

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

COMPLIANCE ENGAGEMENT REPORT

OF

CLINTON COUNTY REDEVELOPMENT AUTHORITY

CLINTON COUNTY, INDIANA

January 1, 2020 to December 31, 2022



FILED

09/30/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Britt Ostler	03-17-20 to 12-31-22
President of the Redevelopment Authority Board of Commissioners	Jordan Brewer	03-17-20 to 12-31-22



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CLINTON COUNTY REDEVELOPMENT
AUTHORITY, CLINTON COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Clinton County Redevelopment Authority (Authority), for the period of January 1, 2020 to December 31, 2022. The objective of this engagement was to determine compliance with applicable Indiana laws, regulations, and uniform compliance guidelines (Guidelines) established by the Indiana State Board of Accounts pursuant to Indiana Code 5-11-1-24. The objective of this engagement is not to opine on compliance or financial activity of the Authority, as this engagement was not conducted in accordance with any standards established by an authoritative standard setting body and, as such, we do not provide any opinions on compliance or financial activity.

Management is responsible for preparing and maintaining its accounting records and related documents in accordance with applicable Indiana laws, regulations, and Guidelines. Management's responsibility also includes, but is not limited to, complying with other applicable Indiana laws, regulations, and Guidelines concerning how it operates: authorized sources and uses of funds; what reports are required to be prepared and filed; and what depositories and investment types are allowable.

We fulfilled our responsibility as detailed in the first paragraph, using procedures that verified the appropriate accounting for and reporting of cash, receipts, and disbursements; and the appropriate sources and uses of funds in accordance with applicable Indiana laws, regulations, and Guidelines. Expanding the scope and nature of these procedures can and does occur in specific circumstances.

The Comments contained herein, if any, describe the identified reportable instances of noncompliance found during our engagement. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified. Any Official Response to the Comments incorporated within this report was not verified for accuracy.

The Schedule of Officials and Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis (Statements) are informational only. The Statements have not been subjected to any procedures designed to express an opinion or provide any assurance on them, and, accordingly, we do not express an opinion or provide any assurance on them.

The Schedule of Officials is informational only. The Schedule of Cash and Investment Balances - Regulatory Basis has not been included in this report due to the issues detailed in the Comments below.

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record. Reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>, and the Authority's Annual Financial Reports filed by management can be found on the Indiana Gateway for Government Units financial reporting system website: <http://www.gateway.ifionline.org>.

The contents of this report were communicated to Brit Osler, Fiscal Officer, and Bert Weaver, Vice President of the County Commissioners, on September 19, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

September 19, 2024

CLINTON COUNTY REDEVELOPMENT AUTHORITY
COMMENTS

BANK ACCOUNT RECONCILIATIONS

Condition and Context

Monthly bank account reconciliations were not performed for the Authority's three bank accounts.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

BOARD MINUTES

Condition and Context

Internal controls were not in place to ensure that the Authority held Authority Board minutes or reorganized as per Indiana Code 36-7-14.5-9.

The Authority did not hold meetings during 2021 and 2022. Therefore, Authority Board minutes were not available, and reorganization of the Authority Board did not occur in those years.

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. . . ."

Indiana Code 5-14-1.5-4 states in part:

". . . (b) As the meeting progresses, the following memoranda shall be kept:

- (1) The date, time, and place of the meeting.
- (2) The members of the governing body recorded as either present or absent.

CLINTON COUNTY REDEVELOPMENT AUTHORITY
COMMENTS
(Continued)

- (3) The general substance of all matters proposed, discussed, or decided.
 - (4) A record of all votes taken by individual members if there is a roll call.
 - (5) Any additional information required under section 3.5 or 3.6 of this chapter or any other statute that authorizes a governing body to conduct a meeting using an electronic means of communication.
- (c) The memoranda are to be available within a reasonable period of time after the meeting for the purpose of informing the public of the governing body's proceedings. The minutes, if any, are to be open for public inspection and copying."

Indiana Code 36-7-14.5-9 states:

"(a) Each year, the board shall hold an organizational meeting on a day that is not a Saturday, a Sunday, or a legal holiday and that is their first meeting day of the year. It shall elect one (1) of the members president, another vice president, and another secretary-treasurer to perform the duties of those offices. These officers serve from the date of their election and until their successors are elected and qualified. The board may elect an assistant secretary-treasurer. Before April 1, the secretary-treasurer shall report annually to the board.

(b) Not later than April 15 of each year, the board shall submit a report setting out its activities during the preceding calendar year to:

- (1) the executive and the fiscal body of the unit that established the redevelopment authority; and
- (2) the department of local government finance in an electronic format.

(c) The report required under subsection (b) must also include the following information set forth for each tax increment financing district regarding the previous year:

- (1) Revenues received.
- (2) Expenses paid.
- (3) Fund balances.
- (4) The amount and maturity date for all outstanding obligations.
- (5) The amount paid on outstanding obligations.
- (6) A list of all the parcels included in each tax increment financing district allocation area and the base assessed value and incremental assessed value for each parcel in the list.

(d) Special meetings may be called by the president of the board or any two (2) members of the board.

(e) A majority of the members constitutes a quorum, and the concurrence of a majority of the members is necessary to authorize any action."

STATEMENTS OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS

CLINTON COUNTY REDEVELOPMENT AUTHORITY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
RDA Trustee Construction Fund	\$ -	\$ 6,502,171	\$ 2,856,515	\$ 3,645,656	\$ 7,618	\$ 853,016	\$ 2,800,258
RDA Trustee Operations Fund	-	-	-	-	6,232	2,000	4,232
RDA Trustee Sinking Fund	-	-	-	-	220,546	220,504	42
RDA Trustee Bond & Interest Fund	-	65,225	5	65,220	49,060	114,280	-
Totals	<u>\$ -</u>	<u>\$ 6,567,396</u>	<u>\$ 2,856,520</u>	<u>\$ 3,710,876</u>	<u>\$ 283,456</u>	<u>\$ 1,189,800</u>	<u>\$ 2,804,532</u>

CLINTON COUNTY REDEVELOPMENT AUTHORITY
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2022

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22
RDA Trustee Construction Fund	\$ 2,800,258	\$ 473,436	\$ 904,865	\$ 2,368,829
RDA Trustee Operations Fund	4,232	31	-	4,263
RDA Trustee Sinking Fund	42	1	-	43
RDA Trustee Bond & Interest Fund	-	-	-	-
Totals	<u>\$ 2,804,532</u>	<u>\$ 473,468</u>	<u>\$ 904,865</u>	<u>\$ 2,373,135</u>