

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

PETERSBURG/PIKE COUNTY REVOLVING LOAN  
FUND ADMINISTRATION BOARD  
PIKE COUNTY, INDIANA

January 1, 2014 to December 31, 2014



**FILED**  
10/31/2018



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Loan Coordinator	Paul Lake	01-01-14 to 09-30-14
	(Vacant)	10-01-14 to 01-19-15
	Tammy Selby	01-20-15 to 04-27-18
	Heather Popp	04-28-18 to 08-22-18
	Kristi L. Dischinger	08-23-18 to 12-31-18
President of the Board	Carla D. Willis	01-01-14 to 02-07-17
	R. C. Klipsch	02-08-17 to 12-31-18



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STATE BOARD OF ACCOUNTS  
302 WEST WASHINGTON STREET  
ROOM E418  
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD, PIKE COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the Petersburg/Pike County Revolving Loan Fund Administration Board (Board), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

As discussed in Note 1 to the financial statement, the Board prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Board for the year ended December 31, 2014.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Board for the year ended December 31, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the Board's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

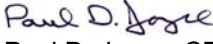
*Other Information*

Our audit was conducted for the purpose of forming an opinion on the Board's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and Schedule of Payables and Receivables, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated September 25, 2018, on our consideration of the Board's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

September 25, 2018



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD, PIKE COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Petersburg/Pike County Revolving Loan Fund Administration Board (Board), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated September 25, 2018, wherein we noted the Board followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the Board's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Board's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2014-001 and 2014-002 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**Compliance and Other Matters**


As part of obtaining reasonable assurance about whether the Board's financial statement is free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2014-001.

**Petersburg/Pike County Revolving Loan Fund Administration Board's Response to Findings**

The Board's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Board's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Board's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Board's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

September 25, 2018

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the Board. The financial statement and notes are presented as intended by the Board.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
Fund - Eda No 06-39-02634-01 Sequestered Account	\$ 242,362	\$ 17,519	\$ -	\$ 259,881
Pike County Revolving Loan Board Fund	<u>266,641</u>	<u>25,599</u>	<u>17,999</u>	<u>274,241</u>
Totals	<u>\$ 509,003</u>	<u>\$ 43,118</u>	<u>\$ 17,999</u>	<u>\$ 534,122</u>

The notes to the financial statement are an integral part of this statement.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

**A. Reporting Entity**

The Board was established under the laws of the State of Indiana. The Board operates under a governing board.

The accompanying financial statement presents the financial information for the Board.

**B. Basis of Accounting**

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

**C. Cash and Investments**

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

**D. Receipts**

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

*Other receipts.* Amounts received from various sources, including, but not limited to, the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution, or court order; internal service receipts; and fiduciary receipts.

**E. Disbursements**

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

*Other disbursements.* Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 NOTES TO FINANCIAL STATEMENT  
 (Continued)

*F. Interfund Transfers*

The Board may, from time to time, make transfers from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the Board. Each fund is used to account for amounts received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the Board. The amounts accounted for in a specific fund may only be available for use for certain, legally-restricted purposes. Additionally, some funds are used to account for assets held by the Board in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and, therefore, the funds cannot be used for any expenditures of the unit itself.

**Note 2. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the Board to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 3. Loans Receivable - Revolving Loan Funds**

The Board makes low interest loans to local businesses for economic development through the Department of Commerce Economic Adjustment Assistance program. Loans receivable under this program are as follows:

Borrower	Date of Loan	Amount Loaned	Interest Rate	Required Annual Payment (Principal and Interest)	Principal Balance 12-31-14
Double J	06-17-05	\$110,000	4.00%	\$ 9,887	\$ 49,283
Winslow Market	03-16-06	25,000	4.00%	4,224	11,919
MCF House Movers, LLC	12-26-08	90,000	4.00%	8,088	61,041
The Ole Flower Shoppe	12-21-09	25,500	4.00%	3,098	16,095
Keepes Fitness/ The Zone	11-30-10	25,333	4.00%	3,078	17,194
Homes by Design	08-01-13	20,000	4.00%	1,775	18,667

