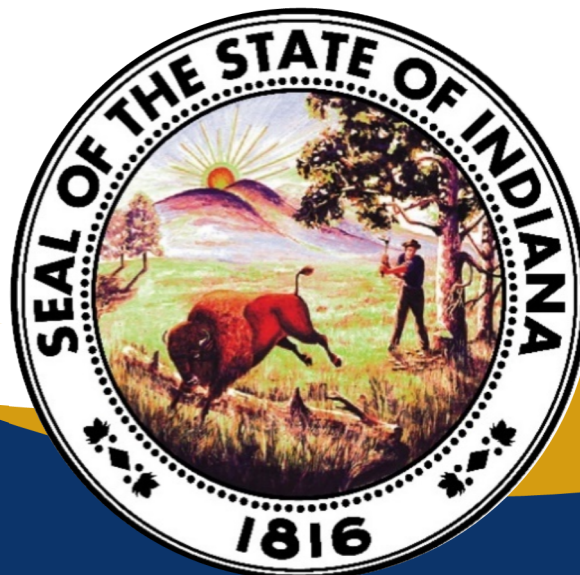


**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE ENGAGEMENT REPORT
OF
OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
CLARK COUNTY, INDIANA
January 1, 2019 to December 31, 2023



FILED

04/04/2025

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Compliance Report	3-4
Comments	5-11
Official Response	12

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Treasurer	Christopher Fox	01-01-19 to 02-28-22
	(Vacant)	03-01-22 to 05-18-22
	Tony Munich	05-19-22 to 12-31-22
	(Vacant)	01-01-23 to 07-19-23
	Tony Munich	07-20-23 to 12-31-25
Chair of the Commission Board	Philip T. Hendershot	01-01-19 to 12-31-25



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769
Telephone: (317) 232-2513
Fax: (317) 232-4711
www.in.gov/sboa

TO: THE OFFICIALS OF THE OHIO RIVER GREENWAY DEVELOPMENT
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 Ohio River Greenway Development Commission (Commission), Clark County, 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 Commission 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 Cash and Investment Balances - Regulatory Basis have 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 Commission'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 Philip T. Hendershot, Chair of the Commission Board; Tony Munich, Treasurer; and Chris Gardner, Commission Board member, on February 20, 2025.



Beth Kelley, CPA, CFE
Deputy State Examiner

January 15, 2025

OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
COMMENTS

INTERNAL CONTROLS

Condition and Context

The lack of effective internal controls resulted in noncompliance over the following areas which are detailed further in the comments below:

- Annual Financial Report
- Condition of Records and Prescribed Forms
- Disbursement Deficiencies
- Board Minutes
- Monthly and Annual Uploads
- Late Submission of Annual Financial Report
- 100-R Certification Report Filed After Due Date
- Capital Assets

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. . . ."

OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
 COMMENTS
 (Continued)

ANNUAL FINANCIAL REPORT

Condition and Context

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units financial reporting system. This is the source of the Statements of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis. For 2019 and 2020, the Commission was not able to provide a Ledger of Receipts, Disbursements and Balances (Form No. 358). Therefore, financial activity reported on the AFRs could not be verified for 2019 and 2020. No equivalent to Ledger of Receipts, Disbursements and Balances (Form No. 358) was used by the Commission for 2019 and 2020.

For purposes of the engagement, bank activity for the Commission's main operating bank account for 2019 and 2020 was abstracted by the Indiana State Board of Accounts for comparison to the AFRs submitted. Bank transactions were adjusted for what were most likely transfers between funds and bank accounts which would inflate receipts and disbursement activity. A comparison of the AFR to the bank transactions resulted in the (under)/overstatement of beginning cash and investment balances, receipts, disbursements, and ending cash and investment balances for 2019 and 2020 is noted in the table below:

Year	Fund	Beginning		Ending	
		Cash and Investments (Under)/Overstated	Receipts (Under)/Overstated	Disbursements (Under)/Overstated	Cash and Investments (Under)/Overstated
2019	Operating Funds (PNC Checking and MMA)	\$ -	\$ 23	\$ 166	\$ (143)
2020	Operating Funds (PNC Checking and MMA)	(143)	-	144	(287)

The Statements of Receipts, Disbursements, and Cash and Investment Balances were not included in this 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 as set forth in the uniform compliance guidelines. 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](#)."

