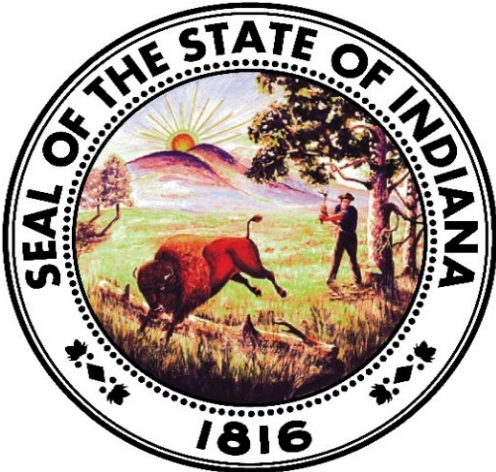


STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT
OF

CITY OF RICHMOND
WAYNE 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 Richmond
City of Richmond
Wayne County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of City of Richmond. 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 Richmond 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 36 through 41. Please see the Schedule of Findings and Questioned Costs for complete details related to the findings. Management's Corrective Action Plan appears at the end of the report.

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

In addition to the report presented herein, a supplemental report for City of Richmond 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 RICHMOND
Wayne County, Indiana

FINANCIAL STATEMENT
For the Year Ended December 31, 2023

CITY OF RICHMOND
Wayne County, Indiana

FINANCIAL STATEMENT
For the Year Ended December 31, 2023

CONTENTS

SCHEDULE OF OFFICIALS (Unaudited).....	1
INDEPENDENT AUDITOR'S REPORT.....	2
FINANCIAL STATEMENT	
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS.....	5
NOTES TO FINANCIAL STATEMENT.....	8
OTHER INFORMATION (Unaudited)	
COMBINING SCHEDULES OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES – REGULATORY BASIS.....	14
SCHEDULE OF PAYABLES AND RECEIVABLES.....	22
SCHEDULE OF LEASES AND DEBT.....	23
SCHEDULE OF CAPITAL ASSETS.....	24
STATE REPORTING INFORMATION.....	26
SUPPLEMENTARY INFORMATION	
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	27
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS.....	29
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	30
INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER COMPLIANCE.....	32
SCHEDULE OF FINDINGS AND QUESTIONED COSTS.....	35

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

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	David Snow	01-01-23 to 12-31-23
President of the Board of Public Works and Safety	Vicki Robinson	01-01-23 to 12-31-23
President of the Common Council	Jeff Cappa	01-01-23 to 12-31-23
President of the Board of Sanitary Commissioners	Suzanne Miller	01-01-23 to 12-31-23
City Controller	Emily Palmer	01-01-23 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
City of Richmond
Wayne County, Indiana

Opinions

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

Unmodified Opinion on Regulatory Basis of Accounting

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles section of our report, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position of the City as of December 31, 2023, or changes in net position for the year then ended.

Basis for Opinion

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

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

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

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

(Continued)

Responsibilities of Management for the Financial Statement

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

Auditor's Responsibilities for the Audit of the Financial Statement

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement as a whole.

(Continued)

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 30, 2024, our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 30, 2024