#### OTHER INFORMATION - UNAUDITED

The Board's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Board's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the Board. It is presented as intended by the Board.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2014

	Fund - Eda No 06-39-02634-01 Sequestered Account	Pike County Revolving Loan Board Fund	Totals
Cash and investments - beginning	\$ 242,362	\$ 266,641	\$ 509,003
Receipts:			
Other receipts	17,519	25,599	43,118
Total receipts	17,519	25,599	43,118
Disbursements:			
Other services and charges	-	608	608
Other disbursements	-	17,391	17,391
Total disbursements	-	17,999	17,999
Excess of receipts over disbursements	17,519	7,600	25,119
Cash and investments - ending	\$ 259,881	\$ 274,241	\$ 534,122

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	<u>\$ -</u>	<u>\$ 174,199</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE PETERSBURG/PIKE COUNTY REVOLVING  
LOAN FUND ADMINISTRATION BOARD, PIKE COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

We have audited the Petersburg/Pike County Revolving Loan Fund Administration Board's (Board) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2014. The Board's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the Board's major federal program based on our audit of the types of compliance requirements referred to above. Except as discussed in the following paragraph, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Board's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Board's compliance.

***Basis for Qualified Opinion on the Economic Development Cluster***

As described in items 2014-004 and 2014-006 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the Board with the Economic Development Cluster regarding Reporting and Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization, nor were we able to satisfy ourselves

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

as to the Board's compliance with those requirements by other auditing procedures. Consequently, we were unable to determine whether the Board complied with these requirements applicable to the program. Additionally, as described in item 2014-005 in the accompanying Schedule of Findings and Questioned Costs, the Board did not comply with requirements regarding Special Tests and Provisions - Loan Requirements that are applicable to its Economic Development Cluster. Compliance with such requirements is necessary, in our opinion, for the Board to comply with requirements applicable to the program.

***Qualified Opinion on the Economic Development Cluster***

In our opinion, except for the effects of such noncompliance, if any, as might have been determined had we been able to examine sufficient evidence regarding the Board's compliance with the requirements of the Economic Development Cluster regarding Reporting and Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization, and the noncompliance described in the *Basis for Qualified Opinion on the Economic Development Cluster* paragraph, the Board complied, in all material respects, with the requirements referred to above that could have a direct and material effect on the Economic Development Cluster for the year ended December 31, 2014.

***Other Matters***

The Board's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

**Report on Internal Control over Compliance**

Management of the Board is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Board's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Board's internal control over compliance.


Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-003, 2014-004, 2014-005, and 2014-006 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

The Board's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The Board's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

September 25, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the Board. The schedule and notes are presented as intended by the Board.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2014

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Commerce</u>					
Economic Development Cluster					
Economic Adjustment Assistance	Direct Grant	11.307			
Petersburg/Pike County Revolving Loan			63902634	\$ -	\$ 667,669 (A)
Total federal awards expended				\$ -	\$ 667,669

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

	2014
(A) Calculation of Economic Adjustment Assistance Federal Expenditures:	
Balance of Outstanding Revolving Loan Funds (RLF) at December 31	\$ 174,199
RLF Cash and Investment Balance at December 31	534,122
Administrative Expenses paid from RLF Income during 2014	<u>608</u>
Total Calculation Base	708,929
Multiplied by Original Federal Share of RLF	<u>94.18%</u>
Amount Reported in Schedule of Expenditures of Federal Awards	<u>\$ 667,669</u>

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Board under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the Board, it is not intended to and does not present the financial position of the Board.

**Note 2. *Summary of Significant Accounting Policies***

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	Qualified
Any audit findings disclosed that are required to be reported in accordance with section .510(a) of OMB Circular A-133?	yes

Identification of Major Program:

Name of Federal Program or Cluster

Economic Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee?	no
--	----

**Section II - Financial Statement Findings**

**FINDING 2014-001**

Subject: Preparation of the Schedule of Expenditures of Federal Awards  
Audit Findings: Material Weakness, Noncompliance

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2013-001.

