

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF LA CROSSE

LAPORTE COUNTY, INDIANA

January 1, 2018 to December 31, 2019



FILED

11/06/2020

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kelly Kiel	01-01-18 to 12-31-20
President of the Town Council	Justin Kiel	01-01-18 to 12-31-20



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the Town of La Crosse (Town), for the period from January 1, 2018 to December 31, 2019. 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 our 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/.

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 Result and Comment contained herein describes the identified reportable instance 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 Result and Comment, incorporated within this report, was not verified for accuracy.

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

October 20, 2020

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CLERK-TREASURER
TOWN OF LA CROSSE

CLERK-TREASURER
TOWN OF LA CROSSE
AUDIT RESULT AND COMMENT

MVH RESTRICTED FUND

Condition and Context

In 2019, the Town failed to create and report the MVH Restricted sub-fund as directed by the State Examiner. Therefore, the Town failed to allocate or deposit at least 50 percent of the distributions from the State Motor Vehicle Highway (MVH) Account, at the time of receipt, into an MVH Restricted sub-fund. Since the MVH Restricted sub-fund had not been created, we were not able to determine if the Town used at least 50 percent for the purposes specified in Indiana Code 8-14-1-5(c).

Criteria

The purpose of this Directive is to authorize and require . . . cities, and towns that receive distributions from the State Motor Vehicle Highway Account to **create a new sub-fund within the MVH fund** to properly manage and account for the usage restrictions that were included in House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018.

On the chart of accounts, the MVH fund and MVH Restricted sub-fund shall be shown as follows: . . .

Cities and Towns

Fund 201	MVH
Fund 203	MVH Restricted.

Together, MVH and MVH Restricted shall constitute the total MVH fund. MVH and MVH Restricted will be shown separately on the Annual Financial Report . . .

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

TOWN OF LA CROSSE

OFFICE OF THE CLERK-TREASURER

P. O. Box 246
LA CROSSE, INDIANA 46348-0246
219-754-2512

OFFICIAL RESPONSE

October 20, 2020

Indiana State Board of Accounts
302 West Washington St. Room E418
Indianapolis, IN 46204-2765

Re: MVH Restricted Fund

To Whom It May Concern:

After completing our Exit Conference for the audit of the Town of LaCrosse, we wish to file an official response to the results and comments to be bound in the report.

In the Audit Result section of the Supplemental Compliance Report, it included this result:

MVH RESTRICTED FUND

Condition and Context

In 2019, the Town failed to create and report the MVH Restricted sub-fund as directed by the State Examiner. Therefore, the Town failed to allocate or deposit at least 50 percent of the distributions from the State Motor Vehicle Highway (MVH) Account at the time of receipt into an MVH Restricted sub-fund. Since the MVH Restricted sub-fund had not been created, we were not able to determine if the Town used at least 50 percent for the purposes specified in Indiana Code 8-14-1-5(c).

The Town wishes to respond that while the sub-fund had not been created where 50 percent of the MVH distributions had been receipted into the new MVH Restricted sub-fund, that the 50 percent of these distributions are available to be transferred into the Restricted sub-fund.

In 2019, \$23,715.65 was receipted into the MVH-Distribution fund. Therefore, once the Restricted sub-fund is created, \$11,857.83 will be transferred from the MVH to the MVH-Restricted fund.

Kelly Kiel
Clerk-Treasurer

CLERK-TREASURER
TOWN OF LA CROSSE
EXIT CONFERENCE

The contents of this report were discussed on October 20, 2020, with Kelly Kiel, Clerk-Treasurer, and Justin Kiel, President of the Town Council.