

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

FINANCIAL STATEMENT AUDIT REPORT

OF

CITY OF LAWRENCEBURG

DEARBORN COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

11/18/2024



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 18, 2024

To: The Officials of the City of Lawrenceburg
City of Lawrenceburg
Dearborn County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of City of Lawrenceburg. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly the financial condition of City of Lawrenceburg as of December 31, 2023, and the results of its operations for the period then ended, on the basis of accounting described in the report.

We call your attention to the finding included in the report on pages 33 and 34. Please see the Schedule of Findings and Questioned Costs for complete details related to the finding. Management's Corrective Action Plan appears at the end of the report.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report for City of Lawrenceburg was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

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

Tammy R. White, CPA
Deputy State Examiner

CITY OF LAWRENCEBURG
Dearborn County, Indiana

FINANCIAL STATEMENT
For the Year Ended December 31, 2023

CITY OF LAWRENCEBURG
Dearborn County, Indiana

FINANCIAL STATEMENT
For the Year Ended December 31, 2023

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited).....	1
INDEPENDENT AUDITOR'S REPORT.....	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS.....	5
NOTES TO FINANCIAL STATEMENT.....	8
OTHER INFORMATION (Unaudited)	
COMBINING SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS.....	13
SCHEDULE OF PAYABLES AND RECEIVABLES.....	21
SCHEDULE OF LEASES AND DEBT.....	22
SCHEDULE OF CAPITAL ASSETS.....	23
STATE REPORTING INFORMATION.....	24
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	25
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	26
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	27
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE.....	29
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	32

CITY OF LAWRENCEBURG
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mark Fette	01-01-23 to 12-31-23
Mayor	Kelly Mollaun	01-01-23 to 12-31-23
President of the Board of Public Works and Safety	Kelly Mollaun	01-01-23 to 12-31-23
President Pro Tempore of the Common Council	Tony Abbott	01-01-23 to 12-31-23
Superintendent of Utilities	William Kinnett	01-01-23 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
City of Lawrenceburg
Dearborn County, Indiana

Opinions

We have audited the accompanying statement of receipts, disbursements, and cash and investment balances of the City of Lawrenceburg (the "City") as of December 31, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the City as of December 31, 2023, and its cash receipts and cash disbursements for the year then ended, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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 section of our report, 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 of the City as of December 31, 2023, or changes in net position for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As discussed in Note 1 to the financial statement, the Unit 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 and pervasive.

(Continued)

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the 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) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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 City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 themselves, 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 as a whole.

(Continued)

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, Schedule of Capital Assets, and State Reporting Information, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and 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 City'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 City's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 30, 2024

CITY OF LAWRENCEBURG
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2023

<u>Fund</u>	Cash and Investments <u>01-01-23</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-23</u>
DOUGHTY ROAD STORMWATER GRANT	\$ 411,061	\$ 614,307	\$ 1,018,613	\$ 6,755
GARNISHMENT - CHILD	-	17,635	17,635	-
FOP LEGAL DEFENSE	1,111	2,130	1,756	1,485
DD - COPFCU	-	4,700	4,700	-
GENERAL	8,406,242	10,485,582	7,904,156	10,987,668
MOTOR VEHICLE HIGHWAY	394,069	385,731	396,798	383,002
LOCAL ROAD AND STREET	368,261	98,500	95,655	371,106
MVH RESTRICTED (subfund of MVH)	130,544	110,445	-	240,989
NR PARKING FEES	13,001	300	-	13,301
PARK NONREVERTING OPERATING	639,158	277,796	91,725	825,229
NR PLAN COMMISSION	41,348	47,169	49,100	39,417
LOCAL LAW ENFORCEMENT CONTINUING EDUCATION	63,640	6,940	6,620	63,960
UNSAFE BUILDING	50,000	30,820	-	80,820
PARK AND RECREATION	183,741	613,904	461,432	336,213
RAINY DAY	7,017,069	2,996,257	4,826,711	5,186,615
OPIOID SETTLEMENT RESTRICTED	14,948	4,142	-	19,090
OPIOID SETTLEMENT UNRESTRICTED	6,406	1,146	-	7,552
LEVY EXCESS	50	-	-	50
CUMULATIVE CAPITAL IMPROVEMENT - CIG TAX	32,538	9,310	9,900	31,948
NR FIRE FIGHTING EQUIPMENT	1,426,759	198,680	128,919	1,496,520
RIVERBOAT	9,184,192	15,014,762	14,052,210	10,146,744
POLICE PENSION	1,075,577	258,175	388,094	945,658
LIT FÇô PUBLIC SAFETY	813,624	1,603,150	1,459,950	956,824
City Court	20,938	305,478	311,504	14,912
ARP CORONAVIRUS LOCAL FISCAL RECOVERY FUND	351,098	622	351,720	-
N/R BUILDING & MONUMENT MAINTENANCE	5,206,108	102,168	381,754	4,926,522
CHIRP GRANT	-	27,907	28,523	(616)
N/R PARKS MAINTENANCE	3,006,835	40,563	365,513	2,681,885
MUNICIPAL DEVELOPMENT	21,136,461	10,360,713	8,122,857	23,374,317
NR REFUSE COLLECTION	164,887	5,690	-	170,577
NR POLICE EQUIPMENT	12,437	750	-	13,187
NR REDEVELOPMENT	1,722,017	4,093,890	2,202,403	3,613,504
INDIANA HOUSING DEVELOPMENT GRANT	-	277,778	277,778	-
EDENBURG	297,127	141,383	120,553	317,957
LERU BILLING	1,506,758	676,942	657,352	1,526,348
NR FIRE DONATIONS	5,298	770	-	6,068
FIBER	503,751	2,896,036	138,734	3,261,053
LAWRENCEBURG ENTERTAINMENT TIF	1,187,735	694,138	494,956	1,386,917
RIVERFRONT DEVELOPMENT	5,388,346	118,073	243,539	5,262,880
LOCAL ROAD AND BRIDGE MATCHING GRANT	86,234	711,452	762,384	35,302
DONATION	7,855	-	-	7,855
BROWNFIELD GRANT	4	135,798	128,948	6,854