CITY OF RICHMOND
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>
GENERAL FUND	\$ 3,114,242	\$ 21,454,673	\$ 21,969,257	\$ 2,599,658
MOTOR VEHICLE HIGHWAY - UNRESTRICTED	341,325	2,109,447	1,788,942	661,830
LOCAL ROAD AND STREET	1,534,853	630,854	254,883	1,910,824
MVH - RESTRICTED	1,553,333	881,675	1,855,542	579,466
PARK NON-REVERTING OPERATING	132,961	418,229	541,284	9,906
FIRST RESPONSE FUND	6,065,142	3,014,851	5,704,065	3,375,928
ANIMAL CONTROL	35,918	1,701	846	36,773
POLICE CONTINUING EDUCATION	149,468	61,760	2,772	208,456
UNSAFE BUILDING	138,680	75,482	31,978	182,184
GENERAL RAINY DAY FUND	1,022,724	27,224	-	1,049,948
CUMULATIVE CAPITAL DEVELOPMENT	25,417	522,321	514,206	33,532
MCBRIDE	12,806	10,761	7,773	15,794
CUMULATIVE CAPITAL IMPROVEMENT	74,001	81,122	81,078	74,045
TIF BOND SINKING	6,744,887	3,153,444	2,573,913	7,324,418
POLICE PENSION	188,930	2,097,478	1,649,254	637,154
FIRE PENSION	67,300	2,429,867	2,024,941	472,226
PROPERTY & LIABILITY INSURANCE	19,682	1,062,247	1,057,882	24,047
SERIES 2015A TIF DSR	128,913	-	-	128,913
SERIES 2015A TIF CONSTRUCTION	771,174	-	70,500	700,674
JOHNS MANVILLE TIF	1,264,417	540,272	263,105	1,541,584
LOCAL ROAD & BRIDGE MATCHING G	176,754	-	-	176,754
SERIES 2015 TIF B&I	304,178	126,892	156,301	274,769
PARK NON-REVERTING FM	27,713	57,506	65,576	19,643
HEARTLAND TIF ALLOCATION	19,452	1,024,679	3,980	1,040,151
SERIES 2016 TIF B&I	458	2,403,642	2,404,100	-
LOOP PHASE 2 - INDOT	328,781	-	28,074	300,707
2019 COMM CROSSINGS A249-19-LG190016	178,260	4,745	-	183,005
ORCA/QUIP GRANT	6,212	166	-	6,378
PARAMEDICINE	(91,739)	-	316,784	(408,523)
TMAP	58,499	138	58,333	304
AIP 3-18-0071-026-2022	(3,516)	-	285,645	(289,161)
2022 REDEVELOPEMENT BOND (MIP)	412,630	-	530,770	(118,140)
ARP CORONAVIRUS LOCAL FISCAL RECOVERY	4,921,844	-	2,290,452	2,631,392
TAX ABATEMENT LOAN	92,144	2,452	-	94,596
BUILD INDIANA	5,003	-	-	5,003
LOIT	303,020	-	-	303,020
OPIOID UNRESTRICTED FUND	63,070	68,117	-	131,187
OPIOID RESTRICTED FUND	259,730	6,916	-	266,646
2019 COMM CROSSING A249-19-LG190092	2,740	-	-	2,740
FY23 GRANT (IN DEP OF HEALTH #72636)	-	-	243	(243)
HISTORIC PRESERVE ED CFDA 45.129	-	3,000	-	3,000
PARKS - GENERAL	1,187,153	2,927,032	2,643,855	1,470,330
HAZ-MAT NONREVERTING FUND	17,672	4,475	-	22,147
CRIMINAL JUSTICE GRANTS	103,620	-	8,818	94,802

(Continued)

