

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

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

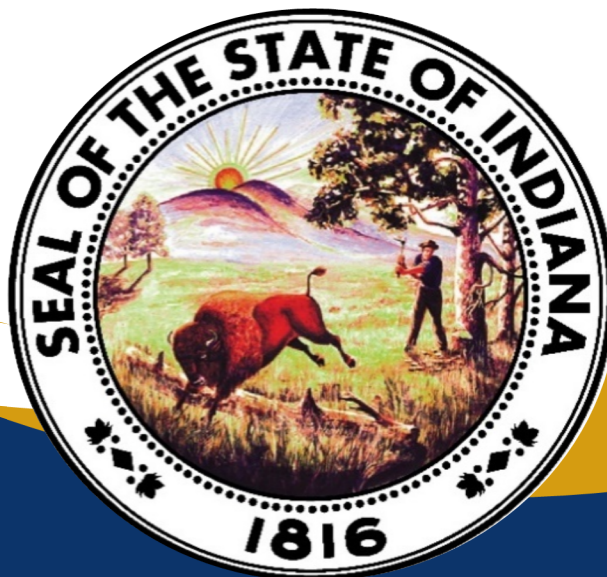
SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF LA CROSSE

LAPORTE COUNTY, INDIANA

January 1, 2022 to December 31, 2023



**FILED**

12/03/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kelly Kiel	01-01-22 to 12-31-24
President of the Town Council	Justin Kiel	01-01-22 to 12-31-22
	Rodney Cox	01-01-23 to 12-31-23
	Lisa Rosenkranz	01-01-24 to 12-31-24



Paul D. Joyce, CPA  
State Examiner

# INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769  
Telephone: (317) 232-2513  
Fax: (317) 232-4711  
[www.in.gov/sboa](http://www.in.gov/sboa)

TO: THE OFFICIALS OF THE TOWN OF LA CROSSE, LAPORTE COUNTY, INDIANA

This report is supplemental to the audit report of the Town of La Crosse (Town), for the period from January 1, 2022 to December 31, 2023. 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 Statement Audit Report of the Town, which provides our opinions on the Town's financial statement. 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 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

November 12, 2024



CLERK-TREASURER  
TOWN OF LA CROSSE

CLERK-TREASURER  
TOWN OF LA CROSSE  
AUDIT RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORT**

A similar comment also appeared in prior Report B60340, entitled *ANNUAL FINANCIAL REPORT - OTHER INFORMATION*.

*Condition and Context*

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units financial reporting system. The Town had not established effective internal controls over the AFR, which resulted in the following errors:

*Leases and Debt*

The Town SRF BAN Series 2023 information was omitted from the AFR, which caused an understatement of principal balance of \$3,279,900. The Town also underreported the ending principal balance for the SRF Loan Series 2020A and 2020B, which caused a combined understatement of \$135,722.

The submitted information into the AFR is used to generate the Schedule of Leases and Debt (Schedule) presented as Other Information in the Financial Statement Audit Report of the Town. Adjustments were proposed, accepted by the Town, and made to the Schedule and the debt information within the AFR.

*Capital Assets*

Amounts reported on the Schedule of Capital Assets did not include a value for infrastructure, which includes roads, owned by the Town. The financial reporting framework utilized by the Town includes the option to present a Schedule of Capital Assets as Other Information in the Financial Statement Audit Report of the Town based on information submitted in the AFR. The Town has elected not to present this schedule.

*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. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

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

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 as set forth in the uniform compliance guidelines. 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](#)."

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

### **COMPENSATION AND BENEFITS**

#### *Condition and Context*

Internal control deficiencies resulted in noncompliance with the payment of compensation and benefits. Five of seven payroll checks tested were not paid in accordance with the salary ordinance approved by the Town Council. Per the salary ordinance, these amounts were to be paid from multiple funds. However, they were only paid from one of the funds listed on the ordinance.

#### *Criteria*

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An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
TOWN OF LA CROSSE  
EXIT CONFERENCE

The contents of this report were discussed on November 12, 2024, with Kelly Kiel, Clerk-Treasurer, and Lisa Rosenkranz, President of the Town Council.