

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

FINANCIAL STATEMENT AUDIT REPORT

OF

CITY OF GREENSBURG

DECATUR COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED

11/20/2024



Paul D. Joyce, CPA
State Examiner

INDIANA STATE BOARD OF ACCOUNTS

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November 20, 2024

To: The Officials of the City of Greensburg
City of Greensburg
Decatur County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of the City of Greensburg. 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 Greensburg 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 findings included in the report on pages 34 through 42. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears on pages 43 through 46.

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 of the City of Greensburg 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 GREENSBURG
Decatur County, Indiana

FINANCIAL STATEMENT
For the Year Ended December 31, 2023

CITY OF GREENSBURG
Decatur County, Indiana

FINANCIAL STATEMENT
For the Year Ended December 31, 2023

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Amy Borns	01-01-23 to 12-31-23
Mayor	Joshua L. Marsh	01-01-23 to 12-31-23
President of the Board of Public Works	Joshua L. Marsh	01-01-23 to 12-31-23
President of the Town Council	Jamie Cain	01-01-23 to 12-31-23
Utilities Office Manger	Donna M. Lecher	01-01-23 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
City of Greensburg
Decatur County, Indiana

Opinions

We have audited the accompanying statement of receipts, disbursements, and cash and investment balances of the City of Greensburg (the "City") as of and for the year ended 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 and for the year ended 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 and for the year ended 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 State of America. 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 City 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 an opinion 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, on 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 GREENSBURG
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
GENERAL FUND	\$ 5,157,951	\$ 9,136,902	\$ 8,135,158	\$ 6,159,695
MVH	2,308,319	535,900	323,116	2,521,103
LRS	447,768	100,573	13,363	534,978
SELF INSURANCE	709,098	2,973,526	2,502,932	1,179,692
GREENSBURG PREVENTION GROUP	17,213	137,602	125,649	29,166
TRASH TIPPING FEE	540,939	569,802	428,480	682,261
LAW ENFORCEMENT CONT.ED.	48,468	16,334	7,791	57,011
UNSAFE BUILDING FEES	118,206	14,557	741	132,022
RIVER BOAT REVENUE	652,132	69,235	77,971	643,396
911 DISPATCH/COUNTY	47,672	-	-	47,672
RAINY DAY	697,601	-	225,000	472,601
Opioid Unrestricted	3,147	563	-	3,710
Opioid Restricted	7,343	1,645	-	8,988
HAZMAT EMERGENCY FUND	13,133	1,482	711	13,904
HONDA/FIRE	832,257	550,400	432,998	949,659
FIRE CONTRIBUTION FUND	25,654	13,982	16,096	23,540
C.C.I.F.	179,767	22,349	62,288	139,828
CUMULATIVE FIRE	539,278	100,491	435,467	204,302
BOND-GENERAL SINKING	145,931	518,456	630,356	34,031
EDIT	1,773,852	784,656	668,022	1,890,486
POLICE PENSION	255,573	143,329	153,963	244,939
FIRE PENSION	383,979	114,220	121,447	376,752
LOIT - PUBLIC SAFETY	542,630	737,458	613,175	666,913
POLICE DONATIONS	3,531	1,570	-	5,101
K-9 OPERATIONS	18,234	7,888	4,978	21,144
RENOVATION BOND 2005	73	-	-	73
CCD	1,616,767	264,728	580,761	1,300,734
LEASE RENTAL REVENUE BONDS SERIES 2020	6,141	-	6,141	-
REDEVELOPMENT DISTRICT TAXABLE BONDS SERIES 2020	256,637	669	-	257,306
REDEVELOPMENT DISTRICT RESERVE FUND	58,193	-	-	58,193
TIF	2,455,243	1,250,914	974,681	2,731,476
VETERAN"S WAY PROJECT	1	-	1	-
AVIATION ROTARY FUEL	85,744	154,104	85,104	154,744
AIRPORT OPERATIONS	452,822	110,421	137,913	425,330
2021 GO Bond Proceeds	370,337	288	349,358	21,267
Pirate Park	113	75,112	75,112	113
ARPA	2,402,864	-	782,266	1,620,598
REMC Grant Proceeds	2,500	-	-	2,500
Active Shooter Grant Proceeds	6,900	11,914	17,995	819
Education Grant	5,000	-	-	5,000
United Fund Claims Clearing	-	2,591	2,591	-
Garnishment	-	5,904	5,904	-
State Equitable Sharing	718	-	-	718
Park Road	-	698,145	-	698,145
Series 2022A Construction	-	11,981,605	4,708,759	7,272,846
Series 2022B Construction	-	9,658,500	4,461,288	5,197,212
2022A Lease Rent Payment	-	735,084	576,000	159,084
2022B Lease Rent Payment	-	593,913	465,000	128,913

(Continued)

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

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
LINCOLN STREET PARK	\$ 3,735	\$ -	\$ -	\$ 3,735
WELLNESS PROGRAM POLICE DEPT.	873	-	-	873
CAC GRANT	4,930	-	-	4,930
BIKE PATROL GRANT	40	-	-	40
OWI	2,884	-	-	2,884
FEDERAL EQUITABLE SHARING	357	-	-	357
OPO - OPERATION PULLOVER	54	4,737	4,713	78
LOCAL RD & MATCHING GRANT FUND	3,137	240,968	218,246	25,859
DELTA DENTAL	-	54,366	54,366	-
VSP	-	13,195	13,195	-
ONE AMERICA.AUL	-	9,308	9,308	-
GREENSBURG CITY PROJECT-BONY	370	18	-	388
DECATUR COUNTY TIF BOND CONST-BONY	615	30	-	645
MVH RESTRICTED	192,617	265,119	7,263	450,473
CUM EQUIPMENT FUND-MOWING ORD 2013-3	3,564	1,190	-	4,754
LEONA HAHN FUND	889	-	-	889
POLICE AUTISM PROGRAM	774	125	-	899
LOCAL EQUITABLE SHARING	42,889	1,251	-	44,140
Liberty National	(745)	8,402	7,657	-
AIRPORT EXPANSION	602	43,418	43,418	602
BONY-WATER SRF GBURG19 CONST	957,909	43,847	58,788	942,968
FEDERAL TAX WITHHELD	126	444,852	444,978	-
FICA TAX	(103)	172,547	172,444	-
STATE TAX WITHHELD	(810)	153,000	153,000	(810)
COUNTY TAX WITHHELD	(382)	108,425	108,425	(382)
INPRS	1,493	188,694	182,664	7,523
MEDICARE	(24)	130,805	130,781	-
WASHINGTON NAT INS W/H	-	21,158	21,158	-
UTILITY SALARY CLEARING	43,561	289,528	290,433	42,656
77 PEN POLICE ASSES W/H	1,407	339,548	327,521	13,434
77 PEN FIRE ASSESS W/H	76	446,312	431,677	14,711
HEALTH INS - EMP W/H	4,258	1,633,173	1,633,173	4,258
AFLAC WITHHELD	-	17,048	17,048	-
IND STATE (Child Support)	-	16,418	16,418	-
FOP DUES	-	5,092	5,092	-
IND CHILD SUPPORT ANNUAL FEE	-	110	110	-
YMCA/ANYTIME FIT PR DED	-	9,914	9,914	-
HOUSING REHAB LOAN	47	-	-	47
INSURANCE CLAIMS RESERVE	672	-	-	672
HEALTH CARE PLAN	678,757	-	543,744	135,013
AIRPORT IMPROVEMENT	(74,406)	8,073,709	7,765,940	233,363
ILR FUND	45,354	-	-	45,354
BNY WATER DEBT RESERVE	1,480,345	32,931	500,000	1,013,276
BNY SEWER DEBT RESERVE	953,785	30,142	710,735	273,192
SEWER GENERAL	503,513	5,991,381	4,244,523	2,250,371
SEWER COMPUTER RESERVE	325,199	-	29,127	296,072
SEWER DEPRECIATION	3,581,976	-	1,138,668	2,443,308
SEWER ELECTRONIC MAP GEN	8	-	-	8

