

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

COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF OGDEN DUNES

PORTER COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED
06/07/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jean Manna	01-01-19 to 12-02-20
	(Vacant)	12-03-20 to 12-31-20
	Milagros Ramos	01-01-21 to 07-18-22
	Amy Parry	07-19-22 to 12-31-24
President of the Town Council	Scott Lehmann	01-01-19 to 12-31-19
	Mike Webber	01-01-20 to 12-31-20
	Doug Cannon	01-01-21 to 12-31-21
	Scott Kingan	01-01-22 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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, 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 Amy Parry, Clerk-Treasurer; Scott Kingan, President of the Town Council; Bernadette Slawinski, Town Council member; David Snyder, Town Council member; John Hannon, Town Council member; Karl Krizmanic, Town Council member; and Julia Klingensmith, Deputy Clerk-Treasurer, on May 23, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

April 11, 2024

TOWN OF OGDEN DUNES
COMMENTS

ANNUAL FINANCIAL REPORT

A similar comment also appeared in prior Report B54143, entitled *INVESTMENTS*.

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system. The Town did not have adequate internal controls over the AFR information entered into Gateway, which resulted in the following errors:

Financial Data

The Town prepared and submitted the financial information from the Town's financial accounting system into Gateway, which was the source for the financial statements. The following misstatements were noted:

- A \$170,619 Certificate of Deposit investment was not reported in 2021, 2022, or 2023.
- In 2020, two funds' transfer disbursements were reported twice, causing an overstatement of disbursements totaling \$47,000.
- In 2022, a Don-Pk & Rec fund's receipts totaling \$3,500 were not reported.
- In 2023, a Don - Historic Prsv. fund's receipts and disbursements were reported twice causing an overstatement of receipts and disbursements, totaling \$270 and \$4,250, respectively.
- In 2023, a Debris Removal Deposits fund's disbursements were not reported causing an understatement of \$3,800.

Adjustments were proposed, approved by the Town, and made to the financial statements.

Capital Assets

The Town was unable to provide a detailed capital assets record to support the capital assets amounts reported in the AFR in 2019, 2020, 2021, 2022, and 2023.

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 OGDEN DUNES
COMMENTS
(Continued)

ACCOUNTING OF THE IFA ADMINISTERED CRF MONEY

Condition and Context

The Town did not properly account for the Coronavirus Relief Fund (CRF) in accordance with State Examiner Directive 2020-3 (Directive).

The Town did not properly establish a separate CARES grant fund for the CRF grant that followed the uniform chart of accounts. The Town established fund 264 entitled, CARES Provider Relief, for reimbursements received from the Indiana Finance Authority (IFA). However, fund number 264 and the CARES Provider Relief name were reserved for a different specified CARES purpose.

The Town receipted the IFA reimbursement for public health and safety payroll costs of \$35,428 into the CARES Provider Relief fund (CARES fund). The balance in the fund as of December 31, 2020, was \$35,428. The expenditures upon which the reimbursement was based should have been recorded in the CARES fund or the reimbursed amount transferred through the claims process to the General fund which would have allowed the money to be expended for any general unit purpose. Either of these two methods would have allowed for the proper processing and recording of subsequent expenditures.

During 2021, the Town expended \$18,500 from the fund for non-payroll expenses. Therefore, as of December 31, 2021, the CARES fund had a balance of \$16,928. Additional expenses totaling \$10,013 were made during fiscal years 2022 and 2023 for non-payroll expenses. The balance in the fund as of December 31, 2023, was \$6,915. This amount should immediately be claimed to the General fund. This would allow for the money to be expended for any general unit purpose with appropriation.

Criteria

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options.

Option One. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other fund) in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the general fund (or other fund), it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

Once option one is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

Option Two. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

TOWN OF OGDEN DUNES
COMMENTS
(Continued)

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020. . . .**

(State Examiner Directive 2020-3)

Accounting and Appropriation of COVID-19 Grants memo states in part:

"In anticipation of several separate fund being necessary, the following fund numbering system should be followed: . . .

Cities/Town: 150-175 . . ."

Cares Act Fund Numbers memo states in part:

"To properly track assistance from the Provider Relief Fund, use the following Fund Number and Name: . . .

Cities and Towns Fund Number and Name

264 CARES Provider Relief Fund. . . ."

CAPITAL ASSETS

Condition and Context

The Town did not have a capital assets policy that detailed the threshold at which an item is considered a capital asset. The Town was unable to provide a detailed capital asset record to support the capital assets reported in the Annual Financial Report on the Indiana Gateway for Government Units financial reporting system.

