

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

AUDIT REPORT

OF

PARKS DEPARTMENT

CITY OF GARY, INDIANA

January 1, 2011 to January 31, 2012



FILED
01/17/2013

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CITY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--------------------------|-------------------------------------|--|
| Superintendent | Caren Jones Lori Peterson-Latham | 01-01-11 to 07-01-12 07-01-12 to 12-31-12 |
| Administrative Assistant | Anissa Smith Linda Menilan | 01-01-11 to 01-17-12 01-17-12 to 12-31-12 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF PARKS DEPARTMENT, CITY OF GARY

We have audited the records of the Parks Department, City of Gary for the period from January 1, 2011 to January 31, 2012, 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 Audit Results and Comments.

STATE BOARD OF ACCOUNTS

August 16, 2012

PARKS DEPARTMENT
CITY OF GARY
AUDIT RESULTS AND COMMENTS

RECEIPTS NOT DEPOSITED

The Gary Park Department charges users for rental of various pavilions at the City's parks. The rental payments are collected at the main park office, and an official receipt is issued. These collections are then remitted to the Controller's Office for deposit, along with a revenue verification sheet required by the Controller's office.

The receipts issued by the Park Department are prenumbered and issued in triplicate. Receipts for pavilion rental collections are issued by the Administrative Assistant. When a receipt is issued for payment received, one copy is given to the customer. The second receipt copy is removed from the receipt book and attached to the City Controller's receipt, which is issued when the collection is remitted to the Controller's Office. Also attached to this receipt copy is a revenue verification sheet and a copy of the rental application. The third copy remains in the receipt book for audit purposes. Park employees must remit collections to the Controller in a timely fashion in order to avoid unnecessary delays and to comply with state statute.

Testing of pavilion rental receipts determined that several collections had been receipted in at the main park office, but were never remitted to the Controller for deposit.

1. Two collections receipted and not deposited, totaling \$500, were for pavilion rental of Marquette Park.
2. Additional collections receipted and not deposited, totaling \$727.50, were for various park pavilion rentals.

The Administrative Assistant is responsible issuing receipts for pavilion rental collections and remitting the collections to the Controller's office for deposit. We requested Anissa Smith, former Administrative Assistant, reimburse the City \$1,227.50 for the pavilion rental receipts that were not deposited. Anissa Smith has entered into a repayment agreement with the City to reimburse the City for the \$1,227.50 of receipts not deposited.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PARKS DEPARTMENT
CITY OF GARY
AUDIT RESULTS AND COMMENTS
(Continued)

UNTIMELY REMITTANCES

In numerous instances, park rental receipts were not remitted to the Controller's Office for deposit in a timely manner. Delays ranged anywhere from 6 to 104 days between receipt issuance at the Park and the remittance to the Controller's Office.

Parking receipts were deposited later than the next business day. Some parking collections collected in July were not remitted to the Controller's office for deposit until 20 days later in August.

Indiana Code 5-13-6-1(d) states: "A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

RECEIPT ISSUANCE

Daily remittances to the Controller's office for park physical fitness fees exceeded the amount evidenced by receipts issued for each day, indicating that receipts were not being issued for all collections. Of the days tested, remittances exceeded receipts by between \$53 and \$739. A similar comment appeared in the prior audit.

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)

PARKS DEPARTMENT
CITY OF GARY
EXIT CONFERENCE

The contents of this report were discussed on September 6, 2012, with Lori Peterson-Latham, Superintendent.

The contents of this report were discussed on September 5, 2012, with Anissa Smith, former Administrative Assistant. The Official Response has been made a part of this report and may be found on page 7.

September 17, 2012

State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, IN 46204-2765

OFFICIAL RESPONSE TO 2011 PARK DEPARTMENT AUDIT

Attention: Field Audit Staff; tmoody@sboa.in.gov:

As the former Administrative Assistant at the Gary Park Department, I understand the recommendation from the 2011 SBOA Audit, and would like to explain that there were extenuating circumstances that led to that unaccountability.

Due to 2011 budget cuts, I was the Administrative Assistant, Park Board Secretary, Accounts Receivable Clerk, and Accounts Payable Clerk. When the former Superintendent spent half of her week in meetings about Marquette renovations, I served in her capacity. For situations that she could not tend to, I was the Assistant Superintendent. So I was one (1) person serving in 5-6 capacities on any given day. I had to field phone calls, take in revenue, pay bills, attend board meetings, draft minutes, go into the field, address citizen and Councilperson complaints about lack of maintenance in the parks and the beachfront, draft beach permits, address constant equipment breakdown with Vehicle Maintenance, order supplies, and place RFQ's in the newspapers; that's the tip of the iceberg.

Additionally, I was experiencing stressful personal situations. Between July and December 2011, my grandfather died, my grandmother was diagnosed with metastatic colon cancer, and my daughter, who has Lupus, was thought to have Celiac Disease. The amount of stress I endured during 2011 seemed unbearable. When then Mayor-elect Freeman-Wilson sent her Transition Team members to interview us, I unexpectedly broke down in tears as we described the stress we dealt with to keep the Park Department afloat.

These various factors led to those deposits being unaccounted for. Nevertheless, the responsibility was mine to account for everything, and no matter the number of things I managed to do correctly, these items slipped through the cracks. Therefore, I have agreed to pay the \$1,227.50 back to the City of Gary by December 2013. Thank you for the opportunity to respond to the audit finding.