

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

COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF POTTAWATTOMIE PARK

LAPORTE COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED

06/21/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Susan Tochell	01-01-19 to 12-31-24
President of the Town Council	Linda Pompeii	01-01-19 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF POTTAWATTOMIE PARK, LAPORTE 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 Pottawattomie Park (Town), for the period of January 1, 2019 to December 31, 2023. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Town as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body, and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Town's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Susan Tochell, Clerk-Treasurer, and Linda Pompeii, President of the Town Council, on June 12, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 9, 2024

TOWN OF POTTAWATTOMIE PARK
COMMENTS

INTERNAL CONTROLS

Condition and Context

The Town did not have segregation of duties. The Town did not have an effective system of internal controls in place to ensure compliance with the following items detailed in the comments below:

- Fund sources and uses
- Appropriations
- Penalties, interest, and other charges
- Annual Financial Report - Other Reports
- Overdrawn cash balances
- Condition of records
- Bank account reconcilements
- Record of hours worked
- Errors on claims
- Capital assets
- Motor Vehicle Highway (MVH) - Restricted Fund
- LIT Public Safety Fund

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. . . ."

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

FUND SOURCES AND USES

A similar comment appeared in prior Reports B48680 and B54936, entitled *CONDITION OF RECORDS*.

Condition and Context

Local Distributions

- The Town did not receipt the Motor Vehicle Highway (MVH) Local Distributions (Local Property Tax Distributions) in 2019, 2020, and 2023 into the proper fund.
- The June 2019 MVH Distributions (Receipts) were understated in the ledgers by \$90 and were posted 100 percent to the MVH Restricted Fund.
- The December 2019 MVH Distributions were posted 50 percent to the MVH Restricted Fund and 50 percent to the MVH Fund.
- In 2019, the MVH fund was understated \$12,871 and the MVH Restricted Fund was overstated \$12,781.
- The June and December 2020 MVH Distributions were posted 50 percent to the MVH Restricted Fund and 50 percent to the MVH Fund, resulting in an understatement to the MVH Fund and an overstatement to the MVH Restricted Fund of \$543.
- The December 2023 MVH Distributions (Receipts) were understated in the ledgers by \$600 and were split 50/50 between MVH and MVH Restricted, which resulted in an understatement to the MVH fund of \$5,325 and an overstatement to the MVH Restricted of \$4,725.

State Distributions

The Town did not receipt the January and March 2020 ABC Gallonage Tax Distribution into the proper fund. This resulted in an overstatement of receipts in the Local Road and Street Fund and an understatement in the General Fund of \$277.

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)

APPROPRIATIONS

The same comment appeared in the prior Reports B48680 and B54936.

Condition and Context

The Town's records indicated the following expenditures in excess of budgeted appropriations:

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

Fund	Years	Excess Amount Expended
General	2020	\$ 6,431
General	2021	5,874
General	2022	12,647
Local Road And Street	2022	3,903
Riverboat	2022	9,371

Criteria

Indiana Code 36-5-4-2 states in part: "Unless a statute provides otherwise, town monies may be disbursed only after an appropriation made by ordinance of the town legislative body . . ."

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."

PENALTIES, INTEREST, AND OTHER CHARGES

Condition and Context

The Town did not remit payroll withholding timely which resulted in the Town paying penalties and interest totaling \$539.

Criteria

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit 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 - OTHER REPORTS

Condition and Context

Capital Assets

The Town provided records to support the capital asset information entered in the Annual Financial Report and Other Reports via the Indiana Gateway for Government Units (Gateway) financial reporting system website. However, the information entered into Gateway did not agree to the capital asset records provided resulting in the following errors:

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

- Year 2019, capital assets were overstated by \$142,623.
- Year 2020, capital assets were overstated by \$142,972.
- Year 2021, capital assets were overstated by \$102,643.
- Year 2022, capital assets were overstated by \$102,393.

Investment Statement

The Town did not report all investments held by the Town during the engagement period. The Town did not report a \$37,000 CD in 2019. The Town did not report a \$34,000 CD in 2019 or 2020.

