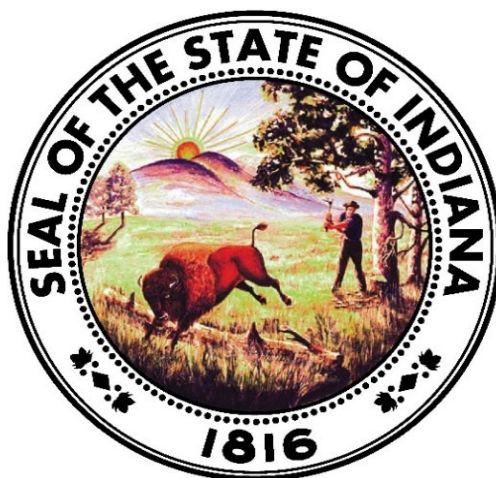


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

COMPLIANCE ENGAGEMENT REPORT
OF

RIVER HILLS ECONOMIC DEVELOPMENT DISTRICT
AND REGIONAL PLANNING COMMISSION
CLARK COUNTY, INDIANA

January 1, 2019 to December 31, 2023



FILED

05/28/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Executive Director	Jill Saegesser (Vacant) Cory J. Cochran	01-01-19 to 09-30-19 10-01-19 to 01-05-20 01-06-20 to 12-31-24
Treasurer	Elizabeth Blocker Melanie Douglas	01-01-19 to 02-23-22 02-24-22 to 12-31-24
President of the District Board	Adam T. Dickey	01-01-19 to 12-31-24



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE RIVER HILLS ECONOMIC DEVELOPMENT DISTRICT
AND REGIONAL PLANNING COMMISSION, CLARK COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the River Hills Economic Development District and Regional Planning Commission (District), for the period of January 1, 2019 to December 31, 2023. 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 District 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.

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 District'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 Cory J. Cochran, Executive Director; Melanie Douglas, Treasurer; Jill Oca, CPA; Sarah A. Carney, Financial and Administrative Coordinator; and Adam T. Dickey, President of the District Board, on May 1, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

March 26, 2024

RIVER HILLS ECONOMIC DEVELOPMENT DISTRICT
AND REGIONAL PLANNING COMMISSION
COMMENTS

MONTHLY AND ANNUAL UPLOADS

Condition and Context

Due to a lack of internal controls to ensure the District was properly uploading files to the Indiana Gateway for Government Units financial reporting system, the following files were either not uploaded or were not uploaded timely:

- Monthly upload of the District Board minutes from April 2022 to December 2023 were not uploaded until March 2024.
- Annual upload of the Detail of Receipt activity was not uploaded for 2023.
- Annual upload of the Detail of Disbursement activity was not uploaded for 2023.
- Annual upload of the Annual Vendor History Report for 2023.
- Annual upload of the Annual Funds Ledger for 2023.
- Annual Upload of the Annual Payroll History Report for 2023.

Criteria

All counties, cities, towns, townships, libraries, schools, and special districts will use the Engagement Uploads to upload files containing financial and governmental unit information on Gateway to allow the SBOA to conduct audit planning and audit processes prior to on-site work at a unit. This remote process will provide for more efficient data processing and save audit costs for our clients. (Amended State Examiner Directive 2018-1, Updated November 9, 2020, and effective with uploads due February 15, 2021)

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. . . ."

RIVER HILLS ECONOMIC DEVELOPMENT DISTRICT
AND REGIONAL PLANNING COMMISSION
COMMENTS
(Continued)

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 Special Districts, Chapter 1)

CERTIFICATION ON INTERNAL CONTROL STANDARDS

A similar comment also appeared in prior Report B53726, entitled *CERTIFICATION ON INTERNAL CONTROL STANDARDS*.

Condition and Context

The District certified in the Indiana Gateway for Government Units financial reporting system that internal control standards had been adopted by the District Board. However, no adopted policy was presented for review during the engagement.

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](#)."

ADOPTION OF INTERNAL CONTROL STANDARDS

A similar comment also appeared in prior Report B53726, entitled *ADOPTION OF AND TRAINING ON INTERNAL CONTROL STANDARDS*.

Condition and Context

The District did not adopt the internal control standards as required by Indiana Code 5-11-1-27(g).

Criteria

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and
- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

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

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RIVER HILLS ECONOMIC DEVELOPMENT DISTRICT AND REGIONAL PLANNING COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2019 and 2020

Fund	Cash and Investments 01-01-19	Receipts	Disbursements	Cash and Investments 12-31-19	Receipts	Disbursements	Cash and Investments 12-31-20
General Fund	\$ 182,513	\$ 418,225	\$ 418,856	\$ 181,882	\$ 207,868	\$ 221,201	\$ 168,549
Special Revenue - Other	-	181,510	181,510	-	191,213	197,311	(6,098)
Totals	<u>\$ 182,513</u>	<u>\$ 599,735</u>	<u>\$ 600,366</u>	<u>\$ 181,882</u>	<u>\$ 399,081</u>	<u>\$ 418,512</u>	<u>\$ 162,451</u>

RIVER HILLS ECONOMIC DEVELOPMENT DISTRICT AND REGIONAL PLANNING COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2021 and 2022

Fund	Cash and Investments 01-01-21	Receipts	Disbursements	Cash and Investments 12-31-21	Receipts	Disbursements	Cash and Investments 12-31-22
General Fund	\$ 168,549	\$ 481,611	\$ 221,939	\$ 428,221	\$ 502,847	\$ 478,472	\$ 452,596
Special Revenue - Other	(6,098)	330,175	328,920	(4,843)	214,888	210,045	-
Totals	<u>\$ 162,451</u>	<u>\$ 811,786</u>	<u>\$ 550,859</u>	<u>\$ 423,378</u>	<u>\$ 717,735</u>	<u>\$ 688,517</u>	<u>\$ 452,596</u>

RIVER HILLS ECONOMIC DEVELOPMENT DISTRICT AND REGIONAL PLANNING COMMISSION
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
General Fund	\$ 452,596	\$ 601,971	\$ 561,857	\$ 492,710
Special Revenue - Other	-	<u>324,777</u>	<u>387,278</u>	<u>(62,501)</u>
Totals	<u>\$ 452,596</u>	<u>\$ 926,748</u>	<u>\$ 949,135</u>	<u>\$ 430,209</u>



May 1, 2024

Indiana State Board of Accounts
302 W. Washington Street
Indianapolis, IN 46204

Re: Responses to Report Comments
Report Period 2019-2023

This letter is our official response to the comments made by the Indiana State Board of Accounts for the five year reporting period 2019-2023.

1. Monthly and Annual Uploads

We concur that a portion of the 2022 and 2023 Board minutes were not uploaded to the Gateway portal in a timely manner and that some of the 2023 annual financial information was not uploaded as required. Controls are in place to ensure this does not occur in the future.

2. Certification on Internal Control Standards

River Hills EDD has SBOA certifications for our Board members and believed we were in compliance with all required SBOA Internal Control standards. It is our understanding that once an internal control policy is adopted, we will be in compliance with these standards. We have prepared this policy and it will be approved at our June 27, 2024 Executive Board Meeting.

3. Adoption of Internal Control Standards

As stated above, River Hills Economic Development District and Regional Planning Commission has prepared an Internal Control policy and it will be approved at our June 27, 2024 Executive Board Meeting.

Respectfully submitted,

A handwritten signature in blue ink, appearing to be "Cory Cochran".

Cory Cochran, Executive Director
River Hills Economic Development District and Regional Planning Commission