CITY OF RICHMOND
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>
LAW ENFORCEMENT AID	\$ 75,335	\$ 2,002	\$ -	\$ 77,337
REDEVELOPMENT	20,544	548	-	21,092
REVENUE BOND	526	14	-	540
BUSINESS AND INDUSTRIAL	981,511	56,898	-	1,038,409
PROGRAM INCOME	18,851	501	-	19,352
MICROENTERPISE	5,949	157	-	6,106
PARK HUMAN SERVICES	29,038	15,547	21,804	22,781
MIDWEST INDUSTRIAL PARK FUND	961,708	444,012	415,645	990,075
GRANTS	(1,674,686)	418,338	93,966	(1,350,314)
CITY CENTER LOAN	191,870	14,953	-	206,823
PARK BOND SINKING	-	266,587	261,517	5,070
EDIT FUND	1,046,528	1,326,438	1,737,973	634,993
PARK CAPITAL IMPROVEMENT	8	-	-	8
TAX ABATEMENT INFRASTRUCTURE	180,356	4,802	-	185,158
PARK BOND CONSTRUCTION	4,942	132	-	5,074
CERTIFIED TECHNOLOGY PARK	1,069,284	156,038	291,356	933,966
EMPLOYEE INSURANCE	271,975	9,201,794	8,980,932	492,837
WORKERS COMPENSATION FUND	20,637	398,594	362,085	57,146
WARFIELD OIL SITE PROJECT	(15,550)	-	-	(15,550)
INDOT/CCMG 2-2020	(241,382)	-	-	(241,382)
GIFTS AND DONATIONS	783,196	278,974	409,704	652,466
ASSET FORFEITURE PROGRAM (DEA)	30,086	62,035	-	92,121
BEAT THE HEAT FOR LOCAL GOVTS	(106)	6,872	624	6,142
2020-1 COMMUNITY CROSSING MATCHING GRANT	1,007,496	26,817	-	1,034,313
PUBLIC TRANSIT	(1,284,443)	1,383,126	1,336,584	(1,237,901)
STORMWATER UTILITY	1,374,296	1,577,467	1,697,461	1,254,302
SEWER UTILITY OPERATIONS	7,634,800	15,230,948	12,105,982	10,759,766
SEWER BOND CONSTRUCTION FUND 2005	-	-	786	(786)
DEBT SERVICE RESERVE FUND	4,595,225	449,668	16,617	5,028,276
SEWER BOND AND INTEREST FUND	4,811,002	5,188,469	4,919,622	5,079,849
SEWER BOND CONSTRUCTION FUND 2009 BONY2	536,878	20,530	-	557,408
STORMWATER IMPROVEMENT FUND	961,118	207,073	-	1,168,191
SEWER UTILITY IMPROVEMENT FUND	3,469,952	851,593	-	4,321,545
SEWER BOND CONSTRUCTION 2021 SERIES D	2,464,011	103,209	405,657	2,161,563
SEWER BOND 2023	-	5,515,758	1,725,665	3,790,093
OFF STREET PARKING	86,149	25,602	51,032	60,719
SANITARY GENERAL	6,977,214	8,508,030	9,395,199	6,090,045
LANDFILL OPERATIONS	2,388,207	3,125,759	3,044,984	2,468,982
SANITARY - RAINY DAY FUND	414,730	11,039	-	425,769
LANDFILL IMPROVEMENT FUND	205,274	387,120	139,847	452,547
SANITARY CAPITAL IMPROVEMENT FUND	2,457,821	277,133	1,965,847	769,107
AVIATION	714,388	519,461	519,180	714,669
PARALLAX	1,187,348	1,811,612	2,037,532	961,428
RP&L Operating	13,702,518	95,550,565	98,610,796	10,642,287

(Continued)

CITY OF RICHMOND
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>
RP&L Depreciation Reserve	\$ 6,615,826	\$ 168,834	\$ -	\$ 6,784,660
RP&L Cash Reserve	2,139,709	2,139,709	2,139,709	2,139,709
RP&L Insurance Reserve	1,368,057	20,920	-	1,388,977
CCR Reserve	3,835,000	3,130,790	-	6,965,790
WWVS Reserve	1,580,000	1,281,163	-	2,861,163
Misc Sub Mod Reserve	<u>370,000</u>	<u>230,000</u>	<u>230,000</u>	<u>370,000</u>
 Totals	 <u>\$ 105,133,047</u>	 <u>\$ 205,600,799</u>	 <u>\$ 202,103,258</u>	 <u>\$ 108,630,588</u>

See accompanying notes to financial statement.

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 Council-Mayor 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)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Utility fees. Amounts received from charges for current services.

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

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

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those Cities 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 City. 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.

From time to time, the City holds certificates of deposits with institutions that maintain the FDIC and PDIF coverages as applicable. At December 31, 2023, the City held \$6,000,000 in certificates of deposit.

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 - CASH BALANCE DEFICITS

The financial statement contains some funds with deficits in cash. This is a result of certain funds being set up for reimbursable grants, but for which reimbursement was not yet received by December 31, 2023. The deficits in the Warfield Oil Site Project Fund, the INDOT/CCMG 2-2020 Fund and the Public Transit Fund were not the result of the fund being set up for reimbursable grants. The deficits in these funds were the result of disbursements exceeding receipts due to under-estimating current requirements for the fund. These deficits are to be prepaid from future receipts.

NOTE 7 - PENSION PLAN

Public Employees' Retirement Fund

Plan Description

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

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

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

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

Financial Report

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

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

Contributions

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

(Continued)

NOTE 7 - PENSION PLAN (Continued)

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.

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.

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.

(Continued)

NOTE 7 - PENSION PLAN (Continued)

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.

