

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

COMPLIANCE ENGAGEMENT REPORT

OF

TOWN OF MAUCKPORT

HARRISON COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED

11/19/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Town Council	Robert C. Crosier	01-01-20 to 12-31-22
	Holly Kingsley	01-01-23 to 12-31-24
Clerk-Treasurer	Kathy Goldman	01-01-20 to 12-31-23
	Elizabeth J. Fleace	01-01-24 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 MAUCKPORT, HARRISON 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 Mauckport (Town), for the period of January 1, 2020 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 Town 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 Town'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 Elizabeth J. Fleace, Clerk-Treasurer; Kathy Goldman, former Clerk- Treasurer; and Bryan Fleace, Town Council member, on November 2, 2024.



Beth Kelley, CPA, CFE
Deputy State Examiner

October 2, 2024

TOWN OF MAUCKPORT
COMMENTS

LATE SUBMISSION OF ANNUAL FINANCIAL REPORT (AFR)

Condition and Context

The Town did not have a proper system of internal controls in place to ensure compliance with Indiana Code 5-11-1-27(e). The Town filed the 2023 Annual Financial Report (AFR) in the Indiana Gateway for Government Units (Gateway) financial reporting system late. The AFR is due 60 days after fiscal year end, and the Town submitted its report for fiscal year 2023 on May 21, 2024, which was 82 days past the due date.

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. . . ."

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 Cities and Towns, Chapter 1)

CAPITAL ASSETS

A similar comment appeared in a Management Letter addressed to Town Officials for the review period ending December 31, 2019.

TOWN OF MAUCKPORT
COMMENTS
(Continued)

Conditions and Context

The Town did not have a proper system of internal controls in place to account for and safeguard assets. The Town had not properly maintained a complete inventory of capital assets owned, including acquisition values and dates. No capital asset policy, detailed capital asset ledger, or proof that a capital asset inventory had been conducted within the last two years was provided for examination. The Town reported \$424,165 of capital assets as of December 31, 2023, in its Annual Financial Report filed in the Indiana Gateway for Government Units financial reporting system.

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:

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An integral part of the control activity component is segregation of duties. . . .

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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 detail 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 Cities and Towns, Chapter 1)

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

TOWN OF MAUCKPORT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2020 and 2021

Fund	Cash and Investments 01-01-20	Receipts	Disbursements	Cash and Investments 12-31-20	Receipts	Disbursements	Cash and Investments 12-31-21
General	\$ 16,885	\$ 11,270	\$ 15,422	\$ 12,733	\$ 15,149	\$ 12,857	\$ 15,025
Motor Vehicle Highway	24,144	1,893	477	25,560	1,699	-	27,259
Local Road And Street	20,447	1,842	-	22,289	1,948	-	24,237
2021 Community Crossing Grant	-	-	-	-	204,250	204,250	-
Riverboat	382,357	30,658	20,354	392,661	37,254	116,586	313,329
Rainy Day	131	-	-	131	-	-	131
Co Economic Development Income Tax	6,094	1,071	-	7,165	1,057	-	8,222
Cumulative Capital Improvement	3,026	176	97	3,105	166	-	3,271
Coronavirus Local Fiscal Relief Fund	-	-	-	-	9,131	-	9,131
2016 Special LOIT Distribution	146	-	-	146	-	-	146
MVH Restricted Fund	1,743	1,537	-	3,280	1,699	-	4,979
Totals	<u>\$ 454,973</u>	<u>\$ 48,447</u>	<u>\$ 36,350</u>	<u>\$ 467,070</u>	<u>\$ 272,353</u>	<u>\$ 333,693</u>	<u>\$ 405,730</u>

TOWN OF MAUCKPORT
 STATEMENT OF RECEIPTS, DISBURSEMENTS,
 AND CASH AND INVESTMENT BALANCES -
 REGULATORY BASIS
 For the Years Ended December 31, 2022 and 2023

Fund	Cash and Investments 01-01-22	Receipts	Disbursements	Cash and Investments 12-31-22	Receipts	Disbursements	Cash and Investments 12-31-23
General	\$ 15,025	\$ 14,466	\$ 9,605	\$ 19,886	\$ 14,155	\$ 12,777	\$ 21,264
Motor Vehicle Highway	27,259	1,240	-	28,499	991	-	29,490
Local Road And Street	24,237	1,885	2,423	23,699	1,911	-	25,610
Riverboat	313,328	38,085	41,148	310,265	31,942	43,601	298,606
Rainy Day	131	-	-	131	-	-	131
Co Economic Development Income Tax	8,222	1,050	-	9,272	1,110	-	10,382
Cumulative Capital Improvement	3,271	83	-	3,354	84	1,575	1,863
Coronavirus Local Fiscal Relief Fund	9,131	9,131	-	18,262	-	18,262	-
2016 Special LOIT Distribution	146	-	-	146	-	-	146
MVH Restricted Fund	4,980	1,240	-	6,220	991	-	7,211
Totals	<u>\$ 405,730</u>	<u>\$ 67,180</u>	<u>\$ 53,176</u>	<u>\$ 419,734</u>	<u>\$ 51,184</u>	<u>\$ 76,215</u>	<u>\$ 394,703</u>