(Continued)

CITY OF LAWRENCEBURG
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2023

<u>Fund</u>	Cash and Investments <u>01-01-23</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-23</u>
DD - USAA	\$ -	\$ 12,852	\$ 12,852	\$ -
PAYROLL	-	323	323	-
USER FEE -LAW ENFORCEMENT	-	4,516	4,516	-
CLERK'S RECORD PERPETUATION	212,031	11,158	-	223,189
COUNTY COURT COSTS	-	85,711	85,711	-
CITY COURT FINES	-	125	125	-
GARNISHMENT	200	23,746	23,946	-
CHILD - MM	-	7,179	7,179	-
MED INSURANCE ACCT@USBK	-	4,311,343	4,311,343	-
PAYROLL-FEDERAL W/H	20,229	753,009	758,212	15,026
PAYROLL-SOCIAL SECURITY	11,162	572,117	573,509	9,770
PAYROLL-MEDICARE	4,417	197,490	198,150	3,757
PAYROLL-STATE W/H	16,883	222,856	223,735	16,004
PAYROLL-COUNTY W/H	6,083	83,889	83,364	6,608
PAYROLL- PERF	(19,813)	225,748	220,221	(14,286)
ALL STATE	490	15,207	15,217	480
MANHATTAN LIFE	4	3,612	3,611	5
DD - WELLS FARGO	-	19,978	19,978	-
DD - NAPOLEON	-	31,200	31,200	-
DD - KEY BANK	-	106,413	106,413	-
CHILD - BG	-	2,600	2,600	-
DD - FLAGSTAR BANK	-	18,720	18,720	-
DD - PNC KENTUCKY	-	5,800	5,800	-
DD - HONDA FCU	-	55,849	55,849	-
PAYROLL - EMP INSURANCE	-	87	87	-
DD - CAPITAL ONE	-	4,355	4,355	-
PAYROLL - UNION DUES	7,480	82,174	82,893	6,761
LIBERTY NATIONAL	-	3,148	3,148	-
DD - MERCHANTS	-	54,240	54,240	-
PAYROLL - GREAT WEST RETIREMENT	-	600	600	-
PAYROLL- AFLAC	261	27,680	27,680	261
PP LEGAL SERVICE	2	1,256	1,255	3
DD - ED JONES	-	3,096	3,096	-
DD - CHIME ONLINE BANKING	-	3,229	3,229	-
CHILD - TC	-	1,950	1,950	-
DD - SUPERIOR CREDIT UNION	-	9,360	9,360	-
DD - PNC BANK OHIO	-	112,091	112,091	-
DD - GE	-	10,140	10,140	-
DD - 1ST FINANCIAL	-	436,374	436,374	-
DD - HUNTINGTON	-	2,547	2,547	-
DD - HOSPITAL CREDIT	-	122,599	122,599	-
DD - DEARBORN SAVINGS	-	1,300	1,300	-

(Continued)