(Continued)

CITY OF GREENSBURG
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>
SEWER CAPITAL IMPROVEMENT	\$ 1,668,164	\$ -	\$ 246,403	\$ 1,421,761
WASTEWATER PLANT SERVIC	2,265	-	-	2,265
SEWER CASH CHANGE FUND	240	-	-	240
SEWER SINKING NY	576,214	1,222,155	1,426,097	372,272
DEBT SERVICE RESERVE-NY	2,278,945	109,646	-	2,388,591
WATER GENERAL	871,199	4,622,524	4,170,901	1,322,822
UTILITIES CLEARING	793,485	41,106	47,634	786,957
WATER METER DEPOSIT	197,264	20,656	7,726	210,194
WATER DEPRECIATION ACCT.	317,085	-	123,915	193,170
WATER CAPITAL IMPROVEMENT	334,471	-	9,646	324,825
WATER COMPUTER RESERVE	257,446	-	29,550	227,896
WATER CASH CHANGE FUND	240	-	-	240
WATER BOND AND INT. NY	188,983	1,951,792	1,902,876	237,899
WATER DEBT RESERVE - NY	2,106,584	392,732	-	2,499,316
Stormwater Utility	278,225	708,644	186,537	800,332
Sanitation	(51,391)	468,380	416,989	-
Greensburg Excess Revenue Account	-	<u>1,910,963</u>	-	<u>1,910,963</u>
Totals	<u>\$ 41,769,494</u>	<u>\$ 72,336,171</u>	<u>\$ 56,071,377</u>	<u>\$ 58,034,288</u>

See accompanying notes to financial statement.

CITY OF GREENSBURG
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 GREENSBURG
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.

Penalties. Amounts received from late payment fees.

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.

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

A. 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.

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 the defined contribution component of PERF Hybrid. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

B. 1925 Police Officers' Pension Plan

Plan Description The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

(Continued)

NOTE 6 - PENSION PLANS (Continued)

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

D. 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.

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.

(Continued)

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENT
December 31, 2023

NOTE 7 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of funds being set up for reimbursement grants and the reimbursements not being received by December 31, 2023 and timing differences in the payroll withholding funds.

NOTE 8 - HOLDING CORPORATIONS

The City has entered into capital leases with the City of Greensburg, Indiana Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year 2023 totaled \$1,397,500.

NOTE 9 - OTHER POSTEMPLOYMENT BENEFITS

The City provides health insurance benefits to eligible retirees. These benefits pose a liability to the City for this year and in future years. Information regarding these benefits can be obtained by contacting the City.

OTHER INFORMATION (Unaudited)

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

	GENERAL FUND	MVH	LRS	SELF INSURANCE	GREENSBURG PREVENTION GROUP	TRASH TIPPING FEE	LAW ENFORCEMENT CONT.ED.	UNSAFE BUILDING FEES	RIVER BOAT REVENUE	911 DISPATCH/COUNTY	RAINY DAY	Opioid Unrestricted	Opioid Restricted
Cash and investments - beginning	\$ 5,157,951	\$ 2,308,319	\$ 447,768	\$ 709,098	\$ 17,213	\$ 540,939	\$ 48,468	\$ 118,206	\$ 652,132	\$ 47,672	\$ 697,601	\$ 3,147	\$ 7,343
Receipts:													
Taxes	4,790,779	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	148,076	-	-	-	-	-	-	14,557	-	-	-	-	-
Intergovernmental receipts	3,480,121	527,737	100,573	-	-	-	-	-	69,235	-	-	563	1,645
Charges for services	162,731	-	-	-	-	155,863	16,334	-	-	-	-	-	-
Fines and forfeits	8,812	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	546,383	8,163	-	2,973,526	137,602	413,939	-	-	-	-	-	-	-
Total receipts	9,136,902	535,900	100,573	2,973,526	137,602	569,802	16,334	14,557	69,235	-	-	563	1,645
Disbursements:													
Personal services	4,238,423	158,688	-	-	6,459	369,624	-	-	-	-	-	-	-
Supplies	219,585	22,896	-	-	-	-	7,791	-	-	-	-	-	-
Other services and charges	2,340,870	12,875	-	2,502,932	119,190	85	-	741	77,971	-	-	-	-
Debt service - principal and interest	356,000	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	243,272	9,173	13,363	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	737,008	119,484	-	-	-	58,771	-	-	-	-	225,000	-	-
Total disbursements	8,135,158	323,116	13,363	2,502,932	125,649	428,480	7,791	741	77,971	-	225,000	-	-
Excess (deficiency) of receipts over disbursements	1,001,744	212,784	87,210	470,594	11,953	141,322	8,543	13,816	(8,736)	-	(225,000)	563	1,645
Cash and investments - ending	\$ 6,159,695	\$ 2,521,103	\$ 534,978	\$ 1,179,692	\$ 29,166	\$ 682,261	\$ 57,011	\$ 132,022	\$ 643,396	\$ 47,672	\$ 472,601	\$ 3,710	\$ 8,988

(Continued)