Furthermore, a complete physical inventory was not taken at least every two years as required.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

TOWN OF OGDEN DUNES
COMMENTS
(Continued)

MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND

Condition and Context

The Town created a Motor Vehicle Highway (MVH) Restricted sub-fund within the MVH fund as required; however, they did not post 50 percent of the state MVH distributions to the sub-fund as required. The Town posted the \$4,110 February 2022 MVH distribution to the Motor Vehicle Highway fund and the \$4,361 November 2023 MVH distribution to the Local Road and Street fund.

Additionally, the Town disbursed \$1,980 for the purchase of tires, \$910 for an individual working on leaf pick up and street department duties, \$769 for fuel, and \$619 for vehicle repairs out of the MVH Restricted fund. These disbursements were not for the construction, reconstruction, or preservation of the Town's highways.

Criteria

Indiana Code 8-14-1-5(c) states: "Except as provided in subsection (d), for funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

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)

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

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

Fund	Cash and Investments 01-01-19		Cash and Investments 12-31-19		Cash and Investments 12-31-20		
	Receipts	Disbursements	Receipts	Disbursements	Receipts	Disbursements	
DON - CHRISTMAS TREE	\$ -	\$ -	\$ -	\$ -	\$ 4,787	\$ 2,205	\$ 2,582
GENERAL FUND	152,796	715,487	717,969	150,314	703,683	727,342	126,655
MOTOR VEHICLE HIGHWAY	49,830	190,767	235,788	4,809	250,107	254,175	741
LOCAL ROAD & STREET	24,574	25,977	17,459	33,092	25,166	18,149	40,109
MVH RESTRICTED	-	23,888	-	23,888	21,068	34,915	10,041
CARES PROVIDER RELIEF	-	-	-	-	35,428	-	35,428
UNSAFE BLDG	6,108	-	1,033	5,075	-	5,074	1
DUI TASK FORCE/INDIANA GR	(41)	-	-	(41)	102	-	61
LK MICH MARINA DVLP GRANT	15,000	-	15,000	-	-	-	-
LAW ENF CONT ED	10,932	1,881	3,655	9,158	2,059	3,312	7,905
PARK & RECREATION	19,425	12,736	4,203	27,958	7,195	1,963	33,190
RAINY DAY	265,352	-	-	265,352	5,620	-	270,972
CUM CAP IMP - CIG TAX	10,099	1,583	6,443	5,239	2,407	2,000	5,646
CCD-CUM CAP DEVELOPMENT	148,498	74,808	62,048	161,258	50,446	42,142	169,562
DON - BEAUT. COMMITTEE	-	-	-	-	-	-	-
BEACH GRANT	7,269	23,054	23,054	7,269	-	-	7,269
LIT/CEDIT	249,396	94,073	24,659	318,810	102,851	278,611	143,050
MVH-RESTRICTED	-	-	-	-	-	-	-
DON-ANIMAL COMMITTEE	-	95	-	95	16	-	111
DON-RESTORE THE SHORE	-	144,800	30,000	114,800	113,085	181,137	46,748
DON-HISTORIC PRESERVATION	-	6,653	1,914	4,739	1,805	2,684	3,860
BEACH GRANT	-	-	-	-	20,287	20,287	-
CHANGE FUND	100	-	-	100	-	-	100
DREDGE SETTLEMENT	43,951	21	35,000	8,972	4	-	8,976
BEACH NOURISHMENT	6,332	-	500	5,832	-	-	5,832
DON - POLICE	36,507	4,255	7,906	32,856	1,403	2,236	32,023
DON - BEAUT. COMMITTEE	4,604	695	695	4,604	-	96	4,508
DON - DEER MANAGEMENT	2,820	-	-	2,820	-	1,775	1,045
COMMUNITY ROOM DEPOSIT	1,400	450	550	1,300	500	600	1,200
DON - ADA	200	4,107	-	4,307	-	4,307	-
DON - TOWN	44,737	50,772	5,676	89,833	-	291	89,542
COMM CRSGS GRANT	23,572	-	23,572	-	387,636	171,935	215,701
DON - STREET DEPT	1	-	-	1	-	-	1
EAST SIDE PROJECT	-	-	-	-	4,466,266	3,839,150	627,116
WEST SIDE PROJECT	-	621,607	-	621,607	556,155	1,167,751	10,011
OPO/GOVERNORS TASK FORCE	(1,261)	1,001	513	(773)	-	-	(773)
O D COMMUNITY FUND	6,606	8,069	6,409	8,266	8,526	2,366	14,426
SANITATION ESCROW	260	-	-	260	-	-	260
WATER ESCROW	389	4,616	4,378	627	1,920	1,894	653
PAYROLL	3,042	660,434	655,717	7,759	707,223	709,484	5,498
DEBRIS REMOVAL DEPOSITS	13,500	15,000	10,800	17,700	8,700	2,400	24,000
DON - COMMUNITY ROOM	500	-	-	500	-	-	500
WATER CAPITAL IMPROVEMENT	19,498	4,628	-	24,126	4,332	26,430	2,028
WATER UTILITY OPERATING	109,648	340,779	372,986	77,441	326,229	386,978	16,692
SANITATION OPERATING	37,453	190,776	190,697	37,532	201,435	180,845	58,122
Totals	\$ 1,313,097	\$ 3,223,012	\$ 2,458,624	\$ 2,077,485	\$ 8,016,441	\$ 8,072,534	\$ 2,021,392