*Condition*

The Board did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Context*

The calculation of and the amount reported on the SEFA for the Economic Adjustment Assistance program expenditures for the audit period were inaccurate. The amount was understated by \$493,975.

Audit adjustments were proposed, accepted by the Board, and made to the SEFA presented in this report.

*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. . . ."

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § \_\_\_\_\_.310. . . ."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

*Recommendation*

We recommended that the Board's management establish controls related to the preparation of the SEFA.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2014-002**

Subject: Financial Transactions and Reporting  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2013-002.

*Condition*

There were several deficiencies in the internal control system of the Board related to financial transactions and reporting.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

1. Lack of Segregation of Duties: The Board had not separated incompatible activities related to cash and investments, receipts, disbursements, and financial close and reporting. The Loan Coordinator was solely responsible for all transactions related to receipts, disbursements, cash and investments, and financial close and reporting. There were no controls in place to monitor, review, or determine the accuracy of the financial transactions and reporting.
2. Monitoring of Controls: The Board had no process to identify or communicate corrective actions to improve controls. Effective internal controls would have required the Board to monitor and assess the quality of the system of internal control.

*Context*

The lack of internal controls was a systemic issue throughout the audit period.

*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. . . ."

"Evaluations are used to determine whether each of the five components of internal control is present and functioning. These evaluations may be conducted on an ongoing or periodic basis. The criteria used are developed by the oversight body, elected officials, management, governing boards, or recognized standard-setting bodies or regulators. . . .

A baseline of the current state of the internal control system is compared against the original design of the internal control system. The baseline consists of issues and deficiencies identified in the internal control system. The results of the monitoring process are evaluated and documented. . . .

Management remediates identified issues. . . ."

*Cause*

Management of the Board had not established a proper system of internal control over financial transactions and reporting.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Effect*

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

*Recommendation*

We recommended that the Board establish a system of internal controls related to cash and investments, receipts, disbursements, and financial close and reporting.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2014-003**

Subject: Economic Adjustment Assistance - Internal Controls  
Federal Agency: Department of Commerce  
Federal Program: Economic Adjustment Assistance  
CFDA Number: 11.307  
Federal Award Number and Year (or Other Identifying Number): 063902634  
Pass-Through Entity: Direct Grant  
Compliance Requirements: Activities Allowed or Unallowed, Allowable Costs/Cost Principles  
Audit Finding: Material Weakness

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2013-003.

*Condition*

Management of the Board had not established an effective internal control system in order to ensure compliance with the grant agreement and the Activities Allowed or Unallowed and Allowable Costs/Cost Principles compliance requirements.

There were no policies or procedures that had been designed or implemented to ensure that disbursements were for allowable activities and allowable costs of the program. One person was solely responsible for all aspects of the grant with no evidence of a review or approval process.

*Context*

The lack of controls was a systemic issue throughout the audit period.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

*Cause*

Management of the Board had not developed or implemented a system of internal controls to ensure compliance with the grant agreement and the compliance requirements identified above.

*Effect*

The failure to establish an effective internal control system placed the Board at risk of noncompliance with the grant agreement and the compliance requirements identified above.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that management of the Board establish controls to ensure compliance with the grant agreement and the compliance requirements identified above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2014-004**

Subject: Economic Adjustment Assistance - Reporting  
Federal Agency: Department of Commerce  
Federal Program: Economic Adjustment Assistance  
CFDA Number: 11.307  
Federal Award Number and Year (or Other Identifying Number): 063902634  
Pass-Through Entity: Direct Grant  
Compliance Requirement: Reporting  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit. The prior audit finding number was 2013-004.

*Condition*

Management of the Board had not established an effective internal control system related to the grant agreement and the reporting requirements.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

The Special Report ED-209 was required to be submitted to the Economic Development Agency (EDA) semiannually for periods ending September 30 and March 31. The report covering the period of April 1, 2014 through September 30, 2014, was not presented for audit. The report covering the period of October 1, 2013 through March 31, 2014, was presented for audit, but there was no evidence of an oversight, review, or approval process for the report.