Schedule of Payables and Receivables

The Town reported the total 2023 receipts that were reported in Gateway as the Accounts Receivable amount as of December 31, 2023, and the total 2023 disbursements that were reported on Gateway as the Accounts Payable amount as of December 31, 2023, which resulted in an overstatement of \$213,234 and \$193,759, respectively, on the schedule.

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 as set forth in the uniform compliance guidelines. 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](#)."

OVERDRAWN CASH BALANCES

The same comment also appeared in prior Reports B48680 and B54936.

Condition and Context

The financial statements presented for audit included the following funds with overdrawn cash balances as follows:

Fund	Amount Overdrawn	Date
Local Road And Street	\$ 5,087	12-31-19
General	4,162	12-31-20
General	4,499	12-31-21
General	6,966	12-31-23

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

Criteria

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CONDITION OF RECORDS

The same comment also appeared in prior Reports B48680 and B54936.

Condition and Context

The following deficiencies related to the record keeping and reporting occurred during the period of review:

- The beginning balances in the Town's Annual Financial Report (AFR) did not always agree to the ending balances of the prior years.

Year 2019			
Fund Name	Prior Issued Report's Cash and Investment Ending Balance at 12-31-18	Subsequent Financial Statements' Beginning Cash and Investment Balance at 01-01-19	Difference
LOIT	\$ 1,031	\$ -	\$ 1,031

Year 2021			
Fund Name	Prior Issued Report's Cash and Investment Ending Balance at 12-31-20	Subsequent Financial Statements' Beginning Cash and Investment Balance at 01-01-21	Difference
General	\$ 12,964	\$ (4,162)	\$ 17,126
Local Road And Street	1,440	2,792	(1,352)
Riverboat	249,654	241,198	8,456
Cedit Special Revenue	8,093	17,406	(9,313)
Major Moves Construction	36,501	34,360	2,141

Year 2023			
Fund Name	Prior Issued Report's Cash and Investment Ending Balance at 12-31-22	Subsequent Financial Statements' Beginning Cash and Investment Balance at 01-01-23	Difference
General	\$ 4,771	\$ 844	\$ 3,927
Motor Vehicle Highway	50,790	53,359	(2,569)

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

- The total receipts and disbursements on the ledgers did not always agree with the amounts reported in the AFR's.

Year 2019				Year 2020			
	<u>Gateway 01-01-19 Balance</u>	<u>Handwritten Ledger 01-01-19 Ledger Balance</u>	<u>Variance</u>		<u>Gateway Receipt</u>	<u>Handwritten Ledger Receipt</u>	<u>Variance</u>
Totals	\$ 341,558	\$ 329,911	\$ 11,647				
	<u>Gateway Receipt</u>	<u>Handwritten Ledger Receipt</u>	<u>Variance</u>		<u>Gateway Receipt</u>	<u>Handwritten Ledger Receipt</u>	<u>Variance</u>
Totals	\$ 296,153	\$ 286,589	\$ 9,564	Totals	\$ 168,646	\$ 169,172	\$ (526)
	<u>Gateway Disbursements</u>	<u>Handwritten Ledger Disbursements</u>	<u>Variance</u>		<u>Gateway Disbursements</u>	<u>Handwritten Ledger Disbursements</u>	<u>Variance</u>
Totals	\$ 315,982	\$ 304,149	\$ 11,833	Totals	\$ 148,048	\$ 147,818	\$ 230
	<u>Gateway 12-31-19 Balance</u>	<u>Ledger 12-31-19 Balance</u>	<u>Variance</u>		<u>Gateway 12-31-20 Balance</u>	<u>Ledger 12-31-20 Balance</u>	<u>Variance</u>
Totals	\$ 321,729	\$ 312,276	\$ 9,453	Totals	\$ 342,327	\$ 327,834	\$ 14,493
Year 2021				Year 2022			
	<u>Gateway Disbursements</u>	<u>Handwritten Ledger Disbursements</u>	<u>Variance</u>		<u>Gateway 12-31-22 Balance</u>	<u>Ledger 12-31-22 Balance</u>	<u>Variance</u>
Totals	\$ 149,579	\$ 153,518	\$ (3,939)	Totals	\$ 433,398	\$ 432,029	\$ 1,369
	<u>Gateway 12-31-21 Balance</u>	<u>Ledger 12-31-21 Balance</u>	<u>Variance</u>				
Totals	\$ 380,459	\$ 379,089	\$ 1,370				

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 as set forth in the uniform compliance guidelines. 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](#)."

