

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

COMPLIANCE EXAMINATION REPORT

OF

TOWN OF GREENVILLE

FLOYD COUNTY, INDIANA

January 1, 2020 to December 31, 2023



FILED
11/20/2024



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

November 20, 2024

To: The Officials of the Town of Greenville
Town of Greenville
Floyd County, Indiana

This report is supplemental to the audit report of the Town of Greenville (Town), for the period from January 1, 2020 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any findings that pertain to the Town. It should be read in conjunction with the financial statement audit report of the Town, which provides an opinion on the Town's financial statements. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the Town and perform procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The findings contained herein describe the identified reportable instances of noncompliance found as a result of these procedures.

We have reviewed the supplemental report of the Town of Greenville prepared by Crowe LLP, Independent Public Accountants, for the period January 1, 2020 to December 31, 2023. In our opinion, the supplemental report was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

We call your attention to the findings in the report on pages 3 and 4.

The report is filed with this letter in our office as a matter of public record.

Tammy R. White, CPA
Deputy State Examiner

**COMPLIANCE EXAMINATION OF
TOWN OF GREENVILLE**
Floyd County, Indiana

January 1, 2020 through December 31, 2023

TOWN OF GREENVILLE
Floyd County, Indiana

January 1, 2020 through December 31, 2023

CONTENTS

SCHEDULE OF OFFICIALS	1
INDEPENDENT ACCOUNTANT'S REPORT	2
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS:	
2023-001: CAPITAL ASSET POLICY	3
2023-002: CONDITION OF RECORDS	3
2023-003: SCHEDULE IN ANNUAL FINANCIAL REPORT – CAPITAL ASSETS	3
2023-004: HISTORIC PRESERVATION COMMISSION	4
2023-005: BANK ACCOUNT RECONCILIATIONS.....	4
EXIT CONFERENCE	5

TOWN OF GREENVILLE
SCHEDULE OF OFFICIALS
January 1, 2020 through December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
President of the Town Council	Greg Redden	01-01-20 to 12-31-23
Superintendent of Water Utility	Audi Findley Danny Standiford Stephen Webb	01-01-20 to 07-31-23 08-01-23 to 09-17-23 09-18-23 to 12-31-23
Clerk-Treasurer	Jack Travillian	01-01-20 to 12-31-23

INDEPENDENT ACCOUNTANT'S REPORT

To the Indiana State Board of Accounts and
Management of the Town of Greenville

We have examined the Town of Greenville's ("Town") compliance with the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns* during the period January 1, 2020 through December 31, 2023. Management of the Town is responsible for the Town's compliance with the specified requirements. Our responsibility is to express an opinion on the Town's compliance with the specified requirements based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform the examination to obtain reasonable assurance about whether the Town complied, in all material respects, with the specified requirements referenced above. An examination involves performing procedures to obtain evidence about whether the Town complied with the specified requirements. The nature, timing, and extent of the procedures selected depend on our judgment, including an assessment of the risks of material noncompliance, whether due to fraud or error. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our qualified opinion.

We are required to be independent and to meet our other ethical responsibilities in accordance with relevant ethical requirements relating to the engagement.

Our examination does not provide a legal determination on the Town's compliance with specified requirements.

Our examination disclosed material noncompliance with the *Accounting and Uniform Compliance Guidelines Manual for Cities and Towns* applicable to the Town during the period January 1, 2020 through December 31, 2023, as described in items 2023-001 through 2023-005 on the following Schedule of Examination Findings and Results.

In our opinion, except for the material noncompliance described in the preceding paragraph, the Town complied, in all material respects, with the aforementioned requirements during the period January 1, 2020 through December 31, 2023.


Crowe LLP

Indianapolis, Indiana
September 26, 2024

TOWN OF GREENVILLE
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2020 through December 31, 2023

FINDING 2023-001: CAPITAL ASSET POLICY

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns states in part, *“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.”*

Condition: During testing of capital assets, we noted the Town did not have a written policy concerning capital assets and the threshold at which an item is considered a capital asset. This finding is reoccurring from the previous compliance examination.

A similar comment appeared in report B54877.

FINDING 2023-002: CONDITION OF RECORDS

Criteria: Chapter 1 of the Accounting and Uniform Compliance Guidelines Manual for Cities and Towns states in part, *“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.”*

Condition: During testing, the disbursements listing in 2022 and 2023 and the receipts listing in 2023 did not reconcile to the Annual Financial Report. We also noted that the Funds Ledgers was not properly reconciled to the Annual Financial Report for each year under audit.

A similar comment appeared in report B54877.

FINDING 2023-003: SCHEDULES IN ANNUAL FINANCIAL REPORT – CAPITAL ASSETS

Criteria: Indiana Code 5-11-1-4(a) states, *“The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality 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.”*

Condition: During our examination procedures, we noted the Schedule of Capital Assets in the Annual Financial Report, as reported on the Indiana Gateway for Government Units financial reporting system, contained errors. The Town reported \$8,150,786 in capital assets which did not agree to the underlying capital asset ledger amount of \$679,336.

A similar comment appeared in report B54877.

(Continued)

TOWN OF GREENVILLE
SCHEDULE OF EXAMINATION FINDINGS AND RESULTS
January 1, 2020 through December 31, 2023

FINDING 2023-004: HISTORICAL PRESERVATION COMMISSION

Criteria: Indiana Code 36-5-6-6(a) states in part: "The clerk-treasurer shall do the following: (1) Receive and care for all town money and pay the money out only on order of the town legislative body. (2) Keep accounts showing when and from what sources the clerk-treasurer has received town money and when and to whom the clerk-treasurer has paid out town money. . . ."

Condition: On September 12, 2016, the Town Council passed Ordinance No. 2016-TR-028 establishing a Historic Preservation Commission (Commission), as allowed by Indiana Code 36-7-11-4, and designated one member of the Town Council to serve on the Commission. Serving in the Commission's capacity, this member obtained the Town's federal taxpayer identification number and established a bank account for the Commission with the Town listed as the account holder. However, the Clerk-Treasurer was never granted signature authority on the account. The funds are therefore spent at the Commission's discretion, with no involvement or approval from the Clerk-Treasurer. Additionally, the bank statement is mailed directly to the Commission, thus bypassing the Clerk-Treasurer. As a result, the activity of this account is not reflected in the Town's records or as part of its financial reporting.

A similar comment appeared in report B54877.

FINDING 2023-005: BANK ACCOUNT RECONCILIATIONS

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.*"

Condition: During testing, we noted the Town did not properly reconcile the bank reconciliations to the AFR submission in 2022 and 2023. An adjusting entry was posted to increase the ending cash balance by \$18,648 in 2022 and to decrease the ending cash balance by \$10,017 in 2023.

TOWN OF GREENVILLE
EXIT CONFERENCE
January 1, 2020 through December 31, 2023

The contents of this report were discussed on September 26, 2024 with Greg Redden, President of the Town Council; Jack Travillian, Clerk-Treasurer; and Crystal Robb, Operations Manager.