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

	HAZMAT EMERGENCY FUND	HONDA/FIRE	FIRE CONTRIBUTION FUND	C.C.I.F.	CUMULATIVE FIRE	BOND-GENERAL SINKING	EDIT	POLICE PENSION	FIRE PENSION	LOIT PUBLIC SAFETY	POLICE DONATIONS	K-9 OPERATIONS	RENOVATION BOND 2005
Cash and investments - beginning	\$ 13,133	\$ 832,257	\$ 25,654	\$ 179,767	\$ 539,278	\$ 145,931	\$ 1,773,852	\$ 255,573	\$ 383,979	\$ 542,630	\$ 3,531	\$ 18,234	\$ 73
Receipts:													
Taxes	-	-	-	-	93,150	483,938	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	22,349	7,341	34,518	782,156	-	-	737,458	-	-	-
Charges for services	-	550,400	-	-	-	-	2,500	140,881	111,742	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	1,482	-	13,982	-	-	-	-	2,448	2,478	-	1,570	7,888	-
Total receipts	1,482	550,400	13,982	22,349	100,491	518,456	784,656	143,329	114,220	737,458	1,570	7,888	-
Disbursements:													
Personal services	-	406,267	-	-	-	-	-	153,963	121,447	53,687	-	-	-
Supplies	-	271	16,096	-	-	-	-	-	-	118,984	-	4,978	-
Other services and charges	-	26,460	-	62,288	-	250	232,819	-	-	153,200	-	-	-
Debt service - principal and interest	-	-	-	-	-	630,106	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	435,467	-	190,203	-	-	287,304	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	711	-	-	-	-	-	245,000	-	-	-	-	-	-
Total disbursements	711	432,998	16,096	62,288	435,467	630,356	668,022	153,963	121,447	613,175	-	4,978	-
Excess (deficiency) of receipts over disbursements	771	117,402	(2,114)	(39,939)	(334,976)	(111,900)	116,634	(10,634)	(7,227)	124,283	1,570	2,910	-
Cash and investments - ending	\$ 13,904	\$ 949,659	\$ 23,540	\$ 139,828	\$ 204,302	\$ 34,031	\$ 1,890,486	\$ 244,939	\$ 376,752	\$ 666,913	\$ 5,101	\$ 21,144	\$ 73

(Continued)

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

	CCD	LEASE RENTAL REVENUE BONDS SERIES 2020	REDEVELOPMENT DISTRICT TAXABLE BONDS SERIES 2020	REDEVELOPMENT DISTRICT RESERVE FUND	TIF	VETERAN'S WAY PROJECT	AVIATION ROTARY FUEL	AIRPORT OPERATIONS	2021 GO Bond Proceeds	Pirate Park	ARPA	REMC Grant Proceeds	Active Shooter Grant Proceeds	Education Grant
Cash and investments - beginning	\$ 1,616,767	\$ 6,141	\$ 256,637	\$ 58,193	\$ 2,455,243	\$ 1	\$ 85,744	\$ 452,822	\$ 370,337	\$ 113	\$ 2,402,864	\$ 2,500	\$ 6,900	\$ 5,000
Receipts:														
Taxes	245,372	-	-	-	1,248,464	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	19,356	-	-	-	-	-	-	-	-	75,112	-	-	-	-
Charges for services	-	-	-	-	-	-	154,104	87,293	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	669	-	2,450	-	-	23,128	288	-	-	-	11,914	-
Total receipts	264,728	-	669	-	1,250,914	-	154,104	110,421	288	75,112	-	-	11,914	-
Disbursements:														
Personal services	-	-	-	-	-	-	-	16,469	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	349	-	-	-	-	17,995	-
Other services and charges	-	-	-	-	-	1	85,104	48,291	54,929	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	39,854	-	-	-	-	-	-
Capital outlay	393,792	6,141	-	-	974,681	-	-	32,950	294,429	75,112	782,266	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	186,969	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	580,761	6,141	-	-	974,681	1	85,104	137,913	349,358	75,112	782,266	-	17,995	-
Excess (deficiency) of receipts over disbursements	(316,033)	(6,141)	669	-	276,233	(1)	69,000	(27,492)	(349,070)	-	(782,266)	-	(6,081)	-
Cash and investments - ending	\$ 1,300,734	\$ -	\$ 257,306	\$ 58,193	\$ 2,731,476	\$ -	\$ 154,744	\$ 425,330	\$ 21,267	\$ 113	\$ 1,620,598	\$ 2,500	\$ 819	\$ 5,000

(Continued)

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

	United Fund Claims Clearing	Garnishment	State Equitable Sharing	Park Road	Series 2022A Construction	Series 2022B Construction	2022A Lease Rent Payment	2022B Lease Rent Payment	LINCOLN STREET PARK	WELLNESS PROGRAM POLICE DEPT.	CAC GRANT	BIKE PATROL GRANT	OWI	FEDERAL EQUITABLE SHARING	OPO OPERATION PULLOVER	LOCAL RD & MATCHING GRANT FUND
Cash and investments - beginning	\$ -	\$ -	\$ 718	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,735	\$ 873	\$ 4,930	\$ 40	\$ 2,884	\$ 357	\$ 54	\$ 3,137
Receipts:																
Taxes	-	-	-	-	-	-	686,147	554,370	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	48,937	39,543	-	-	-	-	-	-	-	121,484
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,737	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	2,591	5,904	-	698,145	11,981,605	9,658,500	-	-	-	-	-	-	-	-	-	119,484
Total receipts	2,591	5,904	-	698,145	11,981,605	9,658,500	735,084	593,913	-	-	-	-	-	-	4,737	240,968
Disbursements:																
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	4,713	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	903,559	220,042	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	576,000	465,000	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,805,200	4,241,246	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	2,591	5,904	-	-	-	-	-	-	-	-	-	-	-	-	-	218,246
Total disbursements	2,591	5,904	-	-	4,708,759	4,461,288	576,000	465,000	-	-	-	-	-	-	4,713	218,246
Excess (deficiency) of receipts over disbursements	-	-	-	698,145	7,272,846	5,197,212	159,084	128,913	-	-	-	-	-	-	24	22,722
Cash and investments - ending	\$ -	\$ -	\$ 718	\$ 698,145	\$ 7,272,846	\$ 5,197,212	\$ 159,084	\$ 128,913	\$ 3,735	\$ 873	\$ 4,930	\$ 40	\$ 2,884	\$ 357	\$ 78	\$ 25,859

(Continued)

