

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF CULVER

MARSHALL COUNTY, INDIANA

January 1, 2012 to December 31, 2013



FILED
11/20/2015

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Clerk-Treasurer:	
Federal Findings:	
Finding 2013-001 - Financial Transactions and Reporting	6
Finding 2013-002 - Cash Management and Davis-Bacon Act.....	6-7
Corrective Action Plan	8-9
Audit Results and Comments:	
Appropriations	10
Internal Controls - EMS.....	10
Contracts - EMS.....	10-11
Overpayment Collections - Sales Tax.....	11
Official Response.....	12
Exit Conference	13
Town Council:	
Federal Findings:	
Finding 2013-001 - Financial Transactions and Reporting	16
Finding 2013-002 - Cash Management and Davis-Bacon Act.....	16-17
Corrective Action Plan	18-19
Audit Result and Comment:	
Internal Controls - EMS.....	20
Official Response.....	21
Exit Conference	22
Park Department:	
Audit Result and Comment:	
Internal Controls - Park Department	24
Official Response.....	25
Exit Conference	26

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Karen Heim	01-01-12 to 12-31-15
President of the Town Council	Sally Ricciardi Virginia B. Munroe	01-01-12 to 12-31-13 01-01-14 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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TO: THE OFFICIALS OF THE TOWN OF CULVER, MARSHALL COUNTY, INDIANA

This report is supplemental to our audit report of the Town of Culver (Town), for the period from January 1, 2012 to December 31, 2013. It has been provided as a separate report so that the reader may easily identify any Federal Findings and Audit Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the Town, which provides our opinions on the Town's financial statement and federal program compliance. This report may be found at www.in.gov/sboa/.

The Federal Findings, identified in the above referenced audit report, are included in this report and should be viewed in conjunction with the Audit Results and Comments as described below.

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 Audit 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 Corrective Action Plan for the Federal Findings and Official Response to the Audit Results and Comments, incorporated within this report, were not verified for accuracy.

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

September 2, 2015

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CLERK-TREASURER
TOWN OF CULVER

CLERK-TREASURER
TOWN OF CULVER
FEDERAL FINDINGS

FINDING 2013-001 - FINANCIAL TRANSACTIONS AND REPORTING

We noted the following deficiencies in the internal control system of the Town related to financial transactions and reporting.

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Town to reduce risks to the achievement of financial reporting objectives. The Town has not separated incompatible activities related to cash, receipts, disbursements, financial statement and close, and the Schedule of Expenditures of Federal Awards (SEFA).

The Clerk-Treasurer is responsible for preparing and submitting the Gateway Annual Financial Report which is used to generate the Financial Statement and the SEFA without oversight or approval. In addition, the Clerk-Treasurer independently processes payroll, prepares the claims, records the disbursements, prepares the docket, and reconciles the bank balances to the record balances. The Deputy Clerk-Treasurer is solely responsible for daily receipts and recording the receipts from the departments, including the Utilities. The Deputy Clerk-Treasurer then prepares the deposit slip and makes the deposit at the bank. There is no segregation of duties such as an oversight, review, or approval process.

2. Monitoring of Controls: An evaluation of the Town's system of internal control has not been conducted. The failure to monitor the internal control system places the Town at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner. Additionally, the Town has no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting requires the Town to monitor and assess the quality of the system of internal control.

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. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

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)

FINDING 2013-002 - CASH MANAGEMENT AND DAVIS-BACON ACT

Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grant/State's Program and
Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Number and Year (or Other Identifying Number): DR2-09-149 and DR2-09-234

Pass-Through Entity: Indiana Office of Community and Rural Affairs

CLERK-TREASURER
TOWN OF CULVER
FEDERAL FINDINGS
(Continued)

The Town has not established an effective internal control system, which would include segregation of duties, such as an oversight or approval process, related to the grant agreement and the Cash Management and Davis-Bacon Act compliance requirements that have a direct and material effect on the program.

The Cash Management compliance requirement requires the Town to disburse grant funds within five days after receiving the grant draw. There are no controls to ensure that the Town disburses the funds within the five day limit.

The Davis-Bacon Act requires that certified payrolls from the contractors to be submitted weekly. There are no controls to ensure that the contractors submit the required certified payroll information during the construction project period.

The failure to establish an effective internal control system places the Town at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the Town.

