

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

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

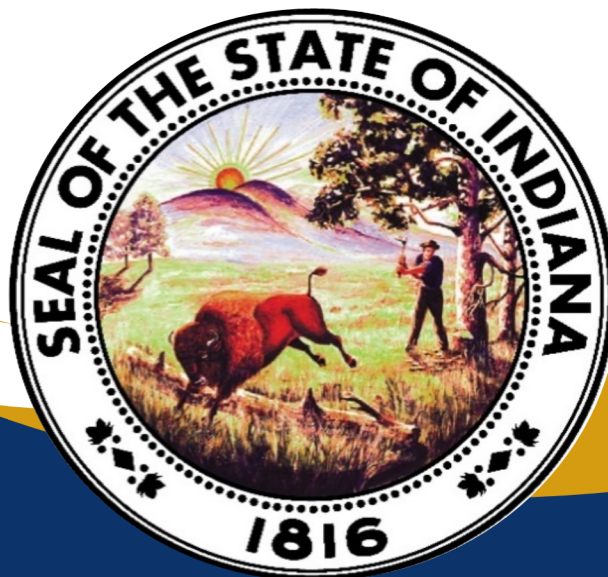
SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF GREENDALE

DEARBORN COUNTY, INDIANA

January 1, 2021 to December 31, 2023



FILED
12/26/2024

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mary Jo Lynch	01-01-21 to 12-31-21
	Christine Craig	01-01-22 to 12-31-23
	Becky Lyons	01-01-24 to 12-31-24
Mayor	Alan Weiss	01-01-21 to 12-31-23
	Vince Karsteter	01-01-24 to 12-31-24
President of the Board of Public Works and Safety	Alan Weiss	01-01-21 to 12-31-23
	Vince Karsteter	01-01-24 to 12-31-24
President Pro Tempore of the Common Council	Jerry Abbott	01-01-21 to 04-14-21
	Vince Karsteter	04-15-21 to 12-31-23
	Kurt Mollaun	01-01-24 to 12-31-24
City Manager	Steve Lampert	01-01-21 to 09-05-22
	Derek Walker	09-06-22 to 03-04-24
	Guinevere Banschbach	03-05-24 to 08-16-24
	(Vacant)	08-17-24 to 12-04-24



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INDIANA STATE BOARD OF ACCOUNTS

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TO: THE OFFICIALS OF THE CITY OF GREENDALE, DEARBORN COUNTY, INDIANA

This report is supplemental to the audit report of the City of Greendale (City), for the period from January 1, 2021 to December 31, 2023. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with the Financial Statements Audit Report of the City, which provides our opinions on the City's financial statements. This report 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. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

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 4, 2024



CLERK-TREASURER
CITY OF GREENDALE

CLERK-TREASURER
CITY OF GREENDALE
AUDIT RESULTS AND COMMENTS

ANNUAL FINANCIAL REPORT ERRORS

Condition and Context

The Annual Financial Report (AFR) is required to be submitted annually via the Indiana Gateway for Government Units (Gateway) financial reporting system. Internal controls were not in place to ensure that all components of the AFR were completed properly; as a result, the following errors were noted:

Capital Assets

The City reported capital assets on its AFR, totaling \$71,173,082, as of December 31, 2023, but did not provide complete documentation to support the capital assets information entered into Gateway. The financial reporting framework utilized by the City includes the option to present a Schedule of Capital Assets as Other Information in the Financial Statements Audit Report. The City has elected not to present this schedule.

Federal Grant Schedule

The City improperly stated on its AFR that it had not received or disbursed any federal money from grants during the audit period. Records on file and other information indicated that the City expended \$55,140, \$276,152, and \$186,911 in federal awards in 2021, 2022, and 2023, respectively.

Criteria

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner as set forth in the uniform compliance guidelines. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

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. . . .

CLERK-TREASURER
CITY OF GREENDALE
AUDIT RESULTS AND COMMENTS
(Continued)

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. . . ."

CAPITAL ASSETS

A similar comment appeared in a management letter addressed to the Clerk-Treasurer of the City for the audit period ending December 31, 2020.

Condition and Context

Internal controls were not in place to ensure that capital assets were properly accounted for. The City reported capital assets on its Annual Financial Report, totaling \$71,173,082, as of December 31, 2023, but a complete detailed capital asset listing was not maintained. Additionally, a physical inventory of capital assets was not taken every two years as required.

Criteria

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete 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)

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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. . . ."

CLERK-TREASURER
CITY OF GREENDALE
EXIT CONFERENCE

The contents of this report were discussed on December 4, 2024, with Becky Lyons, Clerk-Treasurer; Vince Karsteter, Mayor; Kurt Mollaun, President Pro Tempore of the Common Council; Ryan Goode, Common Council member; Christine Craig, former Clerk-Treasurer; and Anthony Smart, City Attorney.