Much of the ED-209 report is dependent upon cumulative figures arising from activity and calculations from prior periods. The grant records did not contain documentation to support the cumulative amounts from prior periods reported on the ED-209 reports. These cumulative amounts factor into the current reporting key line items such as RLF Income Earned to Date, Status of RLF Capital, and Current Balance Available for New Loans, as well as the calculation of Capital Utilization. Due to the lack of cumulative records containing this information, the accuracy of the reports could not be verified.

*Context*

The lack of controls was a systemic issue throughout the audit period. One of the two required reports was not presented for audit. The cumulative information on the submitted report could not be verified.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

15 CFR 24.20(b) states in part:

- "(1) *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant.
- (2) *Accounting records.* Grantees and subgrantees must maintain records which adequately identify the source and application of funds provided for financially-assisted activities. These records must contain information pertaining to grant or subgrant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays or expenditures, and income. . . ."

*Cause*

Management of the Board had not developed a system of internal controls that would have ensured compliance with the grant agreement and the reporting requirements.

*Effect*

The failure to establish an effective internal control system prevented the determination of the Board's compliance with the grant agreement and the reporting requirements.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that management of the Board establish controls to ensure compliance with the grant agreement and the reporting requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2014-005**

Subject: Economic Adjustment Assistance - Special Tests and Provisions - Loan Requirements  
Federal Agency: Department of Commerce  
Federal Program: Economic Adjustment Assistance  
CFDA Number: 11.307  
Federal Award Number and Year (or Other Identifying Number): 063902634  
Pass-Through Entity: Direct Grant  
Compliance Requirement: Special Tests and Provisions - Loan Requirements  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2013-005.

*Condition*

Management of the Board had not established an effective internal control system related to the grant agreement and the loan documentation requirements.

Loan files for loans that were active during the audit period did not contain the minimum standard loan documentation, nor had the Board certified that those documents were in place and had been reviewed by its legal counsel.

Of the six active loans during the audit period, there was one loan for which no loan file could be located at all. Of the remaining five loan files, two did not include the loan agreement; five did not have a copy of the Board meeting minutes approving the RLF loan; three did not include the promissory note; three did not include the security agreement; two did not have a deed of trust or mortgage, nor enough information in the file to determine if one was applicable; four either did not have an agreement of prior lien holder or enough information to determine if one was applicable; and four did not have a signed bank turn-down letter demonstrating that credit was not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed.

*Context*

The lack of controls and noncompliance were systemic problems throughout the audit period. No active loan file contained all the required documentation.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

13 CFR 307.15(b)(2) states:

"Prior to the disbursement of any EDA funds, the RLF Recipient shall certify that standard RLF loan documents reasonably necessary or advisable for lending are in place and that these documents have been reviewed by its legal counsel for adequacy and compliance with the terms and conditions of the Grant and applicable State and local law. The standard loan documents must include, at a minimum, the following:

- (i) Loan application;
- (ii) Loan agreement;
- (iii) Board of directors' meeting minutes approving the RLF loan;
- (iv) Promissory note;
- (v) Security agreement(s);
- (vi) Deed of trust or mortgage (as applicable);
- (vii) Agreement of prior lien holder (as applicable); and
- (viii) Signed bank turn-down letter demonstrating that credit is not otherwise available on terms and conditions that permit the completion or successful operation of the activity to be financed. EDA will permit the RLF Recipient to accept alternate documentation only if such documentation is allowed in the Recipient's EDA-approved RLF Plan."

*Cause*

Management of the Board had not developed a system of internal controls that would have ensured compliance with the grant agreement and the loan documentation requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the loan documentation requirements to go undetected.

*Questioned Costs*

There were no questioned costs identified.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that management of the Board establish controls to ensure compliance with the grant agreement and loan documentation requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2014-006**

Subject: Economic Adjustment Assistance - Special Tests and Provisions -  
Increases to RLF Capital Base and Capital Utilization  
Federal Agency: Department of Commerce  
Federal Program: Economic Adjustment Assistance  
CFDA Number: 11.307  
Federal Award Number and Year (or Other Identifying Number): 063902634  
Pass-Through Entity: Direct Grant  
Compliance Requirement: Special Tests and Provisions - Increases to  
RLF Capital Base and Capital Utilization  
Audit Findings: Material Weakness, Modified Opinion

*Repeat Finding*

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2013-006.