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

Fund	Cash and Investments			Cash and Investments			Cash and Investments		
	01-01-21	Receipts	Disbursements	12-31-21	Receipts	Disbursements	12-31-22		
GENERAL FUND	\$ 126,654	\$ 778,823	\$ 730,392	\$ 175,085	\$ 877,584	\$ 753,767	\$ 298,902		
MOTOR VEHICLE HIGHWAY	738	300,513	220,208	81,043	201,904	244,543	38,404		
LOCAL ROAD & STREET	40,109	27,321	12,210	55,220	28,278	16,891	66,607		
MVH RESTRICTED	10,040	23,284	25,980	7,344	22,200	798	28,746		
CARES PROVIDER RELIEF	35,428	-	18,500	16,928	-	5,783	11,145		
DON - ANIMAL COMMITTEE	111	360	-	471	-	353	118		
DUI TASK FORCE/INDIANA GR	61	-	61	-	-	-	-		
LAW ENF CONT ED	7,906	1,588	2,695	6,799	850	3,588	4,061		
PARK & RECREATION	33,190	4,713	7,760	30,143	5,240	8,998	26,385		
RAINY DAY	270,971	-	-	270,971	-	-	270,971		
CUM CAP IMP - CIG TAX	5,646	1,744	2,400	4,990	2,120	400	6,710		
CCD-CUM CAP DEVELOPMENT	169,561	49,979	19,452	200,088	53,324	46,630	206,782		
DON - BEAUT. COMMITTEE	4,508	975	2,700	2,783	-	1,151	1,632		
LIT/CEDIT	143,051	107,115	19,867	230,299	120,392	107,371	243,320		
ARP	-	122,820	21,815	101,005	123,750	212,413	12,342		
Safety Grant	-	683	683	-	629	629	-		
Don/Christmas	2,582	171	920	1,833	75	613	1,295		
Don/Recognition Committee	-	350	90	260	450	166	544		
Protective Vest Grant	-	-	3,320	(3,320)	-	-	(3,320)		
DON - PARK & REC FUND	-	-	-	-	3,500	-	3,500		
BEACH GRANT	7,269	19,187	19,187	7,269	726	23,124	(15,129)		
CHANGE FUND	100	-	-	100	-	-	100		
DREDGE SETTLEMENT	8,977	2	-	8,979	2	3,000	5,981		
BEACH NOURISHMENT	5,832	-	-	5,832	-	4,500	1,332		
DON - POLICE	32,024	3,600	3,435	32,189	14,028	20,745	25,472		
DON - DEER MANAGEMENT	1,045	-	-	1,045	-	1,045	-		
COMMUNITY ROOM DEPOSIT	1,200	100	100	1,200	300	100	1,400		
COMM CRSGS GRANT	215,700	-	146,571	69,129	-	69,129	-		
DON - STREET DEPT	1	1,067	-	1,068	85,703	50,226	36,545		
DON - HISTORIC PRSV.	3,859	9,103	1,750	11,212	1,750	7,179	5,783		
DON - RESTORE THE SHORE	46,748	16,495	26,755	36,488	49,112	27,748	57,852		
EAST SIDE PROJECT	627,117	103,178	628,312	101,983	-	4,855	97,128		
WEST SIDE PROJECT	10,010	-	-	10,010	-	-	10,010		
OPO/GOVERNORS TASK FORCE	(773)	773	-	-	-	-	-		
DON - TOWN	89,542	-	2,530	87,012	-	16,379	70,633		
O D COMMUNITY FUND	14,427	7,811	16,967	5,271	8,904	8,947	5,228		
SANITATION ESCROW	260	702	1,478	(516)	392	-	(124)		
WATER ESCROW	652	1,266	1,677	241	535	-	776		
PAYROLL	5,497	664,136	662,315	7,318	631,327	631,180	7,465		
DEBRIS REMOVAL DEPOSITS	24,000	5,400	5,700	23,700	3,800	-	27,500		
DON - COMMUNITY ROOM	500	-	-	500	-	-	500		
WATER CAPITAL IMPROVEMENT	2,028	4,835	-	6,863	247,732	204,706	49,889		
WATER UTILITY OPERATING	16,692	350,957	302,530	65,119	443,470	340,611	167,978		
SANITATION OPERATING	58,124	211,055	255,903	13,276	226,749	218,658	21,367		
Totals	<u>\$ 2,021,387</u>	<u>\$ 2,820,106</u>	<u>\$ 3,164,263</u>	<u>\$ 1,677,230</u>	<u>\$ 3,154,826</u>	<u>\$ 3,036,226</u>	<u>\$ 1,795,830</u>		

