

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF MICHIGAN CITY

LA PORTE COUNTY, INDIANA

January 1, 2022 to December 31, 2022



FILED

05/04/2023

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|---|--|
| City Controller | Yvonne Hoffmaster | 01-01-22 to 12-31-23 |
| Mayor | Duane Parry | 01-01-22 to 12-31-23 |
| President of the Board of Public Works and Safety | Virginia Keating | 01-01-22 to 12-31-23 |
| President of the Common Council | Angie Nelson Deutch Sean Fitzpatrick | 01-01-22 to 12-31-22 01-01-23 to 12-31-23 |
| Superintendent of the Water Utility | Christopher Johnsen | 01-01-22 to 12-31-23 |
| President of the Water Utility Board of Directors | Kenneth Behrendt | 01-01-22 to 12-31-23 |
| General Manager of the Sanitary District | Michael Kuss Milorad Milatovic | 01-01-22 to 01-29-22 01-30-22 to 12-31-23 |
| President of the Sanitary District Board of Commissioners | Tim Smith | 01-01-22 to 12-31-23 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF MICHIGAN CITY, LA PORTE COUNTY, INDIANA

This report is supplemental to our audit report of the City of Michigan City (City), for the period from January 1, 2022 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 City. It should be read in conjunction with our Financial Statement Audit Report of the City, which provides our opinions on the City's financial statement. 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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

April 26, 2023

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CITY CONTROLLER
CITY OF MICHIGAN CITY

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CITY OF MICHIGAN CITY
AUDIT RESULT AND COMMENT

CORONAVIRUS STATE AND LOCAL FISCAL RECOVERY FUNDS

Condition and Context

The City did not comply with the *Amended State Examiner Directive 2021-1; Accounting for American Rescue Plan Act (ARPA), Accounting Processes for Subtitle M-Coronavirus State and Local Fiscal Recovery Funds*. On March 22, 2022, the City transferred \$300,000 from the ARP Coronavirus LF Recovery Fund to the Park Gift and Donation Fund as a contribution for a zoo improvement project. The Directive specifically prohibited the transfer of ARPA funds to another City fund.

Criteria

Before money in the fund is disbursed, the fiscal body must appropriate the money in the fund for a use consistent with Section 603(c) as stated in the adopted ordinance and the plan. Only a local appropriation is needed. To ensure accountability and transparency of the use of these funds, all disbursements must be made from the ARPA grant fund; money from the ARPA fund may not be transferred to another fund of the county, city, or town. (Amended State Examiner Directive 2021-1)

CITY CONTROLLER
CITY OF MICHIGAN CITY
EXIT CONFERENCE

The contents of this report were discussed on April 26, 2023, with Yvonne Hoffmaster, City Controller; Duane Parry, Mayor; Christopher Johnsen, Superintendent of the Water Utility; Kenneth Behrendt, President of the Water Utility Board of Directors; Mary Lynn Wall, Assistant City Controller; Tamiko Smith, 2nd Assistant City Controller; and Chris Wolfe, Water Utility Accountant.