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
COMMENTS
(Continued)

CONDITION OF RECORDS AND PRESCRIBED FORMS

Condition and Context

The financial records presented for review were incomplete and not reflective of the activity of the Commission. The following errors were noted:

- The Commission was not able to provide accounting records for 2019 and 2020. Therefore, transactions could not be verified for 2019 and 2020. For purposes of the engagement, bank activity for the Commission's main operating bank account for 2019 and 2020 was abstracted by the Indiana State Board of Accounts.
- The Treasurer prepared the Annual Financial Reports (AFR) for 2021 through 2023 using information abstracted from the bank statements. The reports abstracted from the checking and money market bank statements showed the total financial activity for each account, including detailed disbursements via check and automated clearing house (ach) bank debits and in 2022 incorrectly including a receipt for \$218 to the checking bank account related to closing of money market account. The \$218 receipt was not reported in the AFR.
- For 2019 and 2020, monthly bank statements were not provided for one of the Commission's bank accounts. This bank account was a money market account which was closed in October 2022. Based on the Indiana State Board of Accounts' review of the 2019 Commission Board minutes and bank activity for the Commission's main operating bank account for 2019 and 2020, the money market account had limited activity prior to closure in October 2022.
- Monthly bank reconciliations were not performed during the engagement period. The Indiana State Board of Accounts' procedures recreating the December 31, 2019 bank reconciliation noted a \$627 cash short balance when compared to total cash and investments on the AFR. For all other years, the December 31st depository account balance agreed to the AFR.

In addition, the Commission did not use or provide the following prescribed forms or equivalent forms for review:

- For 2019 and 2020, Ledger of Receipts, Disbursements and Balances Form 358
- Receipts Form No. 352
- Claims Form 354

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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
COMMENTS
(Continued)

Receipts shall be issued and recorded at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

DISBURSEMENT DEFICIENCIES

Condition and Context

The following deficiencies were noted during the testing of 25 disbursements:

- Claim vouchers (Form No. 354) were not prepared for disbursements during the engagement period.
- Adequate supporting documentation, which would include itemized invoices or bills, was not provided to determine whether 13 disbursements totaling \$2,383 were an allowable use of funds and approved by the officer or person receiving the goods and services.
- There was no documentation to support the fiscal officer certified and approved 6 disbursements totaling \$43 prior to payment.
- There was no documentation to support the Commission Board approved 6 disbursements totaling \$43 prior to payment.
- In 2020 and 2021, four invoices were not paid in a timely manner by the Commission. The four invoices totaling \$485 were paid by the Commission between 79 days and 193 days after the date listed on the invoices.

Criteria

Officials and employees are required to use prescribed and approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

Indiana Code 5-11-10-1.6 states in part:

". . . (b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services.

(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and

OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
COMMENTS
(Continued)

- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim. . . ."

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the unit. Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the unit. Any penalties, interest, or other charges paid by the unit may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)

BOARD MINUTES

Condition and Context

Some of the Commission Board meeting minutes were not presented for review. No meeting minutes were presented except for the year 2019 and May 2022. Additionally, there was no evidence presented that documented the Commission Board reorganized at the first meeting of each year except for the year 2022.

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."

Indiana Code 36-7-7-5(a) states in part: "At its first regular meeting in each year the commission shall elect from its members a chair, vice chair, secretary, and a treasurer . . ."

OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
COMMENTS
(Continued)

MONTHLY AND ANNUAL UPLOADS

Condition and Context

The files and governmental unit information that are required to be uploaded monthly to the Indiana Gateway for Government Units (Gateway) financial reporting system include the bank reconcilements, approved Commission Board minutes, and the funds ledger, summarizing total receipts, disbursements, and balances by fund.

