

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF BURNS HARBOR

PORTER COUNTY, INDIANA

January 1, 2012 to December 31, 2015



**FILED**  
05/24/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jane Jordan	01-01-12 to 12-31-19
President of the Town Council	James McGee	01-01-12 to 12-31-15
	Raymond Poparad	01-01-16 to 12-31-16
Town Marshal	Jerry Price	01-01-12 to 01-25-12
	Craig Barnes	01-26-12 to 06-12-12
	Michael Heckman	06-13-12 to 12-31-16
Park Board President	Clark Hamilton	01-01-12 to 12-31-12
	Marcus Rogala	01-01-13 to 12-31-15
	Amanda Sucku	01-01-16 to 12-31-16
Building Commissioner	William Arney	01-01-12 to 12-31-16
Sanitation Superintendent	William Arney	01-01-12 to 12-31-16
President of the Redevelopment Commission	Jeffrey Freeze	01-01-12 to 12-31-12
	Gregory Miller	01-01-13 to 07-10-15
	(Vacant)	07-11-15 to 09-08-15
	Eugene Weibl	09-09-15 to 12-31-15
	Marcus Rogala	01-01-16 to 12-31-16



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE TOWN OF BURNS HARBOR, PORTER COUNTY, INDIANA

This report is supplemental to our examination report of the Town of Burns Harbor (Town), for the period from January 1, 2012 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion on the Town's financial statements. 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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

*Paul D. Joyce*  
Paul D. Joyce, CPA  
State Examiner

October 5, 2016

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TOWN COUNCIL  
TOWN OF BURNS HARBOR

TOWN COUNCIL  
TOWN OF BURNS HARBOR  
EXAMINATION RESULT AND COMMENT

**CONTRACTS**

The Town had not entered into written contracts for the following services during the period of examination: cleaning services; financial advisory services; and legal services.

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

TOWN COUNCIL  
TOWN OF BURNS HARBOR  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2016, with Raymond Poparad, President of the Town Council, and Jane Jordan, Clerk-Treasurer.

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POLICE DEPARTMENT  
TOWN OF BURNS HARBOR

POLICE DEPARTMENT  
TOWN OF BURNS HARBOR  
EXAMINATION RESULT AND COMMENT

***TIMELY DEPOSITS***

The Police Department collected money for accident reports, gun permits, vehicle identification number checks, case reports, and vehicle impound releases. Collections for all years of the examination period were not remitted timely to the Clerk-Treasurer. Collections were remitted up to 45 days after the date of the receipt.

Indiana Code 5-13-6-1(d) states in part:

". . . a city . . . or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories:

- (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and
- (2) approved as depositories of state funds."

Effective July 1, 2015, Indiana Code 5-13-6-1(g) states in part:

"The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): . . .

- (3) A city or a town required to deposit funds under subsection (d).

However, the funds on hand must be deposited not later than the business day following the day that the funds exceed five hundred dollars (\$500)."

POLICE DEPARTMENT  
TOWN OF BURNS HARBOR  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2016, with Michael D. Heckman, Town Marshal; Raymond Poparad, President of the Town Council; and Jane Jordan, Clerk-Treasurer.

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PARK DEPARTMENT  
TOWN OF BURNS HARBOR

PARK DEPARTMENT  
TOWN OF BURNS HARBOR  
EXAMINATION RESULTS AND COMMENTS

***TIMELY DEPOSITS***

The Park Department collected money for gate admission fees, parking passes, boat rentals, and shelter rentals. Collections for all years of the examination period were not remitted timely to the Clerk-Treasurer. Collections were remitted up to 47 days after the date of the receipt.

Indiana Code 5-13-6-1(d) states in part:

". . . a city . . . or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories:

- (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and
- (2) approved as depositories of state funds."

Effective July 1, 2015, Indiana Code 5-13-6-1(g) states in part:

"The following are not required to deposit funds on the business day following receipt if the funds on hand do not exceed five hundred dollars (\$500): . . .

- (3) A city or a town required to deposit funds under subsection (d).

However, the funds on hand must be deposited not later than the business day following the day that the funds exceed five hundred dollars (\$500)."

