, 2006



**FILED**

06/06/2007



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CITY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Court Judge	Fred L. Schrader	01-01-04 to 12-31-07
Mayor	H. Larry Leach	01-01-04 to 12-31-07
President of the Common Council	Larry Terwillegar	01-01-06 to 12-31-07



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STATE BOARD OF ACCOUNTS  
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TO: THE OFFICIALS OF THE CITY OF GAS CITY

We have examined the records of the City Court for the period from January 1, 2006 to December 31, 2006, 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 Examination Results and Comments. The financial transactions of this office are reflected in the Examination Report of Gas City, Grant County, for the year 2006.

STATE BOARD OF ACCOUNTS

May 3, 2007

CITY COURT  
CITY OF GAS CITY  
EXAMINATION RESULTS AND COMMENTS

CASH NECESSARY TO BALANCE, BANK RECONCILIATIONS

A comparison of the records to the bank account indicated cash necessary to balance of \$5,011.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

CONDITION OF RECORDS

The following deficiencies relating to the recordkeeping that were cited in the prior Examination Report B28496 were again present during our period of examination:

- (1) Record balances were not reconciled to depository balances from January 2006 through March 2007.

Indiana Code 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."

- (2) There were a considerable number of posting errors. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, interest not posted, and nonsufficient funds checks incorrectly posted.

Each city and town court is required to use official records and forms that are designated by the legislature or prescribed or approved by the State Board of Accounts or the State Court Administration office of the Supreme Court.

- (3) Non-sufficient funds checks received by the court were written-off by posting as "negative" receipts. No detail of these items was presented for audit.

Each city and town court is required to use official records and forms that are designated by the legislature or prescribed or approved by the State Board of Accounts or the State Court Administration office of the Supreme Court.

DISTRIBUTION OF COURT FEES

The Court did not comply with Indiana Code 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.

Indiana Code 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 . . ."

CITY COURT  
GRANT COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on May 3, 2007, with Fred L. Schrader, City Court Judge.