*Condition*

Management of the Board had not established an effective internal control system related to the grant agreement and the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

The RLF Capital Base could not be verified due to lack of cumulative records. Therefore, it could not be determined if the Board was in compliance with the capital utilization standard. In addition, the federal portion of the interest earned on the sequestered funds was not remitted in a timely manner.

*Context*

The lack of controls and noncompliance were systemic issues throughout the audit period.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

13 CFR 307.16(c) states in part:

*"Capital utilization standard.*

- (1) During the Revolving Phase, RLF Recipients must manage their repayment and lending schedules to provide that at all times at least seventy-five (75) percent of the RLF Capital is loaned or committed. The following exceptions apply:
  - (i) An RLF Recipient that anticipates making large loans relative to the size of its RLF Capital base may propose a Plan that provides for maintaining a capital utilization standard greater than twenty-five (25) percent; and
  - (ii) EDA may require an RLF Recipient with an RLF Capital base in excess of \$4 million to adopt a Plan that maintains a proportionately higher percentage of its funds loaned.
- (2) When the percentage of loaned RLF Capital falls below the capital utilization standard, the dollar amount of the RLF funds equivalent to the difference between the actual percentage of RLF Capital loaned and the capital utilization standard is referred to as 'excess funds.'
  - (i) *Sequestration of excess funds.* If the RLF Recipient fails to satisfy the capital utilization standard for two (2) consecutive Reporting Periods, EDA may require the RLF Recipient to deposit excess funds in an interest-bearing account. The portion of interest earned on the account holding excess funds attributable to the Federal Share (as defined in §314.5 of this chapter) of the RLF Grant shall be remitted to the U.S. Treasury. The RLF Recipient must obtain EDA's written authorization to withdraw any sequestered funds. . . ."

U.S. Department of Commerce Economic Development Administration Revolving Loan Fund Financial Assistance Award Standard Terms and Conditions (May 1, 2013), RLF RECIPIENTS' MANAGEMENT AND ADMINISTRATIVE REQUIREMENTS, Chapter E. Effective Utilization of Revolving Loan Funds, Section 3. Remittance of Interest on Sequestered Funds states in part: "The portion of the interest earned on the account holding sequestered funds that is attributable to the EDA share of the Award must be remitted semi-annually to EDA within 30 days of the end of each semi-annual Reporting Period . . ."

*Cause*

Management of the Board had not developed a system of internal controls that would have ensured compliance with the grant agreement and the capital base and capital utilization requirements.

*Effect*

The failure to establish an effective internal control system enabled noncompliance with the grant agreement and the capital base and capital utilization requirements.

*Questioned Costs*

There were no questioned costs identified.

PETERSBURG/PIKE COUNTY REVOLVING LOAN FUND ADMINISTRATION BOARD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Recommendation*

We recommended that management of the Board establish controls to ensure compliance with the grant agreement and the capital base and capital utilization requirements.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the Board. The documents are presented as intended by the Board.

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

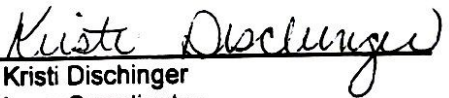
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2013-003**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

**Status of Audit Finding:**

Due to the prior audit being completed on May 20, 2015, nothing was corrected for fiscal year 2014.

  
Kristi Dischinger  
Loan Coordinator  
8/30/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2013-004**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Status of Audit Finding:

Due to the prior audit being completed on May 20, 2015, nothing was corrected for fiscal year 2014.

  
\_\_\_\_\_  
Kristi Dischinger  
Loan Coordinator  
8/30/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2013-005**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Status of Audit Finding:

Due to the prior audit being completed on May 20, 2015, nothing was corrected for fiscal year 2014.