BANK ACCOUNT RECONCILIATIONS

The same comment appeared in the prior reports B48680 and B54936.

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

Condition and Context

The Town prepared monthly bank reconciliations; however, the reconciliations presented contained various errors which went undetected by the Town. The December 31, 2019 bank reconciliation did not include an outstanding check of \$37,000, and the December 31, 2023 bank reconciliation did not include an adjustment for a double posting of a check totaling \$6,400. The errors were not detected or corrected by the Town timely. After the Town approved various adjustments to the financial statements, differences between the Town's records and reconciled balance were noted below.

- The record balance exceeded the reconciled cash balance by \$1,553 as of December 31, 2019.
- The record balance exceeded the reconciled cash balance by \$8,534 as of December 31, 2020.

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)

RECORD OF HOURS WORKED

Condition and Context

The Town did not always maintain the record of hours worked for the Town Marshall.

Criteria

Indiana Code 5-11-9-4(b) states in part:

"The state board of accounts shall require that records be maintained showing which hours are worked each day by officers and employees: . . .

- (2) employed by more than one (1) public agency or in more than one (1) position by the same public agency . . ."

The federal Fair Labor Standards Act (FLSA) requires that records of wages paid, daily and weekly hours of work, and the time of day and day of week on which the employee's work week begins be kept for all employees. These requirements can be met by use of the following prescribed general forms:

- General Form 99A, Employee's Service Record
- General Form 99B, Employee's Earnings Record
- General Form 99C, Employee's Weekly Earnings Record

General Form 99C is required only for employees who are not exempt from FLSA, are not on a fixed work schedule, and are not paid weekly.

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

Additional information regarding FLSA rules and regulations may be obtained from the Department of Labor.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

ERRORS ON CLAIMS

Condition and Context

The Town was not in compliance with the laws and regulations related to vendor disbursements. When testing 25 disbursements, the following noncompliance was noted:

- There were 5 instances in which the Town Council did not approve Accounts Payable Vouchers.
- There was 1 claim that was not approved by the Clerk-Treasurer.
- There was 1 instance in which an Accounts Payable Voucher was not issued.

Criteria

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) There is a fully itemized invoice or bill for the claim.
- (2) The invoice or bill is approved by the officer or person receiving the goods and services.
- (3) The invoice or bill is filed with the governmental entity's fiscal officer.
- (4) The fiscal officer audits and certifies before payment that the invoice or bill is true and correct.
- (5) Payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

CAPITAL ASSETS

Condition and Context

As of December 31, 2023, the Town reported \$195,579 of capital assets in its Annual Financial Report in the Indiana Gateway for Government Units financial reporting system. The Town did not have a capital asset policy that detailed the threshold at which an item is considered a capital asset.

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

The Town did not report the MVH Restricted Fund separately on the Annual Financial Report (AFR). The Town combined the MVH Fund and the MVH Restricted fund in the AFR, but reported them separately on the Town's ledgers.

		Cash and Investments 12-31-19		
		Originally Reported	Final Report	2019 Over (Under) Reported
	MVH	\$ 23,376	\$ 8,102	\$ 15,274
	MVH Restricted	-	17,838	(17,838)

		Cash and Investments 12-31-20		
		Originally Reported	Final Report	2020 Over (Under) Reported
	MVH	\$ 30,242	\$ 5,075	\$ 25,167
	MVH Restricted	-	27,730	(27,730)

		Cash and Investments 12-31-21		
		Originally Reported	Final Report	2021 Over (Under) Reported
	MVH	\$ 40,874	\$ 10,781	\$ 30,093
	MVH Restricted	-	32,659	(32,659)

		Cash and Investments 12-31-22		
		Originally Reported	Final Report	2022 Over (Under) Reported
	MVH	\$ 50,790	\$ 15,635	\$ 35,155
	MVH Restricted	-	37,723	(37,723)

		Cash and Investments 12-31-23		
		Originally Reported	Final Report	2022 Over (Under) Reported
	MVH	\$ 64,801	\$ 17,108	\$ 47,693
	MVH Restricted	-	47,659	(47,659)

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

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](#)."