CITY OF LAWRENCEBURG
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2023

<u>Fund</u>	Cash and Investments <u>01-01-23</u>	<u>Receipts</u>	<u>Disbursements</u>	Cash and Investments <u>12-31-23</u>
DD - FRIENDSHIP BANK	\$ -	\$ 336,922	\$ 336,922	\$ -
DD - KEMBA CREDIT UNION	-	11,889	11,889	-
DD- WOODFOREST	-	41,578	41,578	-
DD - COM. SPIRIT CREDIT	-	153,699	153,699	-
DD - POLICE FED CU	-	4,105	4,105	-
DD - MAIN SOURCE	-	187,554	187,554	-
DD - CHASE BANK	-	44,618	44,618	-
DD - PUTNAM INVESTMENTS	-	1,200	1,200	-
DD - US BANK OHIO	-	22,789	22,789	-
PAYROLL - CELL PHONE	-	1,840	1,840	-
DD - NAVY FCU	-	54,756	54,756	-
DD - US BANK KY	-	94,469	94,469	-
DD - US BANK	-	494,534	494,534	-
DD - FCN BANK	-	378,428	378,428	-
DD - FIFTH THIRD BANK	-	402,407	402,407	-
DD - CIVISTA BANK/UCB	-	2,099,176	2,099,176	-
PAYROLL-OHIO STATE TAX	571	2,650	2,333	888
PAYROLL-KENTUCKY STATE TAX	1,515	6,037	6,072	1,480
DD MAINSOURCE AURORA	-	52,303	52,303	-
DD - CITIZENS FEDERAL	-	8,211	8,211	-
DD -FIRST FINANCIAL	-	7,662	7,662	-
ELECTRIC UTILITY OPERATING	3,323,481	18,202,274	17,915,310	3,610,445
ELECTRIC UTILITY CUSTOMER DEPOSITS	187,019	49,284	60,932	175,371
ELECTRIC UTILITY DEPRECIATION	1,618,635	1,005,691	885,177	1,739,149
SEWAGE UTILITY OPERATING	1,819,958	4,395,303	4,895,872	1,319,389
SEWAGE UTILITY DEPRECIATION	1,795,838	399,931	329,676	1,866,093
WATER UTILITY OPERATING	1,934,332	2,435,672	2,838,141	1,531,863
WATER UTILITY DEPRECIATION	2,146,090	591,930	343,720	2,394,300
FIBER OPTICS	-	49	49	-
Totals	<u>\$ 83,964,096</u>	<u>\$ 92,506,360</u>	<u>\$ 84,817,432</u>	<u>\$ 91,653,024</u>

See accompanying notes to financial statement.

CITY OF LAWRENCEBURG
NOTES TO FINANCIAL STATEMENT
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The City was established under the laws of the State of Indiana. The City operates under a City Council form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

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

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 basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

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

Taxes. Amounts received including one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits. Amounts received from businesses, occupations, or non-businesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable TV receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

(Continued)

CITY OF LAWRENCEBURG
NOTES TO FINANCIAL STATEMENT
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Other receipts. Amounts received from various sources which can include but are 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.

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

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those Units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

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

Debt service principal and interest. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Unit. It includes all expenditures for the reduction of the principal and interest of the Unit general obligation indebtedness as well as lease agreements.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various 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.

Interfund Transfers: The City 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.

Fund Accounting: Separate funds are established, maintained, and reported by the City. 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 Unit. 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 City 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 City itself.

(Continued)

NOTE 2 - BUDGETS

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

NOTE 3 - PROPERTY TAXES

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - 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 (PDIF). This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City 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.

At December 31, 2023, the City held \$18,300,000 in CDs and other forms of fixed income investments with institutions that maintained the FDIC and PDIF coverages as applicable.

NOTE 5 - RISK MANAGEMENT

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Unit to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

The City has purchased insurance to address the risks described above.

NOTE 6 - PENSION PLANS

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the City authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977, providing retirement, disability, and survivor benefits.

CITY OF LAWRENCEBURG
NOTES TO FINANCIAL STATEMENT
December 31, 2023

NOTE 6 - PENSION PLANS (Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52.

Financial Report

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

Additional Pension Plans

The City also contributes to additional pension plans unique to the City. Information regarding these plans may be obtained from the City.

NOTE 7 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by December 31, 2023. The deficit in the Payroll – PERF fund was the result of disbursements exceeding receipts due to underestimating current requirements for the fund.

