

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

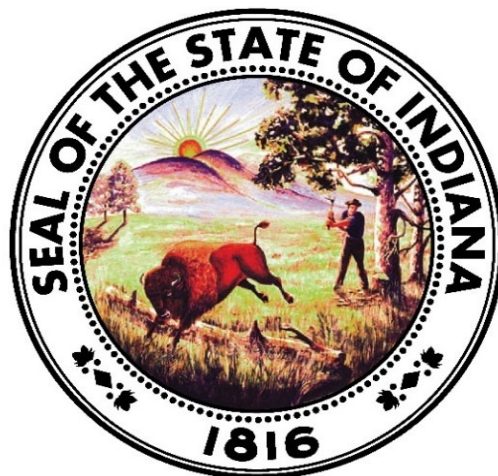
SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF LAKEVILLE

ST. JOSEPH COUNTY, INDIANA

January 1, 2019 to December 31, 2022



FILED

08/23/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Shirley Rynearson Lori L. Kelly (interim) Christine Rowe	01-01-19 to 06-25-19 06-26-19 to 12-31-19 01-01-20 to 12-31-23
President of the Town Council	April Hathaway Lori L. Kelly	01-01-19 to 12-31-19 01-01-20 to 12-31-23
Utility Office Manager	Dan Casad Larry Clady	01-01-19 to 03-29-22 03-30-22 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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TO: THE OFFICIALS OF THE TOWN OF LAKEVILLE, ST. JOSEPH COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Lakeville (Town), for the period from January 1, 2019 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 Town. It should be read in conjunction with the Financial Statements Audit Report of the Town, which provides our opinions on the Town's financial statements. 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 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.

Beth Kelley, CPA, CFE
Deputy State Examiner

August 15, 2023

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CLERK-TREASURER
TOWN OF LAKEVILLE

CLERK-TREASURER
TOWN OF LAKEVILLE
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Financial and other information are required to be entered annually into the Annual Financial Report via the Indiana Gateway for Government Units (Gateway) financial reporting system. The capital assets and leases and debt information entered into Gateway contained the following errors:

Capital Assets

The Town prepared and submitted the capital asset information into Gateway. However, the Town did not maintain appropriate detailed capital asset records to determine the accuracy of the information. The Town approved the omission of the Schedule of Capital Assets from the Financial Statements Audit Report.

Leases and Debt

1. The Sewage Works Revenue Bond of 1996 ending principal balance of \$249,000 and \$239,000 and principal due within one year of \$22,450 and \$29,950 for years 2019 and 2020, respectively, were reported in error as the debt was no longer outstanding.
2. The notes and loans payable, principal due within one year, was understated by \$21,040 in 2021, and overstated by \$284,128 in 2022.
3. The 2020 Sewer Utility Revenue Bonds ending principal balance was understated by \$28,494 in 2022.

Adjustments were proposed, accepted by the Town, and made to the Schedule of Leases and Debt presented as Other Information in the Financial Statements Audit Report.

CLERK-TREASURER
TOWN OF LAKEVILLE
AUDIT RESULTS AND COMMENTS
(Continued)

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](#)."

CAPITAL ASSETS

Condition and Context

The Town did not have a policy that detailed the threshold at which an item is considered a capital asset. In addition, the Town did not maintain a complete detailed listing of all capital assets owned and has not performed a complete physical inventory of the Town's capital assets 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)

CLERK-TREASURER
TOWN OF LAKEVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 15, 2023, with Christine Rowe, Clerk-Treasurer; Lori L. Kelly, President of the Town Council; Cindy McCan, Deputy Clerk-Treasurer; and Retha S. Hicks, Consultant.