

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF DYER

LAKE COUNTY, INDIANA

January 1, 2021 to December 31, 2022



**FILED**

11/01/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Debbie Astor	01-01-21 to 12-31-23
President of the Town Council	Alan Brooks	01-01-21 to 12-31-21
	Robert Starkey	01-01-22 to 12-31-22
	Mary Tanis	01-01-23 to 12-31-23



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF DYER, LAKE COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Dyer (Town), for the period from January 1, 2021 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 Statement Audit Report of the Town, which provides our opinions on the Town's financial statement. 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 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

October 11, 2023

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CLERK-TREASURER  
TOWN OF DYER

CLERK-TREASURER  
TOWN OF DYER  
AUDIT RESULTS AND COMMENTS

**INTERNAL CONTROLS**

The same comment also appeared in prior Report B58057.

*Condition and Context*

There was a control deficiency in the internal control system of the Town related to financial close and reporting. The Town contracted for the preparation and entry of the 2022 Annual Financial Report (AFR) data into the Indiana Gateway for Government Units financial reporting system, which was the source for the financial statement.

The AFR was submitted by the Town without evidence of a review or oversight process to ensure the accuracy and completeness of the financial information submitted. The failure to establish internal controls could have enabled material misstatements to occur and remain undetected.

*Criteria*

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

**BANK ACCOUNT RECONCILIATIONS**

The same comment also appeared in prior Report B58057.

*Condition and Context*

In June 2019, the Town converted to a new financial accounting software system. The Town also started completing the monthly bank reconciliations through the new financial accounting system.

Bank reconciliations completed for December 31, 2021 and 2022, represented that the depository ending balance was reconciled with the general ledger fund balance for each period. However, when total reconciled depository balances were compared to the treasurer's report from the financial accounting system for the same time, the amounts did not reconcile.

As of December 31, 2021 and 2022, the depository balance was less than the treasurer's report by \$111,477 and \$65,811, respectively. The financial statement was not adjusted for these variances.

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

*Criteria*

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

Financial, supplementary, and other information are required to be reported annually into the Annual Financial Report via the Indiana Gateway for Government Units financial reporting system. The Town was not in compliance as follows:

*Leases and Debt*

1. The Town did not report the leases with the Dyer Redevelopment Authority identified as the 2015 Redevelopment Authority Economic Development Lease Rental Refunding Bonds Series A and B and the 2018 Economic Lease Rental Refunding Bonds. This resulted in the Annual Lease Payments to be understated by \$1,869,236 at December 31, 2022.
2. The Town did not report the 2015 Redevelopment Tax Increment Revenue Bonds on the debt schedule. This resulted in an understatement of the Ending Principal Balance and the Principal Due Within One Year by \$3,830,000 and \$160,000, respectively, at December 31, 2022.

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

*Grants*

1. In 2021, the COVID Vaccine Reimbursement Grant was omitted, which understated the grant activity by \$37,556.
2. In 2022, the Outdoor Recreation Acquisition, Development, and Planning and the Coastal Zone Management Administration Awards grants were omitted, which understated the grant activity by \$108,459 and \$100,000, respectively.

*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](#)."



**TOWN OF DYER**  
**OFFICE OF CLERK-TREASURER**

Debbie Astor  
Clerk-Treasurer  
dastor@townofdyer.com

One Town Square  
Dyer, Indiana 46311  
(219) 865-2421  
Fax (219) 865-4232

**OFFICIAL RESPONSE**

October 20, 2023

Indiana State Board of Accounts  
302 West Washington St. Room E418  
Indianapolis, IN 46204-2765

Re: Town of Dyer  
Examination for the Years 2021 and 2022

Dear Indiana State Board of Accounts:

The Town of Dyer seeks to file an official response to be included in the audit report by the State Board of Accounts as discussed at the exit conference on October 11, 2023.

Internal Controls

We currently have an extensive system of review in our office for the Annual Financial Report, including a review by our financial consultants, Baker-Tilly. However, we did not have a signature sign-off present within our review system. We have now implemented a signature sheet to be executed for each review.

Bank Account Reconciliation

We are currently in the process of working with our financial software vendor to resolve the differences observed between the depository balances and the treasurer's reports.

Annual Financial Report

We have always worked diligently to upload all documentation to the Gateway. We have now ensured that the leases and DNR grants that were not present are now available within the system.

Sincerely,

Debbie Astor, IAMC, CMC, CMO  
Town of Dyer Clerk-Treasurer

Sincerely,

David Hein  
Town of Dyer Manager

**Policy, Procedure, Protocol, Compliance = Internal Control**

CLERK-TREASURER  
TOWN OF DYER  
EXIT CONFERENCE

The contents of this report were discussed on October 11, 2023, with Debbie Astor, Clerk-Treasurer; David Hein, Town Manager; Mary Tanis, President of the Town Council; Frank Jachim, Assistant Town Manager; Debbie Drapac, Chief Deputy Clerk; Donna Shear, Financial Controller; and Nancy Nellemann, Deputy Clerk.