

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

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

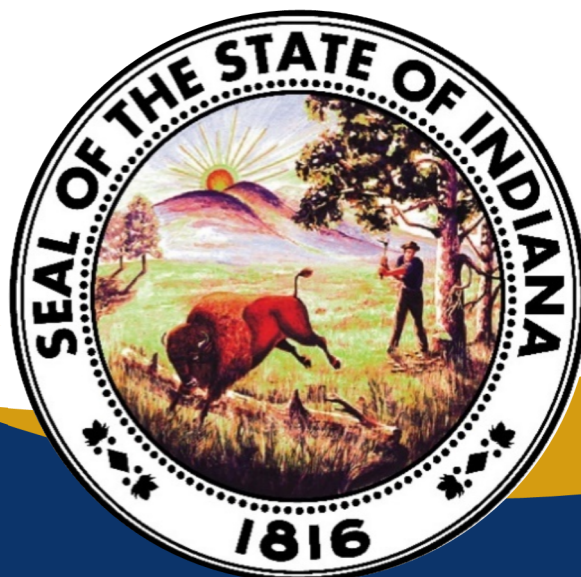
COMPLIANCE REPORT

OF

CITY OF FRANKFORT REDEVELOPMENT AUTHORITY

CLINTON COUNTY, INDIANA

January 1, 2022 to December 31, 2023



FILED

02/17/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	(Vacant) Carol Bartley	01-01-22 to 12-31-24 01-01-25 to 12-31-25
President of the Redevelopment Authority Board	Joe Palmer	01-01-22 to 12-31-25



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INDIANA STATE BOARD OF ACCOUNTS

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

The City of Frankfort Redevelopment Authority's (Authority) financial information was audited as part of the City of Frankfort's (City) financial statements for the period from January 1, 2022 to December 31, 2023. The Financial Statements Audit Report of the City, which provides our opinions on the City's financial statements and which includes the Authority's financial information, 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 for the Authority. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

The Authority's Annual Financial Report information can be found on the Indiana Gateway for Government Units financial reporting system website: <https://gateway.ifionline.org> and has not been subjected to any audit procedures.

Any Official Response to the Audit Result and Comment, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

December 30, 2024

CITY OF FRANKFORT REDEVELOPMENT AUTHORITY
AUDIT RESULT AND COMMENT

REDEVELOPMENT AUTHORITY ACTIVITY

Condition and Context

Per Indiana Code 36-7-14.5-7, Redevelopment Authorities are subject to audit by the Indiana State Board of Accounts under Indiana Code 5-11. The Authority was established in 2018; however, the recordkeeping for the Authority was not properly established. No records for the Authority were presented for audit. Transactions for the Authority were not maintained in a financial ledger. Debt was incurred by the Authority and the related projects were completed. The receipt of funds and payments for the debt issues and the related projects, which were approved by the Redevelopment Commission and made by the financial institution, should have been maintained in a ledger. There was no evidence that the Authority had established a governing body, elected officers, or identified a financial clerk since its establishment.

Per Indiana Code 36-7-14.5-9(b), the Authority shall, no later than April 15 of each year, submit a report setting out its activities during the preceding year to (1) the executive and fiscal body of the unit that established the redevelopment authority; and (2) the department of local government finance in an electronic format. The Authority does not have a ledger.

Criteria

Indiana Code 36-7-14.5-7 states:

"(a) A [City of Frankfort] Redevelopment Authority . . . may be created in the unit as a separate body corporate and politic and as an instrumentality of the unit to exercise any power granted to the authority under this chapter.

(b) An authority may be created by ordinance of the legislative body of the unit.

(c) An authority is subject to the same laws, rules, and ordinances of a general nature that apply to all other authorities and departments of the unit. An authority is:

(1) subject to audit by the state board of accounts under [IC 5-11](#);

(2) covered by [IC 5-14-1.5](#) (the public meetings law); and

(3) covered by [IC 5-14-3](#) (the public records law)."

Indiana Code 36-7-14.5-9 states in part:

"(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. . . ."

CITY OF FRANKFORT REDEVELOPMENT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on December 30, 2024, with John Large, Redevelopment Authority Board member, and Carol Bartley, Clerk-Treasurer of the City of Frankfort and Fiscal Officer of the Redevelopment Authority.