

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, 2011 to December 31, 2014



FILED
03/15/2016

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Transmittal Letter	3
Town Council:	
Examination Results and Comments:	
Appropriations	6
Elected Officials' Salary Ordinance.....	6
Debit Card Disbursements	6-7
Exit Conference	8

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Darla Perkins (Faucett)	11-16-09 to 12-31-11
	Cindy McQueen	01-01-12 to 12-31-19
President of the Town Council	John Kuhn	01-01-11 to 12-31-11
	Martha Tyler	01-01-12 to 10-04-15
	Karen Iovino	10-05-15 to 12-31-15
Superintendent of Utilities	Marvin Martin	01-01-11 to 09-09-12
	Dan Casad	09-10-12 to 12-31-15



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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

This report is supplemental to our examination report of the Town of Lakeville (Town), for the period from January 1, 2011 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the Town. It should be read in conjunction with our Financial Statements Examination Report of the Town, which provides our opinion 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 Examination 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 Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

December 15, 2015

(This page intentionally left blank.)

TOWN COUNCIL
TOWN OF LAKEVILLE

TOWN COUNCIL
TOWN OF LAKEVILLE
EXAMINATION RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for examination indicated the following expenditures in excess of budgeted appropriations for the years listed:

Fund	Year			
	2011	2012	2013	2014
General	\$ 23,696	\$ 59,314	\$ 8,614	\$ -
Local Road and Street	19,197	-	-	-
Motor Vehicle Highway	40,388	22,601	-	-
Cum Cap. Development	-	-	877	8,408
Cum Cap. Improvement	-	-	3,963	-

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

ELECTED OFFICIALS' SALARY ORDINANCE

A salary ordinance for 2011, which established the rate of pay for elected officials was not presented for examination.

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 statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

DEBIT CARD DISBURSEMENTS

Examination of bank statements identified debit card purchases totaling \$1,965, \$2,582, and \$7,343 in 2012, 2013, and 2014, respectively. These transactions were approved by the Town Council subsequent to the withdrawal of funds from the Town's bank account. No policy was presented to allow this type of transaction.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN COUNCIL
TOWN OF LAKEVILLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

Indiana Code 5-11-10-1.6(c) states in part:

". . . the fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

Disbursements, other than proper petty cash disbursements, shall be by check or warrant, not by cash or other methods unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN COUNCIL
TOWN OF LAKEVILLE
EXIT CONFERENCE

The contents of this report were discussed on December 15, 2015, with Cindy McQueen, Clerk-Treasurer; Debra Law, Council member; and Karen Iovino, President of the Town Council.