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

	DELTA DENTAL	VSP	ONE AMERICA.AUL	GREENSBURG CITY PROJECT-BONY	DECATUR COUNTY TIF BOND CONST-BONY	MVH RESTRICTED	CUM EQUIPMENT FUND-MOWING ORD 2013-3	LEONA HAHN FUND	POLICE AUTISM PROGRAM	LOCAL EQUITABLE SHARING	Liberty National	AIRPORT EXPANSION	BONY-WATER SRF GBURG19 CONST	FEDERAL TAX WITHHELD	FICA TAX
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 370	\$ 615	\$ 192,617	\$ 3,564	\$ 889	\$ 774	\$ 42,889	\$ (745)	\$ 602	\$ 957,909	\$ 126	\$ (103)
Receipts:															
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	265,119	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	1,251	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	1,190	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	54,366	13,195	9,308	18	30	-	-	-	125	-	8,402	43,418	43,847	444,852	172,547
Total receipts	54,366	13,195	9,308	18	30	265,119	1,190	-	125	1,251	8,402	43,418	43,847	444,852	172,547
Disbursements:															
Personal services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	43,418	-	-	-
Capital outlay	-	-	-	-	-	7,263	-	-	-	-	-	-	58,788	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	54,366	13,195	9,308	-	-	-	-	-	-	-	7,657	-	-	444,978	172,444
Total disbursements	54,366	13,195	9,308	-	-	7,263	-	-	-	-	7,657	43,418	58,788	444,978	172,444
Excess (deficiency) of receipts over disbursements	-	-	-	18	30	257,856	1,190	-	125	1,251	745	-	(14,941)	(126)	103
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 388	\$ 645	\$ 450,473	\$ 4,754	\$ 889	\$ 899	\$ 44,140	\$ -	\$ 602	\$ 942,968	\$ -	\$ -

(Continued)

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

	STATE TAX WITHHELD	COUNTY TAX WITHHELD	INPRS	MEDICARE	WASHINGTON NAT INS W/H	UTILITY SALARY CLEARING	77 PEN POLICE ASSES W/H	77 PEN FIRE ASSESS W/H	HEALTH INS - EMP W/H	AFLAC WITHHELD	IND STATE (Child Support)	FOP DUES	IND CHILD SUPPORT ANNUAL FEE	YMCA/ANYTIME FIT PR DED	HOUSING REHAB LOAN	INSURANCE CLAIMS RESERVE
Cash and investments - beginning	\$ (810)	\$ (382)	\$ 1,493	\$ (24)	\$ -	\$ 43,561	\$ 1,407	\$ 76	\$ 4,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47	\$ 672
Receipts:																
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	153,000	108,425	188,694	130,805	21,158	289,528	339,548	446,312	1,633,173	17,048	16,418	5,092	110	9,914	-	-
Total receipts	153,000	108,425	188,694	130,805	21,158	289,528	339,548	446,312	1,633,173	17,048	16,418	5,092	110	9,914	-	-
Disbursements:																
Personal services	-	-	-	-	-	290,433	-	-	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	110	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	153,000	108,425	182,664	130,781	21,158	-	327,521	431,677	1,633,173	17,048	16,418	5,092	-	9,914	-	-
Total disbursements	153,000	108,425	182,664	130,781	21,158	290,433	327,521	431,677	1,633,173	17,048	16,418	5,092	110	9,914	-	-
Excess (deficiency) of receipts over disbursements	-	-	6,030	24	-	(905)	12,027	14,635	-	-	-	-	-	-	-	-
Cash and investments - ending	\$ (810)	\$ (382)	\$ 7,523	\$ -	\$ -	\$ 42,656	\$ 13,434	\$ 14,711	\$ 4,258	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 47	\$ 672

(Continued)

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

	HEALTH CARE PLAN	AIRPORT IMPROVEMENT	ILR FUND	BNY WATER DEBT RESERVE	BNY SEWER DEBT RESERVE	SEWER GENERAL	SEWER COMPUTER RESERVE	SEWER DEPRECIATION	SEWER ELECTRONIC MAP GEN	SEWER CAPITAL IMPROVEMENT	WASTEWATER PLANT SERVIC	SEWER CASH CHANGE FUND	SEWER SINKING NY
Cash and investments - beginning	\$ 678,757	\$ (74,406)	\$ 45,354	\$ 1,480,345	\$ 953,785	\$ 503,513	\$ 325,199	\$ 3,581,976	\$ 8	\$ 1,668,164	\$ 2,265	\$ 240	\$ 576,214
Receipts:													
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	8,073,709	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	5,009,263	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	32,931	30,142	982,118	-	-	-	-	-	-	1,222,155
Total receipts	-	8,073,709	-	32,931	30,142	5,991,381	-	-	-	-	-	-	1,222,155
Disbursements:													
Personal services	-	-	-	-	-	981,663	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	10,908	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	500,000	-	-	-	-	-	-	-	-	1,426,097
Capital outlay	-	7,765,940	-	-	-	24,574	16,013	659,088	-	148,778	-	-	-
Utility operating expenses	-	-	-	-	-	1,725,107	11,551	473,327	-	-	-	-	-
Other disbursements	543,744	-	-	-	710,735	1,502,271	1,563	6,253	-	97,625	-	-	-
Total disbursements	543,744	7,765,940	-	500,000	710,735	4,244,523	29,127	1,138,668	-	246,403	-	-	1,426,097
Excess (deficiency) of receipts over disbursements	(543,744)	307,769	-	(467,069)	(680,593)	1,746,858	(29,127)	(1,138,668)	-	(246,403)	-	-	(203,942)
Cash and investments - ending	\$ 135,013	\$ 233,363	\$ 45,354	\$ 1,013,276	\$ 273,192	\$ 2,250,371	\$ 296,072	\$ 2,443,308	\$ 8	\$ 1,421,761	\$ 2,265	\$ 240	\$ 372,272

(Continued)