We recommended that the Town's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements that have a direct and material effect on the program.

CORRECTIVE ACTION PLAN

FINDING 2013-001 Financial Transactions and Reporting

Contact Person Responsible for Corrective Action: Karen Heim

Contact Phone Number: 574.842.3140

Description of Corrective Action Plan:

To address lack of segregation of duties the following procedures will be put into place:

Annual Report

The report will be reviewed and approved by council and recorded in meeting minutes before submission on Gateway is complete

Payroll

A council member or town manager review payroll for accuracy
The deputy-clerk will approve direct deposit transfers

Claims

After department head sign-off and submission, the deputy clerk will prepare the AP Voucher. The clerk-treasurer will review the voucher and enter information into the AP system and print checks. The Clerk-Treasurer will prepare the claims list for council review and approval. The deputy-clerk will complete the AP Voucher by writing the warrant number and initially and then prepare the checks for mailing. Appropriation reports will be provided at each council meeting for council review.

Bank Reconciliation

Upon completion of bank reconciliation, the fund balances and bank records will be made available to a council member for review and signature. A copy of the financial statement will be provided to council members for review and approval at a regular council meeting.


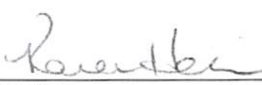
Daily Collections

The deputy-clerk will receive and receipt in monies. At the end of the day, she will have deposits reviewed by either the town manager or clerk-treasurer to make sure the cash and checks are recorded correctly and the deposits are accurate. The town manager or clerk-treasurer will initial the deposit ticket indicating their review. Also, when collecting ACH payments, the deputy-clerk will enter the payments and the clerk-treasurer will approve them.

Anticipated Completion Date:

Immediately

Culver Town Council
Ginny Munroe
President
Sally Ricciardi
Vice-President
David Beggs
Ed Pinder
Jean Rakich
Town Manager
Jonathan Leist
Clerk-Treasurer
Karen Heim

 _____ Signature	 _____ Signature
TOWN COUNCIL PRESIDENT _____ Title	Clerk Treasurer _____ Title
10/7/2015 _____ Date	10.7.2015 _____ Date



200 E. Washington St
Culver, IN 46511

574.842.3140 (p)
574.842.3633 (f)
clerk@townofculver.org

CORRECTIVE ACTION PLAN

FINDING 2013-002 Cash Management and Davis-Bacon Act

Contact Person Responsible for Corrective Action: Karen Heim

Contact Phone Number: 574.842.3140

Description of Corrective Action Plan:

To address lack of cash management compliance, the following procedures will be implemented:

Cash Management Compliance

With the current federal grant, the engineer provides a report to council once a month, presenting invoices and an update on the progress of the project. The invoices are submitted to the clerk-treasurer and grant administrator. The grant administrator submits a request for funds and alerts the clerk-treasurer of the approximate date of when the funds will be deposited into the town's bank account. When the funds are received, the clerk treasurer processes the claim and sends a copy of the receipt of funds and a copy of the checks written are e-mailed to the grant administrator. The clerk-treasurer will ask that the town manager be added to the e-mail notification of the approximate date of the deposit of funds and he will be copied on the e-mail sent to the grant administrator with the copy of the check and receipt of funds. Copies of the e-mail notifications will be printed and filed in the grant files. If a check is not disbursed within five days, the town manager will alert the clerk-treasurer, grant administrator and council president to the issue and to get it corrected as soon as possible.

Davis-Bacon Act

The payrolls are reviewed by the grant administrator. The clerk-treasurer will request that copies of the certified payrolls be provided to her office as well for review by the clerk-treasurer or town manager. Initialed copies will be placed in the grant files kept in the clerk-treasurer's office.

Anticipated Completion Date:

Immediately

Virginia B. Munro
Signature

Karen Heim
Signature

Town Council President
Title

Clerk Treasurer
Title

9/28/15
Date

9.28.2015
Date

Culver Town Council

Ginny Munroe
President

Sally Ricciardi
Vice-President

David Beggs
Ed Pinder

Jean Rakich

Town Manager

Jonathan Leist

Clerk-Treasurer

Karen Heim

CLERK-TREASURER
TOWN OF CULVER
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated that the Rainy Day Fund expenditures were in excess of budgeted appropriations by \$5,000 and \$7,000 for 2012 and 2013, respectively.