On the chart of accounts, the MVH Fund and MVH Restricted sub-fund shall be shown as follows:

...

Cities and Towns

Fund 201	MVH
Fund 203	MVH Restricted

Together, MVH and MVH Restricted shall constitute the total MVH Fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report . . .

(State Examiner Directive 2018-2)

LIT PUBLIC SAFETY

Condition and Context

The Town recorded the LIT - Public Safety fund and the LOIT fund in its manual ledgers. However, the Town did not report the LIT - Public Safety fund on the Annual Financial Report (AFR). The Town merged the LIT - Public Safety fund into the LOIT fund on the AFR for 2023. This resulted in an overstatement of receipts in the LOIT fund and an understatement of receipts in the LIT - Public Safety fund by \$17,824. This also resulted in an overstatement of disbursements in LOIT fund and an understatement of disbursements in the LIT - Public Safety fund by \$12,959.

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](#)."

In 2017, new legislation will streamline the process for local income taxes. Local option income tax will be called "Local Income Tax" (LIT). The LIT distributions you receive will continue to be posted to the funds you have used for LOIT (CAGIT and CEDIT) even though the new terminology is LIT. There will not be a separate fund titled "Local Income Tax" or "LIT".

TOWN OF POTTAWATTOMIE PARK
COMMENTS
(Continued)

LIT - Certified shares (formerly CAGIT certified shares) will continue to be receipted to your general fund.

LIT - Economic Development distributions will still be receipted into your CREDIT fund and cities and towns will continue to follow their capital improvement plan and current appropriations.

LIT - Public safety distributions will be receipted to your current public safety fund.

(Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2016)

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STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

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TOWN OF POTTAWATTOMIE PARK
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments			Cash and Investments			Cash and Investments
	01-01-19	Receipts	Disbursements	12-31-19	Receipts	Disbursements	12-31-20
General	\$ 24,551	\$ 100,688	\$ 118,333	\$ 6,906	\$ 97,032	\$ 108,100	\$ (4,162)
Motor Vehicle Highway	(501)	8,603	-	8,102	9,892	12,919	5,075
Motor Vehicle Highway - Restricted	-	115,967	98,129	17,838	9,892	-	27,730
Local Road And Street	4,093	4,831	14,011	(5,087)	7,878	-	2,791
Riverboat	220,871	42,436	27,165	236,142	21,931	16,875	241,198
Cedit Special Revenue	10,642	12,323	9,573	13,392	13,938	9,924	17,406
Major Moves Construction	69,224	1,708	37,000	33,932	428	-	34,360
CCIF	-	-	-	-	509	-	509
LOIT	1,033	34	-	1,067	1,857	-	2,924
Totals	<u>\$ 329,913</u>	<u>\$ 286,590</u>	<u>\$ 304,211</u>	<u>\$ 312,292</u>	<u>\$ 163,357</u>	<u>\$ 147,818</u>	<u>\$ 327,831</u>

TOWN OF POTTAWATTOMIE PARK
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
General	\$ (4,162)	\$ 96,504	\$ 96,841	\$ (4,499)	\$ 118,601	\$ 113,271	\$ 831
Motor Vehicle Highway	5,075	14,623	8,917	10,781	14,519	9,665	15,635
Motor Vehicle Highway Restricted	27,730	4,929	-	32,659	5,064	-	37,723
Local Road And Street	2,792	8,450	2,150	9,092	8,388	13,762	3,718
Riverboat	241,198	36,320	23,834	253,684	28,583	15,371	266,896
Cedit Special Revenue	17,406	18,176	21,777	13,805	14,833	11,096	17,542
Opioid - Unrestricted	-	-	-	-	198	-	198
Major Moves Construction	34,360	-	-	34,360	-	-	34,360
CCIF	509	483	-	992	439	-	1,431
ARPA	-	25,287	-	25,287	25,481	-	50,768
LOIT	2,924	-	-	2,924	-	-	2,924
Totals	<u>\$ 327,832</u>	<u>\$ 204,772</u>	<u>\$ 153,519</u>	<u>\$ 379,085</u>	<u>\$ 216,106</u>	<u>\$ 163,165</u>	<u>\$ 432,026</u>

