

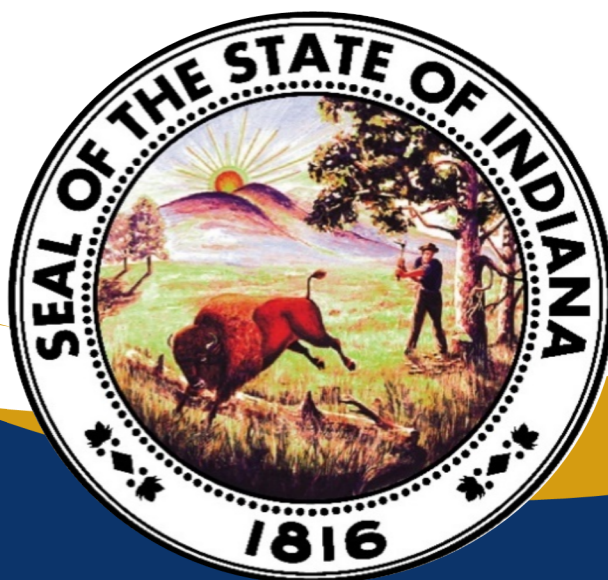
**STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769**

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

COMPLIANCE REPORT
OF

TOWN OF SHIPSHEWANA
REDEVELOPMENT AUTHORITY
LAGRANGE COUNTY, INDIANA

January 1, 2019 to December 31, 2021



FILED
01/21/2025

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Fiscal Officer	Ruth Ann Downey	01-01-19 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	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



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

The Town of Shippshewana Redevelopment Authority's (Authority) financial information was audited as part of the Town of Shippshewana's (Town) financial statements for the period from January 1, 2019 to December 31, 2021. The Financial Statements Audit Report of the Town, which provides our opinions on the Town'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 Results and Comments contained herein describe the identified reportable instances 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 Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE
Deputy State Examiner

December 12, 2024

TOWN OF SHIP SHEWANA REDEVELOPMENT AUTHORITY
AUDIT RESULTS AND COMMENTS

INTERNAL CONTROLS

Condition and Context

Internal control deficiencies resulted in the noncompliance over the following:

- Late Submission of Annual Financial Report
- 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. . . ."

LATE SUBMISSION OF ANNUAL FINANCIAL REPORT

Condition and Context

The Authority's Annual Financial Report for the calendar years 2019, 2020, and 2021 were not filed electronically until 2024.

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 SHIP SHEWANA REDEVELOPMENT AUTHORITY
AUDIT RESULTS AND COMMENTS
(Continued)

BOARD MINUTES MISSING

Condition and Context

The Authority did not provide the Authority Board of Directors 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.

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."

ORGANIZATION OF THE REDEVELOPMENT AUTHORITY BOARD OF DIRECTORS

Condition and Context

Due to the lack of the Authority Board of Directors (Board) minutes, as mentioned in the previous comment, we could not determine if the 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."

TOWN OF SHIPSHEWANA REDEVELOPMENT AUTHORITY
AUDIT RESULTS AND COMMENTS
(Continued)

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."

TOWN OF SHIPSHEWANA REDEVELOPMENT AUTHORITY
EXIT CONFERENCE

The contents of this report were discussed on December 12, 2024, with 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 Ruth Ann Downey, former Fiscal Officer.