TOWN OF OGDEN DUNES
 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 FUND	\$ 298,901	\$ 973,149	\$ 764,518	\$ 507,532
MOTOR VEHICLE HIGHWAY	38,403	206,007	202,155	42,255
LOCAL ROAD & STREET	66,607	33,573	14,980	85,200
MVH RESTRICTED	28,745	22,971	14,458	37,258
CARES PROVIDER RELIEF	11,145	-	4,230	6,915
DON - ANIMAL COMMITTEE	118	406	-	524
LAW ENF CONT ED	4,060	1,240	2,929	2,371
PARK & RECREATION	26,385	5,461	3,847	27,999
RAINY DAY	270,971	-	-	270,971
CUM CAP IMP - CIG TAX	6,710	2,120	-	8,830
CCD-CUM CAP DEVELOPMENT	206,783	70,466	41,929	235,320
DON - BEAUT. COMMITTEE	1,632	25,840	19,802	7,670
LIT/CEDIT	243,320	116,125	90,849	268,596
GOVERNORS Task Force/Operation Pullover	-	1,618	1,618	-
ARP	12,343	-	-	12,343
Don/Christmas	1,295	-	11	1,284
Don/Recognition Committee	544	100	175	469
Protective Vest Grant	(3,320)	-	-	(3,320)
DON-ENVIRONMENTAL COMM	-	842	838	4
DON-PK & REC	3,500	-	2,360	1,140
DON-HIST. PRESERVATION	-	-	-	-
BEACH GRANT	(15,130)	45,431	22,769	7,532
CHANGE FUND	100	-	-	100
DREDGE SETTLEMENT	5,981	3,023	3,000	6,004
BEACH NOURISHMENT	1,332	-	-	1,332
DON - POLICE	25,472	15,670	22,358	18,784
COMMUNITY ROOM DEPOSIT	1,400	700	200	1,900
COMM CRSGS GRANT	-	235,127	-	235,127
DON - STREET DEPT	36,546	3,860	14,281	26,125
DON - HISTORIC PRSV.	5,783	270	4,250	1,803
DON - RESTORE THE SHORE	57,852	7,912	53,072	12,692
EAST SIDE PROJECT	97,128	87,236	-	184,364
WEST SIDE PROJECT	10,010	-	-	10,010
DON - TOWN	70,633	5,641	50,174	26,100
O D COMMUNITY FUND	5,227	14,188	13,451	5,964
SANITATION ESCROW	(124)	-	-	(124)
WATER ESCROW	778	206	621	363
PAYROLL	7,465	713,212	690,805	29,872
DEBRIS REMOVAL DEPOSITS	27,500	-	3,800	23,700
DON - COMMUNITY ROOM	500	1,500	-	2,000
WATER CAPITAL IMPROVEMENT	49,890	239,414	155,640	133,664
WATER UTILITY OPERATING	167,978	426,425	506,375	88,028
SANITATION OPERATING	21,365	236,440	245,579	12,226
Totals	\$ 1,795,828	\$ 3,496,173	\$ 2,951,074	\$ 2,340,927