Richmond Power and Light Pension Plan

Plan Description

The Electric Utility contributes to the Richmond Power and Light Employee's Pension, which is a single-employer defined benefit plan. With the approval of the Electric Utility's fiscal body, the plan is administered by the Principal Financial Group as authorized by state statute (IC 8-1.5-3-7) for full-time employees. The plan provides dependent pensions, life insurance, and disability benefits to plan members and beneficiaries. The trustee issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by writing Richmond Power and Light, 2000 U.S. Highway 27, Richmond, IN 47374.

Funding Policy and Annual Pension Cost

The contribution requirements for plan members for the Richmond Power and Light Employee's Pension Plan are established and can be amended by the Board of Directors of the Electric Utility. The Electric Utility's annual pension costs for the current year and related information, as provided by the actuary, can be found in their separately issued financial statements.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

The City provides to eligible retirees and their spouses the following benefits: health insurance. 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 RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	GENERAL FUND	MOTOR VEHICLE HIGHWAY UNRESTRICTED	LOCAL ROAD AND STREET	MVH RESTRICTED	PARK NON-REVERTING OPERATING	FIRST RESPONSE FUND	ANIMAL CONTROL	POLICE CONTINUING EDUCATION	UNSAFE BUILDING	GENERAL RAINY DAY FUND	CUMULATIVE CAPITAL DEVELOPMENT	MCBRIDE
Cash and investments - beginning	\$ 3,114,242	\$ 341,325	\$ 1,534,853	\$ 1,553,333	\$ 132,961	\$ 6,065,142	\$ 35,918	\$ 149,468	\$ 138,680	\$ 1,022,724	\$ 25,417	\$ 12,806
Receipts:												
Taxes	12,047,642	962,002	-	-	580	-	-	-	62,534	-	448,102	-
Licenses and permits	494,754	36,933	-	-	-	-	1,701	29,270	-	-	-	-
Intergovernmental receipts	7,133,733	778,511	582,571	841,695	25,000	-	-	-	2,136	-	38,145	-
Charges for services	663,895	-	-	-	388,253	3,014,851	-	28,000	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	1,114,649	332,001	48,283	39,980	4,396	-	-	4,490	10,812	27,224	36,074	10,761
Total receipts	21,454,673	2,109,447	630,854	881,675	418,229	3,014,851	1,701	61,760	75,482	27,224	522,321	10,761
Disbursements:												
Personal services	18,097,543	1,097,727	-	783,110	267,826	921,565	-	-	-	-	-	-
Supplies	623,242	184,746	79,373	252,815	104,140	497,790	268	-	-	-	-	-
Other services and charges	3,002,498	426,195	-	819,617	82,414	408,117	578	2,772	31,978	-	-	-
Debt service - principal and interest	-	-	-	-	53,755	-	-	-	-	-	-	-
Capital outlay	3,300	80,274	175,510	-	33,149	3,716,851	-	-	-	-	504,026	7,773
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	242,674	-	-	-	-	159,742	-	-	-	-	10,180	-
Total disbursements	21,969,257	1,788,942	254,883	1,855,542	541,284	5,704,065	846	2,772	31,978	-	514,206	7,773
Excess (deficiency) of receipts over disbursements	(514,584)	320,505	375,971	(973,867)	(123,055)	(2,689,214)	855	58,988	43,504	27,224	8,115	2,988
Cash and investments - ending	\$ 2,599,658	\$ 661,830	\$ 1,910,824	\$ 579,466	\$ 9,906	\$ 3,375,928	\$ 36,773	\$ 208,456	\$ 182,184	\$ 1,049,948	\$ 33,532	\$ 15,794

(Continued)