***PARK SHELTER DEPOSITS***

The Park Director did not remit shelter deposits to the Clerk-Treasurer. The Park Director would retain the cash or check until the customer used the shelter. After inspection for damage, the deposit was returned in the same form that it was received.

In addition, prescribed receipts were not always issued for shelter rentals, but were included on the cash register tape.

Indiana Code 36-5-6-6(a) states in part:

"The clerk-treasurer shall do the following:

- (1) Receive and care for all town money and pay the money out only on order of the town legislative body. . . ."

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

PARK DEPARTMENT  
TOWN OF BURNS HARBOR  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2016, with Amanda R. Sucku, President of the Park Board; Raymond Poparad, President of the Town Council; and Jane Jordan, Clerk-Treasurer.

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BUILDING DEPARTMENT  
TOWN OF BURNS HARBOR

BUILDING DEPARTMENT  
TOWN OF BURNS HARBOR  
EXAMINATION RESULT AND COMMENT

***BUILDING PERMIT FEES***

The Town assessed and collected an additional \$10 tag fee on building permits issued for new residential and commercial construction using manufactured floors and roofs. The ordinance related to building permits indicated residents or builders were required to have a tag attached on gas or electric utility meters; however, the ordinance did not address the amount of the fee assessed.

Fees can only be collected as specifically authorized by law or properly authorized ordinance/resolution. When a fee is NOT specified by law, but instead through the use of an ordinance/resolution, sufficient authoritative reference should be maintained. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

BUILDING DEPARTMENT  
TOWN OF BURNS HARBOR  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2016, with William Arney, Building Commissioner; Raymond Poparad, President of the Town Council; and Jane Jordan, Clerk-Treasurer.

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SANITATION DEPARTMENT  
TOWN OF BURNS HARBOR

SANITATION DEPARTMENT  
TOWN OF BURNS HARBOR  
EXAMINATION RESULT AND COMMENT

**CONTRACTS**

A written contract for legal services provided to the Sanitation Department was not presented for examination.

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

SANITATION DEPARTMENT  
TOWN OF BURNS HARBOR  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2016, with William Arney, Sanitation Superintendent; Raymond Poparad, President of the Town Council; and Jane Jordan, Clerk-Treasurer.

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REDEVELOPMENT COMMISSION  
TOWN OF BURNS HARBOR

REDEVELOPMENT COMMISSION  
TOWN OF BURNS HARBOR  
EXAMINATION RESULT AND COMMENT

**CONTRACTS**

*Consulting Services*

The Redevelopment Commission entered into a contract with a consulting firm. The contract, commonly referred to as their Master Development and Revitalization Advisor contract, was for a total fee of \$350,000.

The contract provided that the fee would be payable in installments as follows:

- \$140,000 for successful completion of Step 1;
- \$140,000 for successful completion of Step 2; and
- \$70,000 for successful completion of Step 3

According to the contract, payments would be made in monthly increments of \$35,000 less a 10 percent holdback from the last payment in each step. However, the 10 percent holdback fee was not held back for Step 2 or Step 3.

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

*Legal Services*

The Redevelopment Commission approved to engage a law firm to prepare specifications for proposals for an overall Redevelopment plan. The payment for services were not to exceed \$15,000. The Redevelopment Commission was invoiced and paid \$15,000. However, the payment was not supported by a written contract between the Commission and the law firm.

Additionally on July 24, 2014, the Redevelopment Commission approved to retain another law firm in the event the Redevelopment Commission's current attorney was not appropriate or if there existed a conflict in which separate council was deemed necessary. The Redevelopment Commission paid for services from the other law firm totaling \$1,600 prior to the approval on July 24, 2014.

Payments made or received for contractual services must be supported by a written contract. Each unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Compensation and any other payments for goods and services must not be paid in advance of receipts of the goods or services unless specifically authorized by law. Payments made for goods or services which are not received may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

REDEVELOPMENT COMMISSION  
TOWN OF BURNS HARBOR  
EXIT CONFERENCE

The contents of this report were discussed on October 5, 2016, with Andy Bozak, Redevelopment Commission member; Raymond Poparad, President of the Town Council; and Jane Jordan, Clerk-Treasurer.