OTHER INFORMATION (Unaudited)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	DOUGHTY ROAD STORMWATER GRANT	GARNISHMENT CHILD	FOP LEGAL DEFENSE	DD COPFCU	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD AND STREET	MVH RESTRICTED (subfund of MVH)	NR PARKING FEES	PARK NONREVERTING OPERATING	NR PLAN COMMISSION	LOCAL LAW ENFORCEMENT CONTINUING EDUCATION	UNSAFE BUILDING
Cash and investments - beginning	\$ 411,061	\$ -	\$ 1,111	\$ -	\$ 8,406,242	\$ 394,069	\$ 368,261	\$ 130,544	\$ 13,001	\$ 639,158	\$ 41,348	\$ 63,640	\$ 50,000
Receipts:													
Taxes	-	-	-	-	6,973,662	266,979	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	2,060	-	-	-	-	-	-	2,110	-
Intergovernmental receipts	568,807	-	-	-	2,316,957	116,706	98,500	110,445	-	-	-	-	-
Charges for services	-	-	-	-	25	-	-	-	300	248,375	-	3,173	-
Fines and forfeits	-	-	-	-	40,055	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	45,500	17,635	2,130	4,700	1,152,823	2,046	-	-	-	29,421	47,169	1,657	30,820
Total receipts	614,307	17,635	2,130	4,700	10,485,582	385,731	98,500	110,445	300	277,796	47,169	6,940	30,820
Disbursements:													
Personal services	-	-	-	-	7,346,170	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	113,921	313,938	-	-	-	56,175	-	-	-
Other services and charges	26,885	-	-	-	424,025	-	-	-	-	10,000	2,100	6,620	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	991,728	-	-	-	-	82,860	95,655	-	-	16,000	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	17,635	1,756	4,700	20,040	-	-	-	-	9,550	47,000	-	-
Total disbursements	1,018,613	17,635	1,756	4,700	7,904,156	396,798	95,655	-	-	91,725	49,100	6,620	-
Excess (deficiency) of receipts over disbursements	(404,306)	-	374	-	2,581,426	(11,067)	2,845	110,445	300	186,071	(1,931)	320	30,820
Cash and investments - ending	\$ 6,755	\$ -	\$ 1,485	\$ -	\$ 10,987,668	\$ 383,002	\$ 371,106	\$ 240,989	\$ 13,301	\$ 825,229	\$ 39,417	\$ 63,960	\$ 80,820

(Continued)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	PARK AND RECREATION	RAINY DAY	OPIOID SETTLEMENT RESTRICTED	OPIOID SETTLEMENT UNRESTRICTED	LEVY EXCESS	CUMULATIVE IMPROVEMENT CIG TAX	NR FIRE FIGHTING EQUIPMENT	RIVERBOAT	POLICE PENSION	LIT PUBLIC SAFETY	City Court	ARP CORONAVIRUS LOCAL FISCAL RECOVERY FUND	N/R BUILDING & MONUMENT MAINTENANCE
Cash and investments - beginning	\$ 183,741	\$ 7,017,069	\$ 14,948	\$ 6,406	\$ 50	\$ 32,538	\$ 1,426,759	\$ 9,184,192	\$1,075,577	\$ 813,624	\$ 20,938	\$ 351,098	\$ 5,206,108
Receipts:													
Taxes	599,837	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	14,067	42,514	4,142	1,146	-	9,310	15,542	14,802,220	-	1,594,568	-	-	-
Charges for services	-	50,684	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	305,478	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	2,903,059	-	-	-	-	183,138	212,542	258,175	8,582	-	622	102,168
Total receipts	613,904	2,996,257	4,142	1,146	-	9,310	198,680	15,014,762	258,175	1,603,150	305,478	622	102,168
Disbursements:													
Personal services	461,432	-	-	-	-	-	-	57,215	151,260	1,278,495	-	-	-
Supplies	-	-	-	-	-	-	-	9,992	-	35,409	-	-	-
Other services and charges	-	916,568	-	-	-	9,900	22,796	6,804,813	-	-	-	351,720	210,650
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	1,910,143	-	-	-	-	106,123	391,152	-	146,046	-	-	171,104
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	2,000,000	-	-	-	-	-	6,789,038	236,834	-	311,504	-	-
Total disbursements	461,432	4,826,711	-	-	-	9,900	128,919	14,052,210	388,094	1,459,950	311,504	351,720	381,754
Excess (deficiency) of receipts over disbursements	152,472	(1,830,454)	4,142	1,146	-	(590)	69,761	962,552	(129,919)	143,200	(6,026)	(351,098)	(279,586)
Cash and investments - ending	\$ 336,213	\$ 5,186,615	\$ 19,090	\$ 7,552	\$ 50	\$ 31,948	\$ 1,496,520	\$ 10,146,744	\$ 945,658	\$ 956,824	\$ 14,912	\$ -	\$ 4,926,522