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

	DEBT SERVICE RESERVE-NY	WATER GENERAL	UTILITIES CLEARING	WATER METER DEPOSIT	WATER DEPRECIATION ACCT.	WATER CAPITAL IMPROVEMENT	WATER COMPUTER RESERVE	WATER CASH CHANGE FUND	WATER BOND AND INT. NY	WATER DEBT RESERVE NY	Stormwater Utility	Sanitation	GREENSBURG EXCESS REVENUE ACCOUNT	Totals
Cash and investments - beginning	\$ 2,278,945	\$ 871,199	\$ 793,485	\$ 197,264	\$ 317,085	\$ 334,471	\$ 257,446	\$ 240	\$ 188,983	\$ 2,106,584	\$ 278,225	\$ (51,391)	\$ -	\$ 41,769,494
Receipts:														
Taxes	-	-	-	-	-	-	-	-	500,000	-	-	-	-	8,602,220
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	162,633
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	6,333,247
Charges for services	-	-	-	-	-	-	-	-	-	-	-	468,380	-	9,929,925
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	10,002
Utility fees	-	4,456,360	-	20,656	-	-	-	-	-	-	708,644	-	-	10,194,923
Penalties	-	50,044	-	-	-	-	-	-	-	-	-	-	-	50,044
Other receipts	109,646	116,120	41,106	-	-	-	-	-	1,451,792	392,732	-	-	1,910,963	37,053,177
Total receipts	109,646	4,622,524	41,106	20,656	-	-	-	-	1,951,792	392,732	708,644	468,380	1,910,963	72,336,171
Disbursements:														
Personal services	-	994,793	-	-	-	-	-	-	-	-	-	-	-	7,796,629
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	408,945
Other services and charges	-	62,797	-	-	-	-	-	-	-	-	912	-	-	6,916,334
Debt service - principal and interest	-	-	-	-	-	-	-	-	1,902,876	-	-	-	-	5,939,351
Capital outlay	-	12,723	-	-	8,100	-	16,013	-	-	-	59,296	-	-	20,561,175
Utility operating expenses	-	1,408,161	-	-	67,142	-	11,991	-	-	-	61,860	-	-	3,759,139
Other disbursements	-	1,692,427	47,634	7,726	48,673	9,646	1,546	-	-	-	64,469	416,989	-	10,689,804
Total disbursements	-	4,170,901	47,634	7,726	123,915	9,646	29,550	-	1,902,876	-	186,537	416,989	-	56,071,377
Excess (deficiency) of receipts over disbursements	109,646	451,623	(6,528)	12,930	(123,915)	(9,646)	(29,550)	-	48,916	392,732	522,107	51,391	1,910,963	16,264,794
Cash and investments - ending	\$ 2,388,591	\$ 1,322,822	\$ 786,957	\$ 210,194	\$ 193,170	\$ 324,825	\$ 227,896	\$ 240	\$ 237,899	\$ 2,499,316	\$ 800,332	\$ -	\$ 1,910,963	\$ 58,034,288

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 781,088	\$ -
Wastewater	279,764	526,457
Water	367,736	639,321
Sanitation	-	75,255
Stormwater	<u>61,814</u>	<u>73,270</u>
Totals	<u>\$ 1,490,402</u>	<u>\$ 1,314,303</u>

CITY OF GREENSBURG
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:				
City of Greensburg Indiana Building Corporation	Series 2022A	\$ 450,500	12/28/2022	7/15/2042
City of Greensburg Indiana Building Corporation	City Hall Renovations	355,000	12/23/2020	8/1/2040
City of Greensburg Indiana Building Corporation	Series 2022B	<u>365,500</u>	12/28/2022	7/15/2042
Total governmental activities		<u>1,171,000</u>		
Total of annual lease payments		<u>\$ 1,171,000</u>		
<u>Type</u>	<u>Description of Debt Purpose</u>	<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>	
Governmental activities:				
Revenue bonds	Redevelopment Dist Tax Increment Rev Bond 2014	\$ 1,112,230	\$ 250,000	
Revenue bonds	Redevelopment Dist Taxable Bonds Series 2020	1,185,000	85,000	
Revenue bonds	Indiana Building Corporation Lease Rental Revenue Bond, Series 2022A	10,610,000	175,000	
Revenue bonds	Indiana Building Corporation Lease Rental Revenue Bond, Series 2022B	<u>8,560,000</u>	<u>145,000</u>	
Total governmental activities		<u>21,467,230</u>	<u>655,000</u>	
Wastewater:				
Revenue bonds	Sewage Works Revenue Bonds 2007B	-	-	
Revenue bonds	Sewage Works Revenue Bonds 2016	4,798,225	920,000	
Revenue bonds	Sewage Works SRF Revenue Bonds Series-2017	<u>4,517,000</u>	<u>271,000</u>	
Total Wastewater		<u>9,315,225</u>	<u>1,191,000</u>	
Water:				
Revenue bonds	Waterworks Revenue Bonds 2007A	2,215,000	440,000	
Revenue bonds	Waterworks Revenue Bonds 2007B	-	-	
Revenue bonds	Waterworks Revenue Bonds of 2019	<u>19,246,000</u>	<u>874,000</u>	
Total Water		<u>21,461,000</u>	<u>1,314,000</u>	
Totals		<u>\$ 52,243,455</u>	<u>\$ 3,160,000</u>	

CITY OF GREENSBURG
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	\$ 8,310,087
Infrastructure	12,190,041
Buildings	2,273,859
Improvements other than buildings	4,512,425
Machinery, equipment, and vehicles	10,620,206
Construction in progress	<u>7,713,947</u>
Total governmental activities	<u>45,620,565</u>
Wastewater:	
Land	433,585
Buildings	39,889,991
Improvements other than buildings	20,383,201
Machinery, equipment, and vehicles	3,779,271
Construction in progress	<u>4,601,054</u>
Total Wastewater	<u>69,087,102</u>
Water:	
Land	1,991,326
Buildings	14,848,206
Improvements other than buildings	20,792,367
Machinery, equipment, and vehicles	1,612,200
Construction in progress	<u>22,547,460</u>
Total Water	<u>61,791,559</u>
Sanitation:	
Total Sanitation	<u>-</u>
Stormwater:	
Total Stormwater	<u>-</u>
Total capital assets	<u><u>\$ 176,499,226</u></u>

CITY OF GREENSBURG
STATE REPORTING INFORMATION
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 Greensburg.

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	<u>Pass-Through Entity or Direct Grant</u>	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program	Direct Grant			
Bulletproof Vest Partnership Program		16.607	15-0404-0-1-754	\$ 575
Total - Department of Justice				<u>575</u>
<u>Department of Transportation</u>				
Airport Improvement Program	Direct Grant			
AIP 16		20.106	3-18-0031-016-2020	676,687
AIP 20		20.106	3-18-0031-020-2022	2,720,727
AIP 21		20.106	3-18-0031-021-2023	2,373,349
AIP 22		20.106	3-18-0031-022-2023	2,062,860
Total - Airport Improvement Program				<u>7,833,623</u>
Highway Planning and Construction	Indiana Department of Transportation			
Park Road (Phase 1)		20.205	FY 2023	17,565
Park Road (Phase 2)		20.205	FY 2023	23,612
Total - Highway Planning and Construction				<u>41,177</u>
Highway Safety	Indiana Department of Transportation			
State and Community Highway Safety				
State and Community Highway Safety		20.600	FY 2023	4,713
Total - Highway Safety				<u>4,713</u>
Total - Department of Transportation				<u>7,879,513</u>
<u>Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	Indiana Finance Authority	21.027	FY2022	782,266
Total - Department of the Treasury				<u>782,266</u>
<u>Department of Health and Human Services</u>				
Drug-Free Communities Support Program Grants	Direct Grant			
Greensburg Prevention Group		93.276	5NH28CE003105-03-00	137,602
Total - Department of Health and Human Services				<u>137,602</u>
Total federal awards expended				<u>\$ 8,799,956</u>

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

CITY OF GREENSBURG
NOTES TO 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 Greensburg (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.