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

	CUMULATIVE CAPITAL IMPROVEMENT	TIF BOND SINKING	POLICE PENSION	FIRE PENSION	PROPERTY & LIABILITY INSURANCE	SERIES 2015A TIF DSR	SERIES 2015A TIF CONSTRUCTION	JOHNS MANVILLE TIF	LOCAL ROAD & BRIDGE MATCHING G	SERIES 2015 TIF B&I	PARK NON-REVERTING FM	HEARTLAND TIF ALLOCATION
Cash and investments - beginning	\$ 74,001	\$ 6,744,887	\$ 188,930	\$ 67,300	\$ 19,682	\$ 128,913	\$ 771,174	\$ 1,264,417	\$ 176,754	\$ 304,178	\$ 27,713	\$ 19,452
Receipts:												
Taxes	-	2,969,555	2,036,100	2,381,487	-	-	-	540,272	-	-	-	1,024,679
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	78,616	-	55,385	42,264	-	-	-	-	-	-	38,768	-
Charges for services	-	-	-	-	-	-	-	-	-	-	18,716	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	2,506	183,889	5,993	6,116	1,062,247	-	-	-	-	126,892	22	-
Total receipts	81,122	3,153,444	2,097,478	2,429,867	1,062,247	-	-	540,272	-	126,892	57,506	1,024,679
Disbursements:												
Personal services	-	-	1,645,645	2,010,324	-	-	-	-	-	-	57,836	-
Supplies	-	-	-	-	-	-	-	-	-	-	261	-
Other services and charges	62,578	248,045	3,609	14,617	1,057,882	-	-	161,880	-	-	7,479	3,980
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	156,301	-	-
Capital outlay	18,500	2,198,976	-	-	-	-	70,500	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	126,892	-	-	-	-	-	101,225	-	-	-	-
Total disbursements	81,078	2,573,913	1,649,254	2,024,941	1,057,882	-	70,500	263,105	-	156,301	65,576	3,980
Excess (deficiency) of receipts over disbursements	44	579,531	448,224	404,926	4,365	-	(70,500)	277,167	-	(29,409)	(8,070)	1,020,699
Cash and investments - ending	\$ 74,045	\$ 7,324,418	\$ 637,154	\$ 472,226	\$ 24,047	\$ 128,913	\$ 700,674	\$ 1,541,584	\$ 176,754	\$ 274,769	\$ 19,643	\$ 1,040,151

(Continued)

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

	SERIES 2016 TIF B&I	LOOP PHASE 2 INDOT	2019 COMM CROSSINGS A249-19-LG190016	ORCA/QUIP GRANT	PARAMEDICINE	TMAP	AIP 3-18-0071-026-2022	2022 REDEVELOPEMENT BOND (MIP)	ARP CORONAVIRUS LOCAL FISCAL RECOVERY	TAX ABATEMENT LOAN	BUILD INDIANA	LOIT
Cash and investments - beginning	\$ 458	\$ 328,781	\$ 178,260	\$ 6,212	\$ (91,739)	\$ 58,499	\$ (3,516)	\$ 412,630	\$ 4,921,844	\$ 92,144	\$ 5,003	\$ 303,020
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	2,403,642	-	4,745	166	-	138	-	-	-	2,452	-	-
Total receipts	2,403,642	-	4,745	166	-	138	-	-	-	2,452	-	-
Disbursements:												
Personal services	-	-	-	-	144,076	-	-	-	1,740,497	-	-	-
Supplies	-	-	-	-	21,597	-	-	-	-	-	-	-
Other services and charges	-	18,122	-	-	104,071	58,333	285,645	530,770	185,581	-	-	-
Debt service - principal and interest	2,302,875	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	101,225	9,952	-	-	47,040	-	-	-	364,374	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	2,404,100	28,074	-	-	316,784	58,333	285,645	530,770	2,290,452	-	-	-
Excess (deficiency) of receipts over disbursements	(458)	(28,074)	4,745	166	(316,784)	(58,195)	(285,645)	(530,770)	(2,290,452)	2,452	-	-
Cash and investments - ending	\$ -	\$ 300,707	\$ 183,005	\$ 6,378	\$ (408,523)	\$ 304	\$ (289,161)	\$ (118,140)	\$ 2,631,392	\$ 94,596	\$ 5,003	\$ 303,020

(Continued)

