

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF BRISTOL

ELKHART COUNTY, INDIANA

January 1, 2020 to December 31, 2022



FILED

08/02/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cathryn Antonelli	01-01-20 to 12-31-23
President of the Town Council	Jeffery Beachy	01-01-20 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF BRISTOL, ELKHART COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Bristol (Town), for the period from January 1, 2020 to December 31, 2022. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with the Financial Statements Audit Report of the Town, which provides our opinions on the Town's financial statements. This report may be found at 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 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 Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

July 20, 2023

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CLERK-TREASURER
TOWN OF BRISTOL

CLERK-TREASURER
TOWN OF BRISTOL
AUDIT RESULTS AND COMMENTS

FUND SOURCES AND USES

Condition and Context

General fund disbursements

The Town made multiple disbursements from a promotional account within the General fund, totaling \$8,608, during the audit period. Disbursements made from the promotional account included, but were not limited to, the purchase of items for multiple luncheons and meetings, flowers, food items for a Christmas dinner, supplies, coffee for the Town, turkeys and hams for town employees, food items, venue rental costs, gift cards, decorations, and police appreciation expenses. An ordinance that authorized the Town to pay for such expenses could not be provided.

Police Reserve HR 9502 fund disbursements

The Town improperly comingled donation, and fundraiser receipts with \$26,014 of grant receipts received during the audit period in the Police Reserve HR 9502 fund. Further, an ordinance could not be provided that specified the authorized use of the donation and fundraiser receipts. Disbursements made from the Police Reserve HR 9502 fund, throughout the audit period, included, but were not limited to, the purchase of police Christmas dinner supplies, food items, lunches, gift baskets, cleaning supplies, kitchen items, flowers, equipment, vehicle repairs, gift cards, donations, and decorations.

Criteria

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/ resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

IC 36-7-2-7 allows cities and towns to promote economic development and tourism. Such statute replaced a prior law which authorized cities and towns to budget and appropriate funds from the general fund to pay the expense of, or to reimburse city or town officials as the case may be, for expenses incurred in promoting the best interest of the city or town. Accordingly, a Home Rule ordinance needs to be adopted in accordance with IC 36-1-3 in order to enable a city or town to pay for such expenses. Additionally, an appropriation for such expenses must also be obtained.

In an effort to assist cities and towns that have not passed an enabling ordinance but who wish to establish the promotion of business ordinance, we are repeating wording contained in the old statute. Many municipalities have used similar wording in their enabling ordinance.

"City and town councils are authorized to budget and appropriate funds from the general fund of the city, or town, to pay the expense of or to reimburse city officials or town officials, as the case may be, for expenses incurred in promoting the best interest of the city or town. Such expenses may include, but not necessarily be limited to, rental of meeting places, meals, decorations, memorabilia, awards, expenses incurred in promoting industrial, commercial, and residential development, expenses incurred in developing relations with other units of government and any other expenses of a civic or governmental nature deemed by the mayor or the town council to be in the interest of the city or town."

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

This is furnished only for your information. Each city and town should establish, by ordinance, the parameters for such appropriations and expenditures. Such ordinance should list the specific types of promotional expenses which can be paid from moneys appropriated for such purpose. Please note that excessive amounts expended for employee meals, awards, gifts and similar expenses could be considered an audit result and comment item in an audit.

(Cities and Towns Bulletin and Uniform Compliance Guidelines, December 2015)

When funds are provided by the federal government either directly to a city or town or through a state agency for any program or project, the following procedures should be followed: A separate Fund for each grant is required. (Cities and Towns Bulletin and Uniform Compliance Guidelines, June 2020)

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. The leases and debt information entered into Gateway contained the following errors:

1. The Waterworks Bond Anticipation Notes of 2022, with an Ending Principal Balance of \$1,562,000, was omitted.
2. The Sewage Works Bond Anticipation Notes of 2022, with an Ending Principal Balance of \$1,347,000, was omitted.

Adjustments were proposed, accepted by the Town, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statements Audit Report.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CLERK-TREASURER
TOWN OF BRISTOL
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2023, with Cathryn Antonelli, Clerk-Treasurer; Gregg Tuholski, Town Council member; and Mike Yoder, Town Manager.