

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, 2020 to December 31, 2021



FILED
12/07/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kelly Kiel	01-01-20 to 12-31-22
President of the Town Council	Justin Kiel	01-01-20 to 12-31-22



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, 2020 to December 31, 2021. 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 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 16, 2022

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CLERK-TREASURER
TOWN OF LA CROSSE

CLERK-TREASURER
TOWN OF LA CROSSE
AUDIT RESULTS AND COMMENTS

CORONAVIRUS RELIEF FUND (CRF)

Condition and Context

The Town did not properly account for the Coronavirus Relief Fund (CRF) in accordance with the State Examiner Directive 2020-3 (Directive).

The Town did not properly establish a separate CARES grant fund for the CRF grant that followed the uniform chart of accounts. The Town receipted the reimbursement from the Indiana Finance Authority, totaling \$5,566, into the General Fund. The General Fund incurred the expenses totaling \$5,566, and without a separate fund to properly account for the federal award and a reversing entry as outlined in the Directive, the federal award was difficult to track and the appropriation in the General Fund was not reinstated.

Criteria

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options.

Option One. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other fund) in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the general fund (or other fund), it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

Once option one is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

Option Two. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

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

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020. . . .**

(State Examiner Directive 2020-3)

ANNUAL FINANCIAL REPORT - OTHER INFORMATION

Condition and Context

Supplemental schedules are required to be reported annually on the Indiana Gateway for Government Units (Gateway) financial reporting system. The Town was not in compliance with the Other Information as follows:

Schedule of Payables and Receivables

The Town had payables and receivables at year end, but failed to report any payables and receivables in Gateway. The Town approved the omission of the Schedule of Payables and Receivables from the Financial Statement Audit Report.

Schedule of Capital Assets

The Town's detailed listing did not include a value for all infrastructure, which includes roads, as required. The Town's capital asset listing included assets that had been disposed. In addition, there were items listed on the detailed capital asset listing that did not meet the \$5,000 capitalization threshold in the Town's capital asset policy. The Town approved the omission of the Schedule of Capital Assets from the Financial Statement Audit Report.

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](#)."

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 16, 2022, with Kelly Kiel, Clerk-Treasurer, and Justin Kiel, President of the Town Council.