B. Other Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the 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.

NOTE 4 - PRIOR YEAR EXPENDITURES

The amounts reported on the SEFA for Airport Improvement Program (AL 20.106) as current year expenditures includes \$317,348 of expenses incurred in prior fiscal year(s) that were eligible for grant expenditures as a result of grant agreements executed in the current year.

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 Greensburg
Decatur 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 Greensburg (the "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 certain deficiencies in internal control, described in the accompanying schedule of findings and questioned costs as items 2023-001 and 2023-002 that we consider to be material weaknesses.

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)

The City's Response to Findings

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

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 Greensburg
Decatur County, Indiana

Report on Compliance for Major Federal Program***Qualified and Unqualified Opinions***

We have audited the City of Greensburg (the "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 programs for the year ended December 31, 2023. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

Qualified Opinion on COVID-19 – Coronavirus State and Local Fiscal Recovery

In our opinion, except for the noncompliance described in the Basis for Qualified and Unmodified Opinions section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the *COVID-19 – Coronavirus State and Local Fiscal Recovery* program for the year ended December 31, 2023.

Unmodified Opinion on Each of the Other Major Federal Programs

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 each of its major federal programs for the year ended December 31, 2023.

Basis for Qualified and Unmodified Opinions

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 each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

(Continued)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding Assistance Listing No. 21.027 COVID-19 – Coronavirus State and Local Fiscal Recovery as described in finding number 2023-004 for Procurement and Suspension and Debarment. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

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.

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 each 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.

Other Matters

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

The City is responsible for preparing a corrective action plan to address each audit finding included in our auditor's report. The City's corrective action plan was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on it.

Report on Internal Control Over Compliance

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 and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-004 to be a material weakness.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-003 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance findings identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 30, 2024

CITY OF GREENSBURG
 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	_____	No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	<u> X </u>	None Reported

Noncompliance material to financial statement noted?	_____	Yes	<u> X </u>	No
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Federal Awards

Internal control over major programs:

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

Type of auditor’s report issued on compliance for major programs:	Qualified – Coronavirus State and Local Fiscal Recovery Funds Unmodified – Airport Improvement Program
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Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> X </u>	Yes	_____	No
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Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
20.106	Airport Improvement Program
21.027	Coronavirus State and Local Fiscal Recovery Funds

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

Auditee qualified as low-risk auditee?	_____	Yes	<u> X </u>	No
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(Continued)

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

Section II – Financial Statement Findings

FINDING 2023-001

Subject: Preparation of the Annual Financial Report
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, ..."

Condition: There was no internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR) prior to submission to Gateway Portal.

Cause: Management had not established internal control that would have ensured the AFR submission agrees to the underlying funds ledger. There were also receipt transactions in August 2023 that were not recorded in the proper period in the funds ledger.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed by someone other than the preparer prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) For the period of January 1, 2023 through December 31, 2023, the Greensburg Excess Revenue Account was not reported on the AFR. Adjustments were posted to the AFR to properly report this activity which increased total receipts reported by \$1,910,963.
- 2) For the period of January 1, 2023 through December 31, 2023, we noted a disbursement transaction which was not recognized in the funds ledger as of December 31, 2023. These items were reported as reconciling items on the December 2023 bank reconciliation by management, however, resulted in the cash and investment balance reported on the AFR to be overstated. Adjustments were posted to the AFR to properly report this activity which increased total disbursements and decreased the ending cash and investments balance by \$218,246 for the period January 1, 2023 through December 31, 2023.

Audit adjustments were proposed, accepted by the City, and made to the financial statement to correct the errors noted above.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained the errors 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 AFR financial statement submission to ensure amounts reported are accurate and agree to underlying fund ledgers including disbursements, receipts, and other financing sources.

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2023-002

Subject: Preparation 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 reproduced 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.

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (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 Listings Number or other identifying number when the Assistance Listings 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. Due to the lack of effective internal controls, the following errors resulted in the net overstatement of the total federal awards reported on the SEFA by \$236,019 for the year ended December 31, 2023:

1. The Highway Safety funds were overstated by \$277,196.
2. The Highway Planning and Construction Cluster funds were understated by \$41,177.

Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted above.

Effect: Without a proper system of internal control in place that operate effectively, material misstatements of the SEFA could go undetected.

Repeat Finding: Yes, see Finding 2022-001.

Recommendation: We recommended that the City's management establish a formal review over the SEFA to ensure amounts reported are accurate and complete. This review should include a reconciliation of federal receipts on the funds ledger compared to amounts reported in Gateway. We recommend this review be formally documented.

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

(Continued)

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

Section III – Federal Award Findings and Questioned Costs

Finding 2023-003

Information on the federal program:

Subject: Airport Improvement Program – Special Tests and Provisions - Wage Rate Requirements
Federal Agency: Department of Transportation
Federal Program: Airport Improvement Program
Assistance Listing Number: 20.106
Federal Award Numbers and Years (or Other Identifying Numbers): AIP16
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Significant Deficiency

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

29 CFR 5.5 states in part:

a. The Agency head shall cause or require the contracting officer to insert in full in any contract in excess of \$2,000 which is entered into for the actual construction, alteration and/or repair, including painting and decorating, of a public building or public work, or building or work financed in whole or in part from Federal funds or in accordance with guarantees of a Federal agency or financed from funds obtained by pledge of any contract of a Federal agency to make a loan, grant or annual contribution (except where a different meaning is expressly indicated), and which is subject to the labor standards provisions of any of the acts listed in §5.1, the following clauses...

(1) Minimum wages.

(i) All laborers and mechanics employed or working upon the site of the work (or under the United States Housing Act of 1937 or under the Housing Act of 1949 in the construction or development of the project), will be paid unconditionally and not less often than once a week, and without subsequent deduction or rebate on any account (except such payroll deductions as are permitted by regulations issued by the Secretary of Labor under the Copeland Act (29 CFR part 3)), the full amount of wages and bona fide fringe benefits (or cash equivalents thereof) due at time of payment computed at rates not less than those contained in the wage determination of the Secretary of Labor which is attached hereto and made a part hereof, regardless of any contractual relationship which may be alleged to exist between the contractor and such laborers and mechanics...

(Continued)

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

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2023-003 (Continued)

(3)(ii)(A) The contractor shall submit weekly for each week in which any contract work is performed a copy of all payrolls to the (write in name of appropriate federal agency) if the agency is a party to the contract, but if the agency is not such a party, the contractor will submit the payrolls to the applicant, sponsor, or owner, as the case may be, for transmission to the (write in name of agency).

2 CFR 200 Appendix II states in part:

In addition to other provisions required by the Federal agency or non-Federal entity; all contracts made by the non-Federal entity under the Federal award must contain provisions covering the following, as applicable. . . .