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."

INTERNAL CONTROLS - EMS

Internal controls over the receipt of emergency medical service (EMS) fees were insufficient. The Town contracted with a private business to prepare and send EMS bills. The private business does not send detailed billing schedules to verify billing the approved EMS fees. The Clerk-Treasurer receipts in the payments without any form of verification that the amounts are proper.

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. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CONTRACTS - EMS

The Town entered into a contract, dated April 24, 2002, with Union Township in which both the Town and Township agree to each pay 50 percent of the emergency medical services (EMS) operation. The Township estimates the EMS costs during budget preparation and pays the budgeted amount, but provides no calculation. The Town just accepts their calculated amount. Below is our calculation based on actual EMS Department disbursements, EMS fees collected, and other EMS revenues, as shown on the Town's financial ledger, trial balance report.

CLERK-TREASURER
TOWN OF CULVER
AUDIT RESULTS AND COMMENTS
(Continued)

	<u>Year 2012</u>	<u>Year 2013</u>
EMS Disbursements	\$ 270,090	\$ 288,655
EMS Fees Collected	(125,010)	(111,727)
Pulaski County EMS Contract	(6,000)	(6,000)
Culver Military Academy Donation	<u>(15,000)</u>	<u>(10,000)</u>
Net EMS Operating Costs	<u>124,080</u>	<u>160,928</u>
50 percent of Operating Costs	62,040	80,464
Payments from Union Township	<u>(56,769)</u>	<u>(51,404)</u>
Underpayment	<u>\$ 5,271</u>	<u>\$ 29,060</u>

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)

OVERPAYMENT COLLECTIONS - SALES TAX

The Town overpaid the March 2012 sales tax by \$1,206. The Clerk-Treasurer stated she would contact the Indiana Department of Revenue to request refund or credit.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)



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Culver, IN 46511

574.842.3140 (p)
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clerk@townofculver.org

Response to Results and Comments of State Board of Accounts Audit of FY2012-2013

Appropriations

In 2012, the council voted to give \$5,000 to the Culver Boys and Girls Club and in 2013 voted to give \$5,000 to the Culver Boys and Girls Club and \$2,000 to the Marshall County Council on Aging, both out of Riverboat. The spending was reported on the annual report, however was not publically advertised as additional appropriations. In 2014, corrective steps were taken to publically advertise the additional appropriations and secure contracts with the entities the town supported. Beginning in 2015 and going forward, the clerk-treasurer has included Riverboat funds as well as Grant funds in the annual budget

Internal Controls – EMS

Going forward, the EMS director will present accounts for reductions or write-offs to council for their approval. All efforts will be made to also follow HIPPA laws as well. The EMS director and clerk-treasurer will periodically review AccuMed billing statements to be sure patients are properly billed.

Contracts – EMS

The town is in the process of re-writing the agreement with Union Township to better represent the township's practices as well as to be sure both parties are paying their fair share without one party benefiting over another. The difficulty lies in estimating 18 months ahead of time what the net expenses of the EMS department will be for the last 12 months of that period. Both the town and township will work to find an equitable agreement.

Overpayment Collections – Sales Tax

The clerk-treasurer has contacted the Department of Revenue and sent them the supporting documentation as directed. She has not yet received a response.

Anticipated Completion Date: Immediately

Virginia B. Munroe
Signature
Culver Town Council
Title
9/24/15
Date

Karen Heim
Signature
Clerk Treasurer
Title
9.24.2015
Date

Culver Town Council
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Sally Ricciardi
Vice-President
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Town Manager
Jonathan Leist
Clerk-Treasurer
Karen Heim

CLERK-TREASURER
TOWN OF CULVER
EXIT CONFERENCE

The contents of this report were discussed on September 2, 2015, with Karen Heim, Clerk-Treasurer, and Virginia B. Munroe, President of the Town Council.

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TOWN COUNCIL
TOWN OF CULVER

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FEDERAL FINDINGS

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2. Monitoring of Controls: An evaluation of the Town's system of internal control has not been conducted. The failure to monitor the internal control system places the Town at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner. Additionally, the Town has no process to identify or communicate corrective actions to improve controls. Effective internal controls over financial reporting requires the Town to monitor and assess the quality of the system of internal control.