(Continued)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	CHIRP GRANT	N/R PARKS MAINTENANCE	MUNICIPAL DEVELOPMENT	NR REFUSE COLLECTION	NR POLICE EQUIPMENT	NR REDEVELOPMENT	INDIANA HOUSING DEVELOPMENT GRANT	EDENBURG	LERU BILLING	NR FIRE DONATIONS	FIBER	LAWRENCEBURG ENTERTAINMENT TIF
Cash and investments - beginning	\$ -	\$ 3,006,835	\$ 21,136,461	\$ 164,887	\$ 12,437	\$ 1,722,017	\$ -	\$ 297,127	\$1,506,758	\$ 5,298	\$ 503,751	\$ 1,187,735
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	694,138
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	27,907	-	5,940,000	-	-	-	250,000	-	15,542	-	-	-
Charges for services	-	18,000	202,977	5,690	-	-	-	136,037	535,282	-	127,166	-
Fines and forfeits	-	2,012	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	20,551	4,217,736	-	750	4,093,890	27,778	5,346	126,118	770	2,768,870	-
Total receipts	27,907	40,563	10,360,713	5,690	750	4,093,890	277,778	141,383	676,942	770	2,896,036	694,138
Disbursements:												
Personal services	-	-	-	-	-	174,521	-	-	-	-	33,730	-
Supplies	-	49,034	41,689	-	-	-	-	963	-	-	74,577	-
Other services and charges	-	81,841	4,467,662	-	-	66,503	-	118,395	34,776	-	9,789	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	494,956
Capital outlay	-	234,638	2,442,013	-	-	961,379	277,778	-	64,576	-	20,638	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	28,523	-	1,171,493	-	-	1,000,000	-	1,195	558,000	-	-	-
Total disbursements	28,523	365,513	8,122,857	-	-	2,202,403	277,778	120,553	657,352	-	138,734	494,956
Excess (deficiency) of receipts over disbursements	(616)	(324,950)	2,237,856	5,690	750	1,891,487	-	20,830	19,590	770	2,757,302	199,182
Cash and investments - ending	\$ (616)	\$ 2,681,885	\$ 23,374,317	\$ 170,577	\$ 13,187	\$ 3,613,504	\$ -	\$ 317,957	\$1,526,348	\$ 6,068	\$ 3,261,053	\$ 1,386,917

(Continued)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	RIVERFRONT DEVELOPMENT	LOCAL ROAD AND BRIDGE MATCHING GRANT	DONATION	BROWNFIELD GRANT	DD USAA	PAYROLL	USER FEE -LAW ENFORCEMENT	CLERK'S RECORD PERPETUATION	COUNTY COURT COSTS	CITY COURT FINES	GARNISHMENT	CHILD MM	MED INSURANCE ACCT@USBK	PAYROLL- FEDERAL W/H
Cash and investments - beginning	\$ 5,388,346	\$ 86,234	\$ 7,855	\$ 4	\$ -	\$ -	\$ -	\$ 212,031	\$ -	\$ -	\$ 200	\$ -	\$ -	\$ 20,229
Receipts:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	525,690	-	135,792	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	4,516	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	85,711	125	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	118,073	185,762	-	6	12,852	323	-	11,158	-	-	23,746	7,179	4,311,343	753,009
Total receipts	118,073	711,452	-	135,798	12,852	323	4,516	11,158	85,711	125	23,746	7,179	4,311,343	753,009
Disbursements:														
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	243,539	-	-	128,948	-	-	4,516	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	762,384	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	12,852	323	-	-	85,711	125	23,946	7,179	4,311,343	758,212
Total disbursements	243,539	762,384	-	128,948	12,852	323	4,516	-	85,711	125	23,946	7,179	4,311,343	758,212
Excess (deficiency) of receipts over disbursements	(125,466)	(50,932)	-	6,850	-	-	-	11,158	-	-	(200)	-	-	(5,203)
Cash and investments - ending	\$ 5,262,880	\$ 35,302	\$ 7,855	\$ 6,854	\$ -	\$ -	\$ -	\$ 223,189	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,026