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

	OPIOID UNRESTRICTED FUND	OPIOID RESTRICTED FUND	2019 COMM CROSSING A249-19-LG190092	FY23 GRANT (IN DEP OF HEALTH #72636)	HISTORIC PRESERVE ED CFDA 45.129	PARKS GENERAL	HAZ-MAT NONREVERTING FUND	CRIMINAL JUSTICE GRANTS	LAW ENFORCEMENT AID	REDEVELOPMENT	REVENUE BOND
Cash and investments - beginning	\$ 63,070	\$ 259,730	\$ 2,740	\$ -	\$ -	\$ 1,187,153	\$ 17,672	\$ 103,620	\$ 75,335	\$ 20,544	\$ 526
Receipts:											
Taxes	-	-	-	-	-	2,430,690	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	65,856	-	-	-	3,000	206,819	-	-	-	-	-
Charges for services	-	-	-	-	-	260,528	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-
Other receipts	2,261	6,916	-	-	-	28,995	4,475	-	2,002	548	14
Total receipts	68,117	6,916	-	-	3,000	2,927,032	4,475	-	2,002	548	14
Disbursements:											
Personal services	-	-	-	243	-	1,664,100	-	-	-	-	-
Supplies	-	-	-	-	-	237,097	-	3,853	-	-	-
Other services and charges	-	-	-	-	-	711,500	-	4,965	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	31,158	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	243	-	2,643,855	-	8,818	-	-	-
Excess (deficiency) of receipts over disbursements	68,117	6,916	-	(243)	3,000	283,177	4,475	(8,818)	2,002	548	14
Cash and investments - ending	\$ 131,187	\$ 266,646	\$ 2,740	\$ (243)	\$ 3,000	\$ 1,470,330	\$ 22,147	\$ 94,802	\$ 77,337	\$ 21,092	\$ 540

(Continued)

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

	BUSINESS AND INDUSTRIAL	PROGRAM INCOME	MICROENTERPRISE	PARK HUMAN SERVICES	MIDWEST INDUSTRIAL PARK FUND	GRANTS	CITY CENTER LOAN	PARK BOND SINKING	EDIT FUND	PARK CAPITAL IMPROVEMENT	TAX ABATEMENT INFRASTRUCTURE	PARK BOND CONSTRUCTION
Cash and investments - beginning	\$ 981,511	\$ 18,851	\$ 5,949	\$ 29,038	\$ 961,708	\$ (1,674,686)	\$ 191,870	\$ -	\$ 1,046,528	\$ 8	\$ 180,356	\$ 4,942
Receipts:												
Taxes	-	-	-	-	-	-	-	256,485	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	12,000	-	418,338	-	10,102	1,049,683	-	-	-
Charges for services	-	-	-	-	-	-	-	-	58,555	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	56,898	501	157	3,547	444,012	-	14,953	-	218,200	-	4,802	132
Total receipts	56,898	501	157	15,547	444,012	418,338	14,953	266,587	1,326,438	-	4,802	132
Disbursements:												
Personal services	-	-	-	20,118	-	-	-	-	-	-	-	-
Supplies	-	-	-	486	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	1,200	344,670	10,766	-	-	941,072	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	261,517	-	-	-	-
Capital outlay	-	-	-	-	70,975	83,200	-	-	796,901	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	21,804	415,645	93,966	-	261,517	1,737,973	-	-	-
Excess (deficiency) of receipts over disbursements	56,898	501	157	(6,257)	28,367	324,372	14,953	5,070	(411,535)	-	4,802	132
Cash and investments - ending	\$ 1,038,409	\$ 19,352	\$ 6,106	\$ 22,781	\$ 990,075	\$ (1,350,314)	\$ 206,823	\$ 5,070	\$ 634,993	\$ 8	\$ 185,158	\$ 5,074

(Continued)

