

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF LEBANON

BOONE COUNTY, INDIANA

January 1, 2013 to December 31, 2014



**FILED**

11/06/2015



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tonya Thayer	01-01-12 to 12-31-15
Mayor	Harold "Huck" Lewis	01-01-12 to 12-31-15
President of the Board of Public Works	Harold "Huck" Lewis	01-01-12 to 12-31-15
President of the Common Council	Jeremy Lamar Preston Myers	01-01-13 to 12-31-14 01-01-15 to 12-31-15
General Manager of Utilities	Michael Martin Jay McCoskey	01-01-13 to 01-06-14 01-07-14 to 12-31-15
Utility Finance Manager	Sandra Morgan	01-01-13 to 12-31-15



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF LEBANON, BOONE COUNTY, INDIANA

This report is supplemental to our examination report of the City of Lebanon (City), 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 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

September 1, 2015

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CLERK-TREASURER  
CITY OF LEBANON

CLERK-TREASURER  
CITY OF LEBANON  
EXAMINATION RESULTS AND COMMENTS

**APPROPRIATIONS**

The records presented for examination indicated that the Storm Wtr Bond and Interest fund expenditures were in excess of budgeted appropriations by \$260,613 for 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."

**OVERDRAWN CASH BALANCES**

The financial statements presented for the City included the following funds with overdrawn cash balances at December 31, 2013 and 2014:

Fund	Amount Overdrawn	
	2013	2014
Payroll - Fixed PERF	\$ 973	\$ 954
Payroll - Federal Taxes	35	-
Payroll - FICA & Medi Taxes	916	-
Payroll - Optical W/H	286	1,044
LFD Car Seat Program	-	47
Park & Rec Bond 2013 Leisure Pool Proj Funds	-	2,067
Rainy Day Spending	-	6,200
Employee Health Fund	-	30,112
Storm Water Bond Meridian St Proj Funds	-	239,072

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)

CLERK-TREASURER  
CITY OF LEBANON  
EXIT CONFERENCE

The contents of this report were discussed on September 1, 2015, with Harold "Huck" Lewis, Mayor, and Tonya Thayer, Clerk-Treasurer.

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POLICE DEPARTMENT  
CITY OF LEBANON

POLICE DEPARTMENT  
CITY OF LEBANON  
EXAMINATION RESULT AND COMMENT

***RECEIPT ISSUANCE***

The receipt test for the Police Department was designed to verify that receipts issued were remitted timely to the Clerk-Treasurer. Based on the test, 30 percent of the receipts selected were not remitted timely to the Clerk-Treasurer.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, 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)

The receipts and fees collected should be remitted to the clerk-treasurer or city controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2013)

POLICE DEPARTMENT  
CITY OF LEBANON  
EXIT CONFERENCE

The contents of this report were discussed on September 1, 2015, with Harold "Huck" Lewis, Mayor; Tonya Thayer, Clerk-Treasurer; and Sam Myers, Chief of Police.