(Continued)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	PAYROLL- SOCIAL SECURITY	PAYROLL- MEDICARE	PAYROLL- STATE W/H	PAYROLL- COUNTY W/H	PAYROLL- PERF	ALL STATE	MANHATTAN LIFE	DD WELLS FARGO	DD NAPOLEON	DD KEY BANK	CHILD BG	DD FLAGSTAR BANK	DD PNC KENTUCKY	DD HONDA FCU	PAYROLL EMP INSURANCE	DD CAPITAL ONE
Cash and investments - beginning	\$ 11,162	\$ 4,417	\$ 16,883	\$ 6,083	\$ (19,813)	\$ 490	\$ 4	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:																
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	572,117	197,490	222,856	83,889	225,748	15,207	3,612	19,978	31,200	106,413	2,600	18,720	5,800	55,849	87	4,355
Total receipts	572,117	197,490	222,856	83,889	225,748	15,207	3,612	19,978	31,200	106,413	2,600	18,720	5,800	55,849	87	4,355
Disbursements:																
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	573,509	198,150	223,735	83,364	220,221	15,217	3,611	19,978	31,200	106,413	2,600	18,720	5,800	55,849	87	4,355
Total disbursements	573,509	198,150	223,735	83,364	220,221	15,217	3,611	19,978	31,200	106,413	2,600	18,720	5,800	55,849	87	4,355
Excess (deficiency) of receipts over disbursements	(1,392)	(660)	(879)	525	5,527	(10)	1	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ 9,770	\$ 3,757	\$ 16,004	\$ 6,608	\$ (14,286)	\$ 480	\$ 5	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	PAYROLL UNION DUES	LIBERTY NATIONAL	DD MERCHANTS	PAYROLL GREAT WEST RETIREMENT	PAYROLL- AFLAC	PP LEGAL SERVICE	DD ED JONES	DD CHIME ONLINE BANKING	CHILD TC	DD SUPERIOR CREDIT UNION	DD PNC BANK OHIO	DD GE	DD 1ST FINANCIAL	DD HUNTINGTON	DD HOSPITAL CREDIT	DD DEARBORN SAVINGS
Cash and investments - beginning	\$ 7,480	\$ -	\$ -	\$ -	\$ 261	\$ 2	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:																
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	82,174	3,148	54,240	600	27,680	1,256	3,096	3,229	1,950	9,360	112,091	10,140	436,374	2,547	122,599	1,300
Total receipts	82,174	3,148	54,240	600	27,680	1,256	3,096	3,229	1,950	9,360	112,091	10,140	436,374	2,547	122,599	1,300
Disbursements:																
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	82,893	3,148	54,240	600	27,680	1,255	3,096	3,229	1,950	9,360	112,091	10,140	436,374	2,547	122,599	1,300
Total disbursements	82,893	3,148	54,240	600	27,680	1,255	3,096	3,229	1,950	9,360	112,091	10,140	436,374	2,547	122,599	1,300
Excess (deficiency) of receipts over disbursements	(719)	-	-	-	-	1	-	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ 6,761	\$ -	\$ -	\$ -	\$ 261	\$ 3	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	DD FRIENDSHIP BANK	DD KEMBA CREDIT UNION	DD- WOODFOREST	DD COM. SPIRIT CREDIT	DD POLICE FED CU	DD MAIN SOURCE	DD CHASE BANK	DD PUTNAM INVESTMENTS	DD US BANK OHIO	PAYROLL CELL PHONE	DD NAVY FCU	DD US BANK KY	DD US BANK	DD FCN BANK	DD FIFTH THIRD BANK	DD CIVISTA BANK/UCB
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:																
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	336,922	11,889	41,578	153,699	4,105	187,554	44,618	1,200	22,789	1,840	54,756	94,469	494,534	378,428	402,407	2,099,176
Total receipts	336,922	11,889	41,578	153,699	4,105	187,554	44,618	1,200	22,789	1,840	54,756	94,469	494,534	378,428	402,407	2,099,176
Disbursements:																
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	336,922	11,889	41,578	153,699	4,105	187,554	44,618	1,200	22,789	1,840	54,756	94,469	494,534	378,428	402,407	2,099,176
Total disbursements	336,922	11,889	41,578	153,699	4,105	187,554	44,618	1,200	22,789	1,840	54,756	94,469	494,534	378,428	402,407	2,099,176
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

(Continued)