TOWN OF POTTAWATTOMIE PARK
STATEMENT OF RECEIPTS, DISBURSEMENTS,
AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
General	\$ 831	\$ 111,776	\$ 119,573	\$ (6,966)
Motor Vehicle Highway	15,635	22,900	21,427	17,108
Motor Vehicle Highway Restricted	37,723	9,936	-	47,659
Local Road And Street	3,718	5,376	5,728	3,366
Riverboat	266,896	27,956	11,455	283,397
Cedit Special Revenue	17,542	16,851	22,453	11,940
Opioid - Unrestricted	198	139	104	233
Major Moves Construction	34,360	-	-	34,360
CCIF	1,431	439	-	1,870
ARPA	50,768	5	-	50,773
LIT - Public Safety	-	17,824	12,959	4,865
LOIT	2,924	-	-	2,924
Totals	<u>\$ 432,026</u>	<u>\$ 213,202</u>	<u>\$ 193,699</u>	<u>\$ 451,529</u>



**P.O. BOX 292
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(219) 898-1045
E-mail – susant.pottpark@yahoo.com**

OFFICIAL RESPONSE

Date: June 18, 2024

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

Re: *Official response*

To Whom It May Concern:

In response to the findings in the Audit of the Town Records for 2019, 2020, 2021, 2022, and 2023, I have formulated remedies to correct discrepancies found. I have submitted my Corrective Action Plan online and have most of the corrections in place as this letter is written.

Here is a brief description of what is intended:

Fund source & uses:

Local Distributions: MVH 201 Unrestricted & MVH 203 Restricted funds will be appropriately posted to the correct accounts. All the money was allocated, but 50% of the funds received for property tax was split 50%, which should all go into the unrestricted category.

State Distributions: ABC Gallonage was placed in the LRS Fund as directed by SBOA personnel and immediately changed back to the General Fund when it was noted that it goes into the General Fund.

Appropriations: The goal of the Town remains to minimize unexpected expenditures.

Penalties, Interest, and Other Charges: The Clerk/Treasurer intends to pay closer attention and make sure payments are made promptly.

Annual Financial Report-Other Reports:

Capital Assets: These figures were overstated has been corrected in 2023.

Investment Statements: The Clerk/Treasurer will follow the guidelines and post all future investments properly.

Schedule of Payables and Receivables: The Clerk/Treasurer has a better understanding of these items, and the Town should have very little, if any, payables or receivables.

Overdrawn Cash Balances: Every effort will be made to make correct postings and maintain accurate positive balances. With the Town's limited budget, it is a challenge not to go into the "red" in one or more funds.

Condition of Records: Ending and beginning balances do not match (2018 to 2019) from manual entries to Gateway entries. The 2023 to 2024 entries are correct. Reviews will instituted to ensure these entries are accurate.

Bank Account Reconciliations: The errors that appeared were before we had a CPA put the Town back on track. We have a reconciliation form that works and shows improvement.

Record of hours worked: In 2021, when the Town returned to having a Marshal, the Clerk/Treasurer did not require a Time Log. The Time Log was corrected in 2022 and forward.

Errors on Claims: The Clerk/Treasurer will ensure that all the Account Payable Vouchers are signed and approved by the Council. The Clerk/Treasurer will ensure a voucher is written for every payable item.

Capital Assets: The Clerk/Treasurer and Council will create and adopt a Capital Asset Policy that details a threshold. The Policy will be presented at the July 2024 Council Meeting.

MVH Restricted and LIT Public Safety Funds: These funds were adequately reported in the ledgers of the Town but not on the AFR. The Clerk/Treasurer, when made aware that they needed to be separate on the AFR, the Clerk/Treasurer went into the 2023 AFR and split the MVR Restricted and Unrestricted Funds and the LIT Public Safety and LOIT Funds.

Susan C. Tohell
Clerk/Treasurer
Town of Pottawattomie Park