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

	CERTIFIED TECHNOLOGY PARK	EMPLOYEE INSURANCE	WORKERS COMPENSATION FUND	WARFIELD OIL SITE PROJECT	INDOT/CCMG 2-2020	GIFTS AND DONATIONS	ASSET FORFEITURE PROGRAM (DEA)	BEAT THE HEAT FOR LOCAL GOVTS	2020-1 COMMUNITY CROSSING MATCHING GRANT	PUBLIC TRANSIT	STORMWATER UTILITY	SEWER UTILITY OPERATIONS
Cash and investments - beginning	\$ 1,069,284	\$ 271,975	\$ 20,637	\$ (15,550)	\$ (241,382)	\$ 783,196	\$ 30,086	\$ (106)	\$ 1,007,496	\$ (1,284,443)	\$ 1,374,296	\$ 7,634,800
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	1,043,658	-	-
Charges for services	132,000	-	-	-	-	-	-	-	-	131,596	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	1,542,376	14,920,453
Other receipts	24,038	9,201,794	398,594	-	-	278,974	62,035	6,872	26,817	207,872	35,091	310,495
Total receipts	156,038	9,201,794	398,594	-	-	278,974	62,035	6,872	26,817	1,383,126	1,577,467	15,230,948
Disbursements:												
Personal services	-	28,448	-	-	-	76,067	-	614	-	727,408	70,224	2,230,779
Supplies	-	-	-	-	-	174,498	-	10	-	135,050	-	-
Other services and charges	16,985	8,952,484	362,085	-	-	50,939	-	-	-	439,900	4,738	788,908
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	274,371	-	-	-	-	97,868	-	-	-	34,226	290,624	829,880
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	223,611	3,160,231
Other disbursements	-	-	-	-	-	10,332	-	-	-	-	1,108,264	5,096,184
Total disbursements	291,356	8,980,932	362,085	-	-	409,704	-	624	-	1,336,584	1,697,461	12,105,982
Excess (deficiency) of receipts over disbursements	(135,318)	220,862	36,509	-	-	(130,730)	62,035	6,248	26,817	46,542	(119,994)	3,124,966
Cash and investments - ending	\$ 933,966	\$ 492,837	\$ 57,146	\$ (15,550)	\$ (241,382)	\$ 652,466	\$ 92,121	\$ 6,142	\$ 1,034,313	\$ (1,237,901)	\$ 1,254,302	\$ 10,759,766

(Continued)

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

	SEWER BOND CONSTRUCTION FUND 2005	DEBT SERVICE RESERVE FUND	SEWER BOND AND INTEREST FUND	SEWER BOND CONSTRUCTION FUND 2009 BONY2	STORMWATER IMPROVEMENT FUND	SEWER UTILITY IMPROVEMENT FUND	SEWER BOND CONSTRUCTION 2021 SERIES D	SEWER BOND 2023	OFF STREET PARKING	SANITARY GENERAL	LANDFILL OPERATIONS	SANITARY RAINY DAY FUND
Cash and investments - beginning	\$ -	\$ 4,595,225	\$ 4,811,002	\$ 536,878	\$ 961,118	\$ 3,469,952	\$ 2,464,011	\$ -	\$ 86,149	\$ 6,977,214	\$ 2,388,207	\$ 414,730
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	6,192,605	-	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	1,768,067	-	-
Charges for services	-	-	-	-	-	-	-	-	23,640	214,575	2,337,243	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	449,668	5,188,469	20,530	207,073	851,593	103,209	5,515,758	1,962	332,783	788,516	11,039
Total receipts	-	449,668	5,188,469	20,530	207,073	851,593	103,209	5,515,758	25,602	8,508,030	3,125,759	11,039
Disbursements:												
Personal services	-	-	-	-	-	-	-	-	23,888	3,396,709	1,012,563	-
Supplies	-	-	-	-	-	-	-	-	239	598,328	159,828	-
Other services and charges	-	-	-	-	-	-	-	-	26,905	1,435,229	720,718	-
Debt service - principal and interest	-	-	4,919,622	-	-	-	-	-	-	480,429	-	-
Capital outlay	-	-	-	-	-	-	405,657	1,725,665	-	2,505,773	416,295	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	786	16,617	-	-	-	-	-	-	-	978,731	735,580	-
Total disbursements	786	16,617	4,919,622	-	-	-	405,657	1,725,665	51,032	9,395,199	3,044,984	-
Excess (deficiency) of receipts over disbursements	(786)	433,051	268,847	20,530	207,073	851,593	(302,448)	3,790,093	(25,430)	(887,169)	80,775	11,039
Cash and investments - ending	\$ (786)	\$ 5,028,276	\$ 5,079,849	\$ 557,408	\$ 1,168,191	\$ 4,321,545	\$ 2,161,563	\$ 3,790,093	\$ 60,719	\$ 6,090,045	\$ 2,468,982	\$ 425,769

(Continued)