CITY OF LAWRENCEBURG
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	PAYROLL- OHIO STATE TAX	PAYROLL- KENTUCKY STATE TAX	DD MAINSOURCE AURORA	DD CITIZENS FEDERAL	DD -FIRST FINANCIAL	ELECTRIC UTILITY OPERATING	ELECTRIC UTILITY CUSTOMER DEPOSITS	ELECTRIC UTILITY DEPRECIATION	SEWAGE UTILITY OPERATING	SEWAGE UTILITY DEPRECIATION	WATER UTILITY OPERATING	WATER UTILITY DEPRECIATION	FIBER OPTICS	Totals
Cash and investments - beginning	\$ 571	\$ 1,515	\$ -	\$ -	\$ -	\$ 3,323,481	\$ 187,019	\$ 1,618,635	\$ 1,819,958	\$ 1,795,838	\$ 1,934,332	\$ 2,146,090	\$ -	\$ 83,964,096
Receipts:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	8,534,616
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	4,170
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	26,589,855
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	1,332,225
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	433,381
Utility fees	-	-	-	-	-	15,818,778	-	-	3,494,992	-	1,500,214	-	-	20,813,984
Other receipts	2,650	6,037	52,303	8,211	7,662	2,383,496	49,284	1,005,691	900,311	399,931	935,458	591,930	49	34,798,129
Total receipts	2,650	6,037	52,303	8,211	7,662	18,202,274	49,284	1,005,691	4,395,303	399,931	2,435,672	591,930	49	92,506,360
Disbursements:														
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	-	9,502,823
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	695,698
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	13,942,046
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	494,956
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	8,674,217
Utility operating expenses	-	-	-	-	-	16,870,759	-	-	4,000,639	-	1,747,150	-	-	22,618,548
Other disbursements	2,333	6,072	52,303	8,211	7,662	1,044,551	60,932	885,177	895,233	329,676	1,090,991	343,720	49	28,889,144
Total disbursements	2,333	6,072	52,303	8,211	7,662	17,915,310	60,932	885,177	4,895,872	329,676	2,838,141	343,720	49	84,817,432
Excess (deficiency) of receipts over disbursements	317	(35)	-	-	-	286,964	(11,648)	120,514	(500,569)	70,255	(402,469)	248,210	-	7,688,928
Cash and investments - ending	\$ 888	\$ 1,480	\$ -	\$ -	\$ -	\$ 3,610,445	\$ 175,371	\$ 1,739,149	\$ 1,319,389	\$ 1,866,093	\$ 1,531,863	\$ 2,394,300	\$ -	\$ 91,653,024

CITY OF LAWRENCEBURG
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 817,675	\$ -
Electric	1,865,690	1,037,470
Wastewater	9,910	290,032
Water	23,605	106,842
Fiber Optic	<u>-</u>	<u>-</u>
Totals	<u>\$ 2,716,880</u>	<u>\$ 1,434,344</u>

CITY OF LAWRENCEBURG
SCHEDULE OF LEASES AND DEBT
December 31, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Flex Technology (Millenium)	City Court Scanner	\$ 855	9/29/2020	9/29/2025
GreatAmerica Financial Services	Copier Lease	12,204	3/24/2022	3/24/2027
Pitney Bowes	Postage machine	<u>2,498</u>	5/30/2023	5/30/2028
Total governmental activities		<u>15,557</u>		
Total of annual lease payments		<u>\$ 15,557</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
General obligation bonds	City of Lawrenceburg IN General Obligation Bond Series 2019	\$ 2,315,000	\$ 180,000
General obligation bonds	City of Lawrenceburg IN Redevelopment District Bond Series 2019	<u>2,315,000</u>	<u>180,000</u>
Total governmental activities		<u>4,630,000</u>	<u>360,000</u>
Totals		<u>\$ 4,630,000</u>	<u>\$ 360,000</u>

CITY OF LAWRENCEBURG
SCHEDULE OF CAPITAL ASSETS
December 31, 2023

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 16,918,970
Infrastructure	89,103,017
Buildings	112,281,254
Improvements other than buildings	66,504,990
Machinery, equipment, and vehicles	19,498,440
Construction in progress	<u>1,798,614</u>
Total governmental activities	<u>306,105,285</u>
Electric:	
Infrastructure	25,654,500
Buildings	3,759,824
Machinery, equipment, and vehicles	2,212,814
Construction in progress	<u>1,941,165</u>
Total Electric	<u>33,568,303</u>
Wastewater:	
Land	498
Infrastructure	9,006,980
Buildings	139,367
Machinery, equipment, and vehicles	6,544,336
Construction in progress	<u>392,956</u>
Total Wastewater	<u>16,084,137</u>
Water:	
Land	200,000
Infrastructure	16,256,384
Buildings	5,171,361
Machinery, equipment, and vehicles	5,002,605
Construction in progress	<u>677,852</u>
Total Water	<u>27,308,202</u>
Fiber Optic:	
Total Fiber Optic	<u>-</u>
Total capital assets	<u>\$ 383,065,927</u>

CITY OF LAWRENCEBURG
STATE REPORTING INFORMATION
For the Year Ended December 31, 2023

The reports presented herein were prepared in addition to another official report prepared for the City as listed below:

Indiana State Board of Accounts Compliance Examination of the City of Lawrenceburg.

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns*.

SUPPLEMENTARY INFORMATION



CITY OF LAWRENCEBURG
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Office of Community & Rural Affairs			
Doughty Road Stormwater Grant		14.228	B20DC180001	\$ 568,807
OOR Grant		14.228	OOR-21-106	<u>250,000</u>
Total - Department of Housing and Urban Development				<u>818,807</u>
<u>Department of Transportation</u>				
Highway Safety Cluster	Indiana Criminal Justice Institute			
State and Community Highway Safety				
CHIRP Grant		20.600	68669	<u>27,907</u>
Total - Highway Safety Cluster				<u>27,907</u>
Total - Department of Transportation				<u>27,907</u>
<u>Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	Indiana Dept of Homeland Security			
ARP COVID Recovery Fund		21.027	FY2022	<u>351,720</u>
Total - Department of the Treasury				<u>351,720</u>
<u>Environmental Protection Agency</u>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative	Direct			
Agreements Brownfield Grant		66.818	00E02496	<u>135,792</u>
Total - Environmental Protection Agency				<u>135,792</u>
Total federal awards expended				<u>\$ 1,334,226</u>

See accompanying notes to the schedule of expenditure of federal awards.

