



STATE OF INDIANA
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B46485

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June 22, 2016

TO: THE OFFICIALS OF THE TOWN OF OGDEN DUNES, PORTER COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Ogden Dunes (Town), for the period of January 1, 2012 to December 31, 2015, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Our procedures were designed solely to satisfy the requirements of Indiana Code 5-11-1. Because our procedures were not designed to opine on the Town's financial statement, we did not follow auditing standards generally accepted in the United States of America. Accordingly, we do not express an opinion on any basic financial statement of the Town.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Annual Financial Reports filed by the Town can be found on the Gateway website: <https://gateway.ifionline.org/>.

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Unresolved Comments From Prior Report

- *Adjustments to customer water billings are made at the discretion of the Superintendent of the water utility. The adjustments are not presented submitted to the Water Board for their review or approval.*
- *Building permits were issued for landscaping, retaining walls, concrete patios, and deck repairs. The Town Code 152.203 "Permits, Filing Fees, and Deposits" does not address a fee for landscaping, retaining walls, concrete patio, or deck repair. The fee that was charged to the property owner for the landscaping and retaining walls was the fee under the category of "Repair Permit," the fee that was charged to the property owner for the concrete patio and the deck repair was the fee under the category of "Roof Repairs."*

- Per the Town's "Mileage Reimbursement" policy, "The rate of reimbursement shall be a sum for mileage equal to that sum per mile paid to state officers and employees." Some claims indicated that officials and employees were reimbursed fuel costs by presenting a receipt for fuel, while others indicated employees were reimbursed at a mileage rate of either \$0.50 or \$0.55 per mile, which exceed the mileage reimbursement rate for state officers and employees.
- Claims were approved by the Council after the checks had been issued. The Town had an ordinance to allow for certain items to be paid in advance of Council approval, but claims not meeting the criteria established by the ordinance were also paid in advance.

Current Period Comments

- The financial institution did not return the actual cancelled checks with the monthly bank statements, but instead returned only an optical image of the front side of the check. The back side or endorsement side of the checks was not returned.
- The Annual Financial Report filed for 2012, 2013, and 2014 contained a number of errors and did not match the Town's ledger as follows:

Years	Fund	(Beg Bal, Receipt, Disb, End Bal) Category	Amount Per AFR	Amount Per Ledger	Difference
2012	Cumulative Capital Development	Receipt	\$ -	\$ 60,079.54	\$ (60,079.54)
2012	Cumulative Capital Development	Disb	-	96,079.58	(96,079.58)
2012	Cumulative Capital Development	End Bal	124,240.86	49,828.42	74,412.44
2012	CEDIT	Receipt	38,524.43	120,087.88	(81,563.45)
2012	CEDIT	Disb	-	96,079.58	(96,079.58)
2012	CEDIT	End Bal	58,474.04	43,957.91	14,516.13
2014	Water Operating	Receipt	-	251,483.49	(251,483.49)
2014	Water Operating	Disb	-	262,381.91	(262,381.91)
2014	Water Operating	End Bal	65,328.49	54,430.07	10,898.42
2014	Sanitation Operating	Beg Bal	85,015.63	83,390.29	1,625.34
2014	Sanitation Operating	Receipt	-	193,007.09	(193,007.09)
2014	Sanitation Operating	Disb	-	195,268.65	(195,268.65)
2014	Sanitation Operating	End Bal	85,015.63	81,128.73	3,886.90

- The following funds had overdrawn cash balances at December 31:

Years	Fund	Amount Overdrawn
2012	Sanitation Payroll Escrow	\$ (132.99)
2012	Water Payroll Escrow	(37.50)
2012	Governors Task Force	(791.22)
2012	Payroll	(3,812.74)
2013	Governors Task Force	(1,016.98)
2013	Payroll	(10,878.44)
2014	Local Road and Street	(1,706.66)
2014	DUI Task Force	(1,074.48)
2014	Protective Vest Grant	(1,780.00)
2014	Govenors Task Force	(1,369.76)
2014	Payroll	(3,981.03)
2015	Water Payroll Escrow	(94.92)
2015	DUI Task Force	(792.27)
2015	Protective Vest Grant	(2,130.00)
2015	Govenors Task Force	(1,495.61)
2015	Payroll	(544.16)


- *The records presented for review indicated the following disbursements in excess of budgeted appropriations:*

<u>Years</u>	<u>Fund</u>	<u>Excess Amount Disbursed</u>
2012	General	\$ (64,637.29)
2012	Cumulative Capital Development	(73,876.98)
2013	General	(9,407.71)
2013	Park & Recreation	(1,015.20)
2013	Cumulative Capital Imp (Cig Tax)	(509.61)
2014	Motor Vehicle Fund	(6,118.23)
2014	Local Road and Street	(8,111.90)
2015	Local Road and Street	(903.12)

- *Collections for the years 2012, 2013, 2014, and 2015 were not deposited timely. Collections were deposited anywhere from 3 to 14 days after the date of the receipt.*
- *Payments made for cleaning services were not supported by a written contract in 2014 and 2015. Payments made for cleaning services were based on the 2013 contract.*

This letter is intended for the information and use of the governing body and management of the Town. This restriction is not intended to limit the distribution of this letter, which is a matter of public record.

The contents of this letter were discussed on April 14, 2016, with Jean Manna, Clerk-Treasurer; Julia D. Klingensmith, Deputy Clerk-Treasurer; Michael E. Webber, Council member; and Michael Teeling Waterworks Coordinator. Any Official Response attached to this letter was not verified for accuracy.


Paul D. Joyce, CPA
State Examiner

TOWN OF OGDEN DUNES

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April 18, 2016

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OFFICIAL RESPONSE AUDIT EXIT INTERVIEW – APRIL 18, 2016

Unresolved Comments from Prior Reports

The Waterworks will take appropriate steps to have the Water Board sign off on all water bill adjustments by submitting an adjustment list at the regular monthly meeting of the Water Board. No adjustments will be made until the Water Board approves.

The Building Commissioner has been contacted regarding the revision to the "Schedule of Fees Payments and Refunds" form. State Auditor has requested a new line item be added to allow for landscaping and retaining walls. The Building Commissioner will address this issue with the Plan Commission.

A new travel ordinance (815) has been approved by the Town Council at the April, 2016 regular monthly meeting. This ordinance solves the problem of State vs. Federal mileage reimbursement for employees.

Current Period Comments

The Deputy Clerk-Treasurer is in the process of trying to resolve with Horizon Bank the return of actual cancelled checks.

Regarding the discrepancies in the annual financial report filed on Gateway for Water and Sanitation figures, neither the Clerk-Treasurer nor the Deputy Clerk-Treasurer could input the figures as the software would not allow us. This was explained to the SBOA auditor.

The Deputy Clerk-Treasurer has addressed the problem of the signing of claims by Town Council members. Claims are done by Thursday or Friday of each week and all Town Council members are emailed to advise them to sign the claims. Checks are not mailed until Monday.

The list shown on the audit report of overdrawn funds consists of accounts which we have no control over. They are grant funds (with the exception of Local Roads and Streets) that were not reimbursed to the Town by the end of the year.

Deposit of Town receipts in a timely manner has been addressed. As requested by the SBOA Auditor, deposits will be made three times per week.

The cleaning services contract has been updated with a 2016 contract. This contract will be renewed each year.

Jean Manna, Clerk-Treasurer
Town of Ogden Dunes