

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

AUDIT REPORT  
OF  
COUNTY ASSESSOR  
LAKE COUNTY, INDIANA  
January 1, 2010 to December 31, 2010



**FILED**  
10/25/2011



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COUNTY OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Assessor	Paul Karras Hank Adams	01-01-07 to 12-31-10 01-01-11 to 12-31-14
President of the County Council	Thomas O'Donnell Ted Bilski	01-01-10 to 12-31-10 01-01-11 to 12-31-11
President of the Board of County Commissioners	Frances DuPey Roosevelt Allen, Jr.	01-01-10 to 12-31-10 01-01-11 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF LAKE COUNTY

We have audited the records of the County Assessor for the period from January 1, 2010 to December 31, 2010, and certify that the records and accountability for cash and other assets are satisfactory to the best of our knowledge and belief, except as stated in the Audit Result and Comment. The financial transactions of this office are reflected in the Annual Report of Lake County for the year 2010.

STATE BOARD OF ACCOUNTS

August 24, 2011

COUNTY ASSESSOR  
LAKE COUNTY  
AUDIT RESULT AND COMMENT

***CONSOLIDATION OF LAND PARCELS***

We reviewed a sample of property record cards prepared by the Assessor's office to determine the reasonableness of the property assessment. We noted that improvements made to the property, including buildings, have been constructed across more than one parcel of land. In each of these instances, the building assessed value is included with only one of the parcels. The remaining parcels are assessed at the land value alone. The taxpayer receives a tax bill for each individual parcel. Because the parcels are not consolidated by the Assessor into one tax bill, it allows taxpayer to pay the tax on the parcel that includes the building, and the tax due on the remaining parcel(s) could go unpaid resulting in lost tax revenue to the County.

For example, a parking lot was constructed across eight adjacent parcels of land. Six of the parcels are owned by one individual, and records show no delinquency in taxes. The remaining two parcels are owned by two different individuals. One of the two parcels is located in the center of the parking lot. The County's records indicate that this one parcel has been included for tax sale since 2007. It is unclear how the parking lot was allowed to be constructed when two different individuals owned the land.

Indiana Code 6-1.1-5-16 (b) states in part: "An assessing official shall consolidate more than one (1) existing contiguous parcel into a single parcel if the assessing official has knowledge that an improvement to the real property is located on or otherwise significantly affects the parcels."

COUNTY ASSESSOR  
LAKE COUNTY  
EXIT CONFERENCE

The contents of this report were discussed on August 24, 2011, with Hank Adams, Assessor. The official concurred with our audit finding.

The contents of this report were discussed per phone conversation on August 25, 2011, with Paul Karras, former Assessor. The contents of this report were also mailed to Paul Karras, former Assessor. The official response has been made a part of this report and may be found on pages 6.

**FORM 4 ATTACHMENT:**

I would like the record to reflect in any instance it was brought to my attention that a parcel under my jurisdiction should be combined per IC 6-1.1-5-16(b) if it significantly affected the adjoining parcel, it was. For example a home that sat across 2 or 3 lots or a parking lot constructed across eight adjacent parcels, the properties were combined when it was discovered.

*Paul J. Kenna 8/30/11*