

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

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

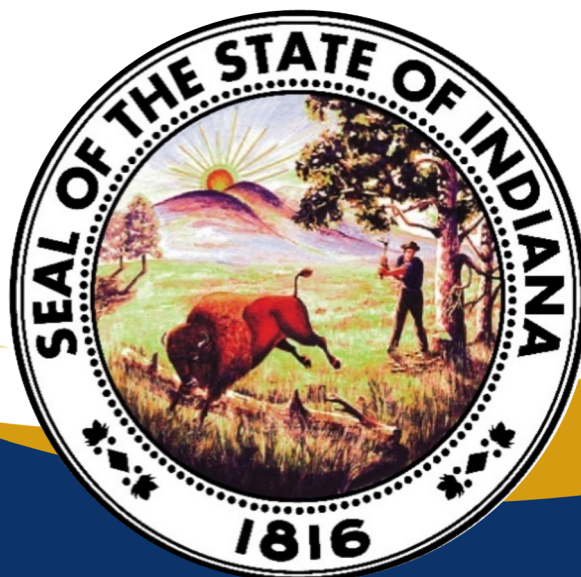
SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF LA PORTE

LA PORTE COUNTY, INDIANA

January 1, 2025 to December 31, 2025



FILED

09/22/2026

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Courtney Parthun	01-01-25 to 12-31-26
Mayor	Thomas P. Dermody	01-01-25 to 12-31-26
President of the Board of Public Works and Safety	Thomas P. Dermody	01-01-25 to 12-31-26
President Pro Tempore of the Common Council	Timothy Franke	01-01-25 to 12-31-26



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INDIANA STATE BOARD OF ACCOUNTS

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

This report is supplemental to the audit report of the City of La Porte (City), for the period from January 1, 2025 to December 31, 2025. 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 the Financial Statement Audit Report of the City, which provides our opinions on the City's financial statement. This report may be found on the Indiana State Board of Accounts' website.

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. Official Responses are prepared by the auditee, and accessibility of this document cannot be guaranteed. Contact the auditee directly for concerns related to the accessibility of Official Responses.

Beth Kelley, CPA, CFE
Deputy State Examiner

August 18, 2026



CLERK-TREASURER
CITY OF LA PORTE

CLERK-TREASURER
CITY OF LA PORTE
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS - COMPLIANCE

Condition and Context

Internal controls were not designed and/or implemented to ensure compliance with applicable laws and regulations. The noncompliance that occurred as a result of these internal control deficiencies is further described in the comment within this report.

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.

CONFLICT OF INTEREST

Condition and Context

During the audit year 2025, Arno Pressler (Pressler) served as a Captain for the City's Fire Department. As a paid employee, Pressler was a "public servant" for purposes of Indiana Code 35-31.5-2-261(1).

Pressler was paid \$750 by the City for mowing and maintenance around City ponds located at station 2 and station 3. There were no contracts for the transaction, and Pressler submitted an invoice to the City for completed work. The Board of Public Works and Safety subsequently approved payment of the invoice.

The Indiana State Board of Accounts (SBOA) inquired with the City if a conflict of interest disclosure was filed regarding the transaction. No conflict of interest disclosure was filed with the SBOA, via the Indiana Gateway for Government Units financial reporting system, or the La Porte County Clerk of the Circuit Court.

Under these facts, the SBOA would have expected to receive a fully completed and executed conflict of interest disclosure statement from Pressler detailing the \$750 in payments he received from the City.

Criteria

Indiana Code 35-44.1-1-4 sets forth the offense of conflict of interest, in relevant part:

"(a) The following definitions apply throughout this section:

(1) 'Dependent' means any of the following:

(A) The spouse of a public servant. . . .

(3) 'Pecuniary interest' means an interest in a contract or purchase if the contract or purchase will result or is intended to result in an ascertainable increase in the income or net worth of:

CLERK-TREASURER
CITY OF LA PORTE
AUDIT RESULTS AND COMMENTS
(Continued)

(A) the public servant; or

(B) a dependent of the public servant who:

(i) is under the direct or indirect administrative control of the public servant; or

(ii) receives a contract or purchase order that is reviewed, approved, or directly or indirectly administered by the public servant.

(b) A public servant who knowingly or intentionally:

(1) has a pecuniary interest in; or

(2) derives a profit from;

a contract or purchase connected with an action by the governmental entity served by the public servant commits conflict of interest, a Level 6 felony."

However, it is not an offense for conflict of interest if a public servant complies with the disclosure requirements set forth at Indiana Code 35-44.1-1-4(d):

"A disclosure must:

(1) be in writing;

(2) describe the contract or purchase to be made by the governmental entity;

(3) describe the pecuniary interest that the public servant has in the contract or purchase;

(4) be affirmed under penalty of perjury;

(5) be submitted to the governmental entity and be accepted by the governmental entity in a public meeting of the governmental entity before final action on the contract or purchase;

(6) be filed within fifteen (15) days after final action on the contract or purchase with:

(A) the state board of accounts; and

(B) . . . the clerk of the circuit court in the county where the governmental entity takes final action on the contract or purchase . . ."

1. Conflict of interest disclosures must be completed using the COI Form available on Gateway. It is the public servant's duty to ensure that a fully completed disclosure is uploaded on Gateway and meets the required provisions of IC 35-44.1-1-4(d).

2. The audited entity's attorney or a private attorney must be consulted as to whether a conflict of interest disclosure statement must be filed and whether the format of the disclosure is sufficient.

3. The Uniform Conflict of Interest Disclosure Statement, Form 236 (State Form 54266) . . .

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

CLERK-TREASURER
CITY OF LA PORTE
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2026, with Courtney Parthun, Clerk-Treasurer; Thomas P. Dermody, Mayor; Timothy Franke, President Pro Tempore of the Common Council; Karyl Machek-Feikes, Common Council member; Drew Buchanan, Common Council member; Jessica Romine, Board of Public Works and Safety member; Brian Chalik, President of the Redevelopment Authority Board; Theo Smith, Secretary of the Redevelopment Authority Board; Ashley Knoll, Deputy Clerk-Treasurer; Joanne Layman, Deputy Clerk-Treasurer; and Evan Miller, Recreation Director.