(D) Davis-Bacon Act, as amended (40 U.S.C. 3141-3148). When required by Federal program legislation, all prime construction contracts in excess of \$2,000 awarded by non-Federal entities must include a provision for compliance with the Davis-Bacon Act (40 U.S.C. 3141-3144, and 3146-3148) as supplemented by Department of Labor regulations (29 CFR Part 5, "Labor Standards Provisions Applicable to Contracts Covering Federally Financed and Assisted Construction"). In accordance with the statute, contractors must be required to pay wages to laborers and mechanics at a rate not less than the prevailing wages specified in a wage determination made by the Secretary of Labor. In addition, contractors must be required to pay wages not less than once a week. . . ."

Condition: An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The City did not obtain the weekly payroll reports certifications from a construction company and its subcontractors for a building project.

Cause: The City's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

Effect: The failure to design and implement an effective internal control system enabled material noncompliance to go undetected. Noncompliance with the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirement could result in the loss of future federal funds to the City.

Questioned Costs: There were no questioned costs identified.

Context: There were two construction contracts funded by the Airport Improvement Program (AIP) with expenditures totaling \$4,984,949 during the audit period and subject to federal Davis Bacon wage rate requirements. The first contract tested had expenditures of \$4,811,862 over 47 planned construction weeks during the audit period. There were no exceptions to the wage rate testing performed for this contract.

The second contract had expenditures of \$173,087 over 14 planned construction weeks during the audit period. For this contract, the City's internal control to collect the weekly payroll reports certifications from the construction company and its subcontractors, as applicable, did not work as designed. The testing noted there was only one certified payroll collected over the fourteen week planned work period. Therefore, insufficient review was performed by management to ensure that pay rates complied with the federal wage rate requirements. These construction payments for this project represented approximately 2.2% of the Airport Improvement Program expenditures for the audit period.

(Continued)

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

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2023-003 (Continued)

Identification as a repeat finding: No.

Recommendation: We recommend the City revise their process to ensure the required weekly payroll report certifications are collected and reviewed by management to ensure compliance with the federal wage rate requirements.

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

FINDING 2023-004

Information on the federal program:

Subject: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Procurement and Suspension and Debarment

Federal Agency: Department of Treasury

Federal Program: COVID 19 – Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Numbers and Years (or Other Identifying Numbers): FY2022

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness, Qualified Opinion

Criteria: 2 CFR section 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal awards in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

2 CFR section 200.318 states in part:

(a) The non-Federal entity must have and use documented procurement procedures, consistent with State, local, and tribal laws and regulations and the standards of this section, for the acquisition of property or services required under a Federal award or subaward. The non-Federal entity's documented procurement procedures must conform to the procurement standards identified in §§ 200.317 through 200.327.

(b) Non-Federal entities must maintain oversight to ensure that contractors perform in accordance with the terms, conditions, and specifications of their contracts or purchase orders...

(h) The non-Federal entity must maintain records sufficient to detail the history of procurement. These records will include, but are not necessarily limited to, the following: Rationale for the method of procurement, selection of contract type, contractor selection or rejection, and the basis for the contract price.

(Continued)

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

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2023-004 (Continued)

2 CFR section 200.320 states in part:

(b) *Formal procurement methods.* When the value of the procurement for property or services under a Federal financial assistance award exceeds the SAT, or a lower threshold established by a non-Federal entity, formal procurement methods are required. Formal procurement methods require following documented procedures. Formal procurement methods also require public advertising unless a non-competitive procurement can be used in accordance with § 200.319 or paragraph (c) of this section. The following formal methods of procurement are used for procurement of property or services above the simplified acquisition threshold or a value below the simplified acquisition threshold the non-Federal entity determines to be appropriate:...

(c) *Noncompetitive procurement.* There are specific circumstances in which noncompetitive procurement can be used. Noncompetitive procurement can only be awarded if one or more of the following circumstances apply:

- (1) The acquisition of property or services, the aggregate dollar amount of which does not exceed the micro-purchase threshold (see paragraph (a)(1) of this section);
- (2) The item is available only from a single source;
- (3) The public exigency or emergency for the requirement will not permit a delay resulting from publicizing a competitive solicitation;
- (4) The Federal awarding agency or pass-through entity expressly authorizes a noncompetitive procurement in response to a written request from the non-Federal entity; or
- (5) After solicitation of a number of sources, competition is determined inadequate.

Condition: The City contracted a vendor utilizing federal funds without performing a formal bid process for projects exceeding the simplified acquisition threshold of \$150,000 nor did the City provide documentation supporting a noncompetitive procurement. There was available history of the procurement process, including a lack of documented City Council approval for the contract. The contract entered into also did not include the required Buy America Build America Provisions.

Cause: The City's management had not developed a system of internal controls to ensure compliance with the compliance requirements listed above. Also, the City does not have written Procurement Policies that comply with the Federal Uniform Guidance requirements for non-Federal entities. The City's current policy does not address the following requirements:

- Written standards of conduct for employees involved in contracting.
- Written standards for solicitations to foster full and open competition.
- Micro-purchase threshold of \$10,000 (listed at \$25k)
- Written standards for solicitations requiring a formal bid process
- Written standards to rationalize limited competition purchases
- Written standards to maintain historical documentation of the procurement process

Effect: The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements.

Questioned Costs: There were no questioned costs identified.

(Continued)

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

Section III – Federal Award Findings and Questioned Costs (Continued)

Finding 2023-004 (Continued)

Context: The City entered into three contracts funded by the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) grant during the audit period. Two of those contracts were selected for testing and the City was unable to provide any procurement history. Upon inquiry of the City on their purchasing policies and procedures, it was verified the City does not have procurement policies for purchases that conform to the requirements of the Uniform Guidance. There were \$237,044 in expenditures incurred on the contracts tested in the current fiscal year.

Identification as a repeat finding: No.

Recommendation: We recommend that management of the City establish a proper system of internal controls and develop and implement procurement policies and procedures that adheres of the procurement requirements for purchases with federal awards as required by the 2 CFR 200 Uniform Guidance.

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



CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS
December 31, 2023

FINDING 2023-001

Subject: Preparation of the Annual Financial Report
Audit Findings: Material Weakness

Condition: There was no internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR) prior to submission to Gateway Portal.