CITY OF LAWRENCEBURG
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Lawrenceburg (the "City") under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of the City, it is not intended to and does not present the receipts, disbursements, and cash and investment balances – regulatory basis of the City.

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, 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.

NOTE 2 - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - OTHER INFORMATION

The City did not have any subrecipient activity for the year ended December 31, 2023.

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

Those Charged with Governance
City of Lawrenceburg
Dearborn County, Indiana

We have audited, in accordance with the 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 City of Lawrenceburg ("City"), which comprise the statement of receipts, disbursements, and cash and investment balances of the City as of and for the year ended December 31, 2023 and the related notes to the financial statement, which collectively comprise the City's financial statement, and have issued our report thereon dated September 30, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) as a basis for designing 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 City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 entity's financial statement will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a material weakness.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City'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 financial statement. 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

(Continued)

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 30, 2024

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

Those Charged with Governance
City of Lawrenceburg
Dearborn County, Indiana

Report on Compliance for Major Federal Program

Opinion on Major Federal Program

We have audited the City of Lawrenceburg's (City) compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2023. The City's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2023.

Basis for Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

(Continued)

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 30, 2024

CITY OF LAWRENCEBURG
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2023

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 weakness(es) identified?	<u> X </u>	Yes	<u> </u>	No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u>	Yes	<u> X </u>	None Reported

Noncompliance material to financial statement noted?	<u> </u>	Yes	<u> X </u>	No
--	---------------	-----	--------------	----

Federal Awards

Internal control over major programs:

Material weakness(es) identified?	<u> </u>	Yes	<u> X </u>	No
Significant deficiencies identified not considered to be material weaknesses?	<u> </u>	Yes	<u> X </u>	None Reported

Type of auditor’s report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> </u>	Yes	<u> X </u>	No
---	---------------	-----	--------------	----

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
14.228	Community Development Block Grants / State’s Program and Non-Entitlement Grants in Hawaii

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	<u> </u>	Yes	<u> X </u>	No
--	---------------	-----	--------------	----

(Continued)

CITY OF LAWRENCEBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings

FINDING 2023-001

Subject: Preparation and Review of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:
. . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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.

(Continued)

CITY OF LAWRENCEBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The City 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).

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. In the City's submission for the year ended December 31, 2023, the City understated Coronavirus State and Local Fiscal Recovery Funds grant by \$336,520.

The City understated the Community Development Block Grant (ALN 14.228) by \$250,000. Additionally, the Brownfield Grant (ALN 66.818) was understated by \$6,845.

The items noted above resulted in a net understatement of \$593,365. Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted. The City had no other federal expenditures to report on the SEFA for the year ended December 31, 2023.

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

Identification as a repeat finding, if applicable: No.

Recommendation: We recommended that the City's management establish a formal review over the SEFA to ensure amounts reported are accurate. The City should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to the underlying detail each year.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

CITY OF LAWRENCEBURG
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section III – Federal Award Findings and Questioned Costs

None noted.



CLERK-TREASURER'S OFFICE P.O. BOX 4166 212 WALNUT ST. LAWRENCEBURG, IN 47025 (812) 537-7136

MARK FETTE, CLERK-TREASURER

CORRECTIVE ACTION PLAN

Finding 2023-001 – Preparation and Review of the Schedule of Expenditures of Federal Awards (Material Weakness)

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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

Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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 must be included.

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. In the City's submission for the year ended December 31, 2023, the City understated the Coronavirus State and Local Fiscal Recovery Funds grant by \$336,520.

The City understated the Community Development Block Grant (ALN 14.228) by \$250,000. Additionally, the Brownfield Grant (ALN 66.818) was understated by \$6,845.

The items noted above resulted in a net understatement of \$593,365. Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted. The City had no other federal expenditures to report on the SEFA for the year ended December 31, 2023.

Views of Responsible Officials: We concur with the finding.

Description of Corrective Action Plan: Management will ensure that the SEFA preparation and review internal control process in place is followed and thoroughly documented.

Responsible Party and Timeline for Completion: The Clerk-Treasurer is the responsible party. The completion will go into effect upon the next SEFA submission.