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Federal Agency: Department of Housing and Urban Development
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CFDA Number: 14.228

Federal Award Number and Year (or Other Identifying Number): DR2-09-149 and DR2-09-234

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TOWN COUNCIL
TOWN OF CULVER
FEDERAL FINDINGS
(Continued)

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The Davis-Bacon Act requires that certified payrolls from the contractors to be submitted weekly. There are no controls to ensure that the contractors submit the required certified payroll information during the construction project period.

The failure to establish an effective internal control system places the Town at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement or a compliance requirement of a federal program will be prevented, or detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Noncompliance with the grant agreement or the compliance requirements could result in the loss of federal funds to the Town.

We recommended that the Town's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements that have a direct and material effect on the program.

CORRECTIVE ACTION PLAN

FINDING 2013-001 Financial Transactions and Reporting

Contact Person Responsible for Corrective Action: Karen Heim

Contact Phone Number: 574.842.3140

Description of Corrective Action Plan:

To address lack of segregation of duties the following procedures will be put into place:

Annual Report

The report will be reviewed and approved by council and recorded in meeting minutes before submission on Gateway is complete

Payroll

A council member or town manager review payroll for accuracy

The deputy-clerk will approve direct deposit transfers

Claims

After department head sign-off and submission, the deputy clerk will prepare the AP Voucher. The clerk-treasurer will review the voucher and enter information into the AP system and print checks. The Clerk-Treasurer will prepare the claims list for council review and approval. The deputy-clerk will complete the AP Voucher by writing the warrant number and initially and then prepare the checks for mailing. Appropriation reports will be provided at each council meeting for council review.

Bank Reconciliation

Upon completion of bank reconciliation, the fund balances and bank records will be made available to a council member for review and signature. A copy of the financial statement will be provided to council members for review and approval at a regular council meeting.


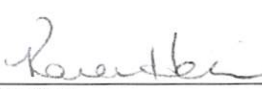
Daily Collections

The deputy-clerk will receive and receipt in monies. At the end of the day, she will have deposits reviewed by either the town manager or clerk-treasurer to make sure the cash and checks are recorded correctly and the deposits are accurate. The town manager or clerk-treasurer will initial the deposit ticket indicating their review. Also, when collecting ACH payments, the deputy-clerk will enter the payments and the clerk-treasurer will approve them.

Anticipated Completion Date:

Immediately

Culver Town Council
Ginny Munroe
President
Sally Ricciardi
Vice-President
David Beggs
Ed Pinder
Jean Rakich
Town Manager
Jonathan Leist
Clerk-Treasurer
Karen Heim

	
Signature	Signature
TOWN COUNCIL PRESIDENT	Clerk Treasurer
Title	Title
10/7/2015	10.7.2015
Date	Date



200 E. Washington St
Culver, IN 46511

574.842.3140 (p)
574.842.3633 (f)
clerk@townofculver.org

CORRECTIVE ACTION PLAN

FINDING 2013-002 Cash Management and Davis-Bacon Act

Contact Person Responsible for Corrective Action: Karen Heim

Contact Phone Number: 574.842.3140

Description of Corrective Action Plan:

To address lack of cash management compliance, the following procedures will be implemented:

Cash Management Compliance

With the current federal grant, the engineer provides a report to council once a month, presenting invoices and an update on the progress of the project. The invoices are submitted to the clerk-treasurer and grant administrator. The grant administrator submits a request for funds and alerts the clerk-treasurer of the approximate date of when the funds will be deposited into the town's bank account. When the funds are received, the clerk treasurer processes the claim and sends a copy of the receipt of funds and a copy of the checks written are e-mailed to the grant administrator. The clerk-treasurer will ask that the town manager be added to the e-mail notification of the approximate date of the deposit of funds and he will be copied on the e-mail sent to the grant administrator with the copy of the check and receipt of funds. Copies of the e-mail notifications will be printed and filed in the grant files. If a check is not disbursed within five days, the town manager will alert the clerk-treasurer, grant administrator and council president to the issue and to get it corrected as soon as possible.

Davis-Bacon Act

The payrolls are reviewed by the grant administrator. The clerk-treasurer will request that copies of the certified payrolls be provided to her office as well for review by the clerk-treasurer or town manager. Initialed copies will be placed in the grant files kept in the clerk-treasurer's office.

