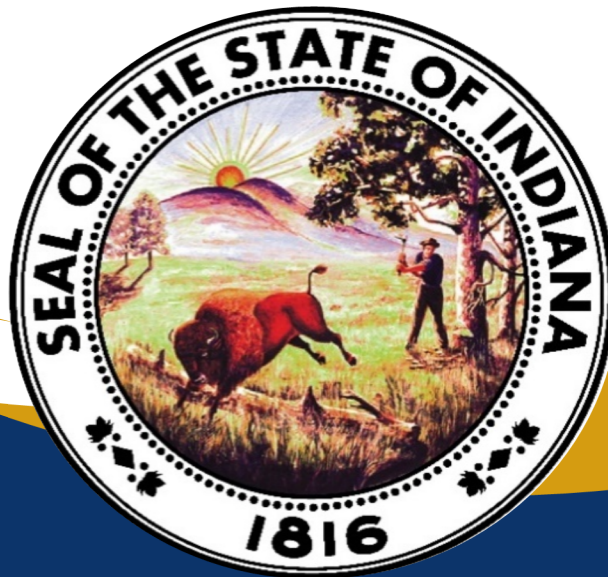


**STATE BOARD OF ACCOUNTS  
302 West Washington Street  
Room E418  
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT  
OF  
TOWN OF SHIPSHEWANA REDEVELOPMENT AUTHORITY  
LAGRANGE COUNTY, INDIANA  
October 28, 2004 to December 31, 2018



**FILED**  
01/14/2025



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Ruth Ann Downey	10-28-04 to 02-18-22
	(Vacant)	02-19-22 to 03-01-22
	Tad T. Hite	03-02-22 to 12-31-24
President of the Redevelopment Authority Board of Commissioners	Roger Yoder	10-28-04 to 12-31-08
	Martin Moeller	01-01-09 to 12-31-09
	Jerry Ankney	01-01-10 to 12-31-10
	Roger Yoder	01-01-11 to 12-31-13
	Lynn Bontrager	01-01-14 to 12-31-14
	Nic Engle	01-01-15 to 12-31-16
	Lynn Bontrager	01-01-17 to 12-31-18
	Tad T. Hite	01-01-19 to 03-01-22
	(Vacant)	03-02-22 to 03-09-22
	Joshua Weimer	03-10-22 to 09-28-23
Christine Yoder	09-29-23 to 12-31-24	



Paul D. Joyce, CPA  
State Examiner

## INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE TOWN OF SHIP SHEWANA REDEVELOPMENT  
AUTHORITY, LAGRANGE COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Shipshewana Redevelopment Authority (Authority), for the period of October 28, 2004 to December 31, 2018. 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 is informational only. The Statements of Receipts, Disbursements, and 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 Tad T. Hite, Fiscal Officer; Terry Martin, Town Manager; Sally Balzer, Utility Clerk; Christine Yoder, President of the Redevelopment Authority Board of Commissioners; Lynn Bontrager, Town Council member; and RuthAnn Downey, former Fiscal Officer, on December 12, 2024.



Beth Kelley, CPA, CFE  
Deputy State Examiner

December 12, 2024

TOWN OF SHIP SHEWANA REDEVELOPMENT AUTHORITY  
COMMENTS

**INTERNAL CONTROLS**

*Condition and Context*

Internal control deficiencies resulted in the noncompliance over the:

- Annual Financial Report
- Redevelopment Authority Transactions
- Board Minutes Missing
- Organization of the Redevelopment Authority Board of Directors
- Bank Account Reconciliations

These internal control deficiencies are further detailed in the comments below.

*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. . . ."

**ANNUAL FINANCIAL REPORT**

*Condition and Context*

The Authority did not file its Annual Financial Report for any of the years during the audit period.

*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](#)."

TOWN OF SHIPSHEWANA REDEVELOPMENT AUTHORITY  
COMMENTS  
(Continued)

**REDEVELOPMENT AUTHORITY TRANSACTIONS**

*Condition and Context*

The Authority was established on October 28, 2004. Transactions were not included in the Town's financial statements for any audit period through December 31, 2018. Bank Statements were not provided for audit for any years from 2004 through 2018. Subsequent to 2018, the Authority activity is reported in the Town's financial statements.

*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](#)."

**BOARD MINUTES MISSING**

*Condition and Context*

The Authority did not provide Authority Board minutes for any month during the audit period. We were unable to determine whether meetings were held during the audit period and what actions were taken by the Authority Board.

*Criteria*

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.
- (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."

TOWN OF SHIPSHEWANA REDEVELOPMENT AUTHORITY  
COMMENTS  
(Continued)

**ORGANIZATION OF THE REDEVELOPMENT AUTHORITY BOARD OF DIRECTORS**

*Condition and Context*

Due to the lack of Authority Board minutes, as mentioned in the previous comment, we could not determine if the Redevelopment Authority Board of Directors (Board) properly organized at the beginning of each year. Each year, the Board is required to elect one member as president, another as vice president, and another as secretary-treasurer to perform the duties of those offices. We could not determine if the Board reorganized for any year in the audit period. The information included in the Schedule of Officials was provided by management of the Authority.

*Criteria*

Indiana Code 36-7-14.5-9(a) states:

"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."

**BANK ACCOUNT RECONCILIATIONS**

*Condition and Context*

Bank account reconciliations for the Authority bank account were not presented for audit for any of the audit years.

*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."