  
\_\_\_\_\_  
Kristi Dischinger  
Loan Coordinator  
8/30/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567


SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2013-006**

Fiscal year in which the finding initially occurred: 2013  
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:  
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Status of Audit Finding:

Due to the prior audit being completed on May 20, 2015, nothing was corrected for fiscal year 2014.

  
\_\_\_\_\_  
Kristi Dischinger  
Loan Coordinator  
8/30/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

CORRECTIVE ACTION PLAN

**FINDING 2014-001**

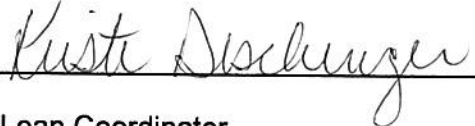
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:

A schedule of expenditures will be drawn up which lists the amount of each award and its CFDA number or identification number.

Anticipated Completion Date: 12/31/18

  
\_\_\_\_\_  
Loan Coordinator

9/12/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

CORRECTIVE ACTION PLAN

**FINDING 2014-002**

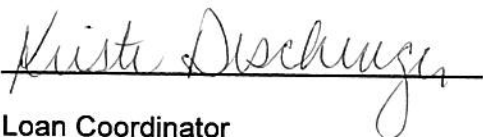
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:

Financial reports will be made each month regarding investments, receipts and disbursements. Said reports will be emailed to board members monthly for approval.

Anticipated Completion Date: 9/30/18



*Kristi Dischinger*

Loan Coordinator

9/12/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

CORRECTIVE ACTION PLAN

**FINDING 2014-003**

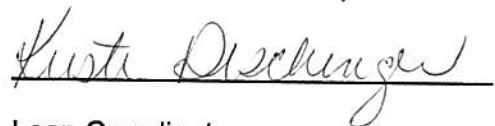
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:

Coordinator will draw up procedures or policies to ensure internal controls are in place regarding allowable costs and activities of the program. The board will need to approve the internal controls. Reports regarding such will be made to the board for their approval.

Anticipated Completion Date: 4/1/2019



Loan Coordinator

9/12/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

CORRECTIVE ACTION PLAN

**FINDING 2014-004**

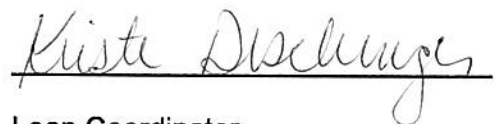
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:

Due to the number of loan coordinators and missing records I will not be able to determine cumulative information from the beginning of the loan program. Reports will be completed semi-annually as required and documentation will be maintained.

Anticipated Completion Date: 9/12/18



Loan Coordinator

9/12/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

CORRECTIVE ACTION PLAN

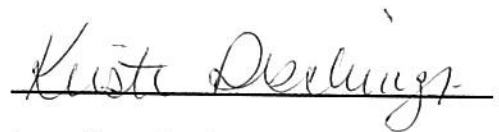
**FINDING 2014-005**

Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:  
All required documentation for new loans will be kept on file.

Anticipated Completion Date: 9/12/18

A handwritten signature in cursive script, reading "Kristi Dischinger", is written over a horizontal line.

Loan Coordinator

9/12/18

PIKE REVOLVING LOAN BOARD  
704 E MAIN STREET  
PETERSBURG, IN 47567

CORRECTIVE ACTION PLAN

**FINDING 2014-006**

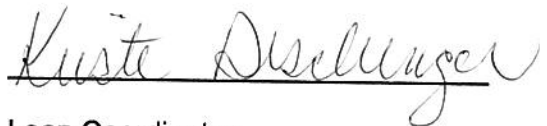
Contact Person Responsible for Corrective Action: Kristi Dischinger  
Contact Phone Number: 812-354-8448

Views of Responsible Official: We concur with the audit finding.

Description of Corrective Action Plan:

Better cumulative records need to be kept supporting the amounts reported as the RLF capital base of excess funds that had been sequestered. The federal portion of interest will be remitted in a timely manner and reported to the board for approval.

Anticipated Completion Date: 4/30/19



Loan Coordinator

9/12/18

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Board. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.