Context: The AFR entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the Statement of Receipts, Disbursements, Other Financing Sources (Uses), and Cash and investment Balances – Regulatory Basis (the financial statement). The AFR was reviewed by someone other than the preparer prior to submission. However, it was not reviewed in enough detail to prevent the following errors in the financial statement:

- 1) For the period of January 1, 2023, through December 31, 2023, the Greensburg Excess Revenue Account was not reported on the AFR. Adjustments were posted to the AFR to properly report this activity which increased total receipts reported by \$1,910,963.
- 2) For the period of January 1, 2023, through December 31, 2023, we noted a disbursement transaction which was not recognized in the fund's ledger as of December 31, 2023. These items were reported as reconciling items on the December 2023 bank reconciliation by management, however, resulted in the cash and investment balance reported on the AFR to be overstated. Adjustments were posted to the AFR to properly report this activity which increased total disbursements and decreased the ending cash and investments balance by \$218,246 for the period January 1, 2023, through December 31, 2023.

Audit adjustments were proposed, accepted by the City, and made to the financial statement to correct the errors noted above.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will ensure that the AFR preparation and review internal control process in place is followed and thoroughly documented to detect and prevent material misstatements to the AFR.

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

Contact Information: (812) 663-8582 ext 1; aborns@greensburg.in.gov

FINDING 2023-002

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Findings: Material Weakness

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).

FINDING 2023-002 (Continued)

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. Due to the lack of effective internal controls, the following errors resulted in the net overstatement of the total federal awards reported on the SEFA by \$236,019 for the year ended December 31, 2023:

1. The Highway Safety funds were overstated by \$277,196.
2. The Highway Planning and Construction funds were understated by \$41,177.

Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted above.

Views of Responsible Official: We concur with the finding. The amount was overstated due to including the state portion of grants that did not need to be included. The understated part was due to incorrectly labeling the assistance listing.

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

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

Contact Information: (812) 663-8582 ext 1; aborns@greensburg.in.gov

Finding 2023-003

Information on the federal program:

Subject: Airport Improvement Program – Special Tests and Provisions - Wage Rate Requirements
Federal Agency: Department of Transportation
Federal Program: Airport Improvement Program
Assistance Listing Number: 20.106
Federal Award Numbers and Years (or Other Identifying Numbers): AIP16
Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements
Audit Findings: Significant Deficiency

Condition: An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions – Wage Rate Requirements compliance requirements. The City did not obtain the weekly payroll reports certifications from a construction company and its subcontractors for a building project.

Context: There were two construction contracts funded by the Airport Improvement Program (AIP) with expenditures totaling \$4,984,949 during the audit period and subject to federal Davis Bacon wage rate requirements. The first contract tested had expenditures of \$4,811,862 over 47 planned construction weeks during the audit period. There were no exceptions to the wage rate testing performed for this contract.

The second contract had expenditures of \$173,087 over 14 planning construction weeks during the audit period. For this contract, the City's internal control to collect the weekly payroll reports certifications from the construction company and its subcontractors, as applicable, did not work as designed. The testing

noted there was only one certified payroll collected over the fourteen-week planned work period. Therefore, insufficient review was performed by management to ensure that pay rates complied with the federal wage rate requirements. These construction payments for this project represented approximately 2.2% of the Airport Improvement Program expenditures for the audit period.

FINDING 2023-003 (Continued)

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management of the City will work with their contractors, both the construction contractors and the engineering firms hired to oversee and monitor the construction projects, to ensure they understand the wage rate requirements that must be followed for federally funded construction projects. The City will implement a periodic monitoring program where the City verifies the contracted engineering or compliance vendors are adhering to the City's contractual requirements such as obtaining the weekly certified payrolls.

Responsible Party and Timeline for Completion: The Resident Project Representative with Butler Fairman and Seifert will be responsible for collecting the certified payroll reports from the contracted vendor. They will send them to the Clerk Treasurer and the Board of Aviation Commissioners for regular approval. This will be completed with the next claim processed on a federal project.

Contact Information: (812) 663-8582 ext 1; aborns@greensburg.in.gov

FINDING 2023-004

Information on the federal program:

Subject: COVID-19 – Coronavirus State and Local Fiscal Recovery Funds – Procurement and Suspension and Debarment

Federal Agency: Department of Treasury

Federal Program: COVID 19 – Coronavirus State and Local Fiscal Recovery Funds

Assistance Listing Number: 21.027

Federal Award Numbers and Years (or Other Identifying Numbers): FY2022

Compliance Requirement: Procurement and Suspension and Debarment

Audit Finding: Material Weakness, Qualified Opinion

Condition: The City contracted a vendor utilizing federal funds without performing a formal bid process for projects exceeding the simplified acquisition threshold of \$150,000 nor did the City provide documentation supporting a noncompetitive procurement. There was available history of the procurement process, including a lack of documented City Council approval for the contract. The contract entered into also did not include the required Buy America Build America Provisions.

Context: The City entered into three contracts funded by the Coronavirus State and Local Fiscal Recovery Funds (SLFRF) grant during the audit period. Two of those contracts were selected for testing and the City was unable to provide any procurement history. Upon inquiry of the City on their purchasing policies and procedures, it was verified the City does not have procurement policies for purchases that conform to the requirements of the Uniform Guidance. There were \$237,044 in expenditures incurred on the contracts tested in the current fiscal year.

Views of Responsible Official: These contracts were entered into with the approval of the Board of Public Works and Safety in January 2023. This is the body that approves all contracts. The City was not informed on the requirement to adopt the Federal procurement policy until the State Board of Accounts audit was being performed starting in July of 2023. In May of 2024, the City adopted the procurement policy.

Description of Corrective Action Plan: Management of the City will work to adopt a formal procurement policy that is in compliance with Federal Uniform Guidance and State requirements. The City will also

assign a federal procurement leader that will help determine requirements for federal versus nonfederal awards as well as ensuring the City's new procurement policy is followed.

Responsible Party and Timeline for Completion: The Clerk Treasurer, along with City legal counsel, will be the responsible parties. Legal counsel has already helped develop and write the ordinance that was used to adopt the policy in May 2024. This has already been implemented and will continue to be monitored as contracts for such matters develop.

Contact Information: (812) 663-8582 ext 1; aborns@greensburg.in.gov

est. 1859



Office of The Clerk Treasurer

— CITY OF —
GREENSBURG

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

December 31, 2023

FINDING 2022-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards

Audit Finding: Material Weakness, Noncompliance

Condition: The City had not established effective internal controls over the federal award information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the City's Schedule of Expenditures of Federal Awards (SEFA).

The City failed to properly review the federal grant information prepared and submitted in Gateway. Although, the grant administrator provided the federal grant information with supporting documentation to the Clerk-Treasurer, who reviewed and approved the information, the oversight process was not effective and did not detect and allow correction of errors prior to submission.

Due to the lack of effective internal controls, the SEFA presented for audit included the following errors:

1. The Airport Improvement Program expenditures were understated by \$151,185.
2. Additional grants had individually immaterial errors that resulted in misstatements of expenditures of \$23,851, in total.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

Status of Prior Year Finding: Unresolved – see current finding 2023-001.