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, current year salary ordinance, and an annual vendor history report.

The Commission did not comply with the State Examiner Directive and failed to upload any of the monthly and annual files on the Gateway financial reporting system for 2019, 2020, 2021, 2022, and 2023.

Criteria

Beginning with July 2018 files, which will be due September 15, 2018, **all** cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

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)

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, 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)

LATE SUBMISSION OF ANNUAL FINANCIAL REPORT

Condition and Context

The Commission filed its 2019, 2020, 2021, 2022, and 2023 Annual Financial Reports (AFR) late. The AFR is due 60 days after fiscal year end and the Commission submitted its reports for 2019, 2020, 2021, 2022, and 2023, on April 13, 2020 (42 days late), March 11, 2021 (10 days late), April 4, 2022 (34 days late), September 30, 2023, (213 days late), and July 15, 2024 (137 days late), respectively.

Criteria

The Annual Financial Report (AFR) required under IC 5-11-1-4(a) shall be filed with the state examiner not later than sixty (60) days after the close of each fiscal year. (Accounting and Uniform Guidelines Compliance Manual for Special Districts, Chapter 1)

OHIO RIVER GREENWAY DEVELOPMENT COMMISSION
COMMENTS
(Continued)

100R CERTIFIED REPORT FILED AFTER DUE DATE

This same comment appeared in a Management Letter addressed to the Officials of the Commission for the engagement period ending December 31, 2018.

Condition and Context

The Commission is required to submit a Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) report by January 31 of every year unless January 31 falls on a Saturday or Sunday. The Commission filed the Form 100R report late in three of the five years. The Commission submitted Form 100R reports for 2020, 2021, and 2022. The late filings occurred March 11, 2021 (38 days late), April 4, 2022 (63 days late), and September 29, 2023 (241 days late).

Criteria

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CAPITAL ASSETS

Condition and Context

The Commission had not passed a capital asset policy that detailed the threshold at which an item is considered a capital asset. In addition, the Commission did not complete a physical inventory in the last two years and was unable to provide a detailed listing of capital assets for review.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detailed listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Special Districts, Chapter 1)



March 5, 2025

issued via e-mail to BBrough@sboafe.IN.gov

Mr. Brandon Brough, Audit Manager
State Board of Accounts
302 W. Washington Street, Suite E418
Indianapolis, Indiana 46204

Subject: Official Response to Draft Compliance Engagement Report
January 1, 2019 to December 31, 2024

Mr. Brough:

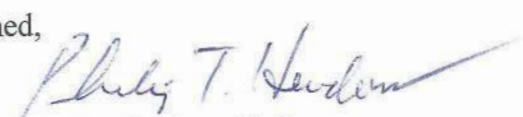
On behalf of the Ohio River Greenway Development Commission (Commission), we want to acknowledge and thank you and your staff for the effort that went into the 6-year compliance engagement referenced above. The draft report of the compliance engagement was reviewed by myself and the other Commission officers (Chris Gardner and Tony Munich) during the exit conference you conducted on February 20, 2025.


We were a bit surprised by the length and extent of the Comments in the report, given our very limited financial activity:

- The Commission had no employees or subcontracted staff during the engagement period
- The Commission had no income other than some minor interest, and one-time funds that were passed through from our communities to a contractor for the signage program in 2019.
- Our combined bank accounts totaled \$54,317 on January 1, 2021, and on December 31, 2024 were still \$52,214, with the only income being < \$5.00 in interest.
- For the past 4 years our expenditures were limited to a monthly Microsoft subscription (by automatic withdrawal), bank charges, and quarterly charges to a local contractor for website maintenance, which we pay by check (signed by 2 officers).

Rather than a full response for each Comment in the report, we have elected to start implementing some of the simple and pragmatic solutions discussed during the exit conference. Navigating the formality of SBOA forms, procedures and website is a challenge for a small organization with volunteer officers. The engagement process has been a valuable learning experience.

Signed,


Philip T. Hendershot, Chairman


Tony Munich, Treasurer

Cc: Chris Gardner, Vice Chairman