Anticipated Completion Date:

Immediately

Virginia B. Munro
Signature

Karen Heim
Signature

Town Council President
Title

Clerk Treasurer
Title

9/28/15
Date

9.28.2015
Date

Culver Town Council

Ginny Munroe
President

Sally Ricciardi
Vice-President

David Beggs
Ed Pinder

Jean Rakich

Town Manager

Jonathan Leist

Clerk-Treasurer

Karen Heim

TOWN COUNCIL
TOWN OF CULVER
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS - EMS

Internal controls over the receipt of emergency medical service (EMS) fees were insufficient. The Town contracted with a private business to prepare and send EMS bills. The private business' collection reports shows that the customer balances have been reduced for allowances and write-offs, but the Town Council did not approve the allowances and write-offs.

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. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)



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Culver, IN 46511

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574.842.3633 (f)
clerk@townofculver.org

Response to Results and Comments of State Board of Accounts Audit of FY2012-2013

Appropriations

In 2012, the council voted to give \$5,000 to the Culver Boys and Girls Club and in 2013 voted to give \$5,000 to the Culver Boys and Girls Club and \$2,000 to the Marshall County Council on Aging, both out of Riverboat. The spending was reported on the annual report, however was not publically advertised as additional appropriations. In 2014, corrective steps were taken to publically advertise the additional appropriations and secure contracts with the entities the town supported. Beginning in 2015 and going forward, the clerk-treasurer has included Riverboat funds as well as Grant funds in the annual budget

Internal Controls – EMS

Going forward, the EMS director will present accounts for reductions or write-offs to council for their approval. All efforts will be made to also follow HIPPA laws as well. The EMS director and clerk-treasurer will periodically review AccuMed billing statements to be sure patients are properly billed.

Contracts – EMS

The town is in the process of re-writing the agreement with Union Township to better represent the township's practices as well as to be sure both parties are paying their fair share without one party benefiting over another. The difficulty lies in estimating 18 months ahead of time what the net expenses of the EMS department will be for the last 12 months of that period. Both the town and township will work to find an equitable agreement.

Overpayment Collections – Sales Tax

The clerk-treasurer has contacted the Department of Revenue and sent them the supporting documentation as directed. She has not yet received a response.

Anticipated Completion Date: Immediately

Virginia B. Munroe
Signature
Culver Town Council
Title
9/24/15
Date

Karen Heim
Signature
Clerk Treasurer
Title
9.24.2015
Date

Culver Town Council
Ginny Munroe
President
Sally Ricciardi
Vice-President
David Beggs
Ed Pinder
Jean Rakich
Town Manager
Jonathan Leist
Clerk-Treasurer
Karen Heim

TOWN COUNCIL
TOWN OF CULVER
EXIT CONFERENCE

The contents of this report were discussed on September 2, 2015, with Virginia B. Munroe, President of the Town Council.

PARK DEPARTMENT
TOWN OF CULVER

PARK DEPARTMENT
TOWN OF CULVER
AUDIT RESULT AND COMMENT

INTERNAL CONTROLS - PARK DEPARTMENT

Park Department internal controls over receipts were insufficient. There was no record of daily swimming area entry fees showing number of users and fees charged provided for our audit. Also, there was no record provided for audit to account for concession sales. The Park Superintendent collects the daily receipts, makes the deposit, and gives the Clerk-Treasurer a copy of the deposit slip with a hand-written list of which accounts in which to record each type of receipt. The Park Board does approve all fees.

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. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)



September 25, 2015

Dear State Board of Accounts,

This is formal notice addressing Option 2 which covered 2012-2013 for the Culver Park Department. During that time period the previous administration had in place a paper system covering revenue generating areas stated within the subject exception. To the best of our knowledge that system was administered correctly. These records were destroyed by water damage. In June of 2014 the current administration implemented an automated Point of Sale System which provides all the required financial information, records, effectiveness, efficiency, and compliance with the current laws and regulations.

Sincerely,

Park Superintendent

Marc Hayden

Park Board President

John Helphrey

PARK DEPARTMENT
TOWN OF CULVER
EXIT CONFERENCE

The contents of this report were discussed on September 25, 2015, with Marc Hayden, Park Superintendent, and John Helphrey, President of the Park Board.