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

	LANDFILL IMPROVEMENT FUND	SANITARY CAPITAL IMPROVEMENT FUND	AVIATION	PARALLAX	RP&L Operating	RP&L Depreciation Reserve	RP&L Cash Reserve	RP&L Insurance Reserve	CCR Reserve	WWVS Reserve	Misc Sub Mod Reserve	Totals
Cash and investments - beginning	\$ 205,274	\$ 2,457,821	\$ 714,388	\$ 1,187,348	\$ 13,702,518	\$ 6,615,826	\$ 2,139,709	\$ 1,368,057	\$ 3,835,000	\$ 1,580,000	\$ 370,000	\$ 105,133,047
Receipts:												
Taxes	-	-	-	-	-	-	-	-	-	-	-	31,352,733
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	562,658
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	14,194,347
Charges for services	-	-	519,461	-	-	-	-	-	-	-	-	7,791,313
Utility fees	-	-	-	-	94,603,776	-	-	-	-	-	-	111,066,605
Other receipts	387,120	277,133	-	1,811,612	946,789	168,834	2,139,709	20,920	3,130,790	1,281,163	230,000	40,633,143
Total receipts	387,120	277,133	519,461	1,811,612	95,550,565	168,834	2,139,709	20,920	3,130,790	1,281,163	230,000	205,600,799
Disbursements:												
Personal services	-	-	159,747	593,743	-	-	-	-	-	-	-	36,770,800
Supplies	-	-	201,976	-	-	-	-	-	-	-	-	3,275,597
Other services and charges	-	-	137,085	-	-	-	-	-	-	-	-	22,466,910
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	8,174,499
Capital outlay	139,847	1,965,847	-	-	-	-	-	-	-	-	-	16,999,737
Utility operating expenses	-	-	-	-	77,790,428	-	-	-	-	-	-	81,174,270
Other disbursements	-	-	20,372	1,443,789	20,820,368	-	2,139,709	-	-	-	230,000	33,241,445
Total disbursements	139,847	1,965,847	519,180	2,037,532	98,610,796	-	2,139,709	-	-	-	230,000	202,103,258
Excess (deficiency) of receipts over disbursements	247,273	(1,688,714)	281	(225,920)	(3,060,231)	168,834	-	20,920	3,130,790	1,281,163	-	3,497,541
Cash and investments - ending	\$ 452,547	\$ 769,107	\$ 714,669	\$ 961,428	\$ 10,642,287	\$ 6,784,660	\$ 2,139,709	\$ 1,388,977	\$ 6,965,790	\$ 2,861,163	\$ 370,000	\$ 108,630,588

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,388,045	\$ 1,045,638
Roseview Transit	43,044	173,238
Wastewater	203,971	-
Off Street Parking	-	8,805
Solid Waste	263,222	2,809
Airport	2,750	7,562
Electric	<u>297,459</u>	<u>7,154,811</u>
Totals	<u>\$ 2,198,491</u>	<u>\$ 8,392,863</u>

CITY OF RICHMOND
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:				
Lease	Fire truck	\$ 74,985	9/30/2022	9/30/2026
YAHMAHA	Golf Cart	<u>45,620</u>	2/7/2020	4/15/2025
Total governmental activities		<u>120,605</u>		
Wastewater:				
Johnson Control	Energy Savings	274,940	7/1/2010	1/1/2025
Refuse Truck	Refuse Truck	<u>243,141</u>	10/25/2019	10/1/2024
Total Wastewater		<u>518,081</u>		
Total of annual lease payments		<u>\$ 638,686</u>		
<u>Type</u>	<u>Description of Debt</u>	<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>	
Governmental activities:				
Revenue bonds	Economic Development Revenue Bonds Series 2014 (Redev)	\$ 231,000	\$ 89,000	
Revenue bonds	REDEVELOPMENT TIR	2,630,000	2,630,000	
Revenue bonds	Tax Increment Revenue Bonds of 2015 Series A	1,505,000	70,000	
Revenue bonds	Taxable Economic Development Revenue Bonds Series 2016 (Redev)	22,370,068	1,633,000	
Revenue bonds	Taxable Tax Increment Revenue Bonds of 2015 Series B (Brownfield Bonds)	<u>342,000</u>	<u>28,500</u>	
Total governmental activities		<u>27,078,068</u>	<u>4,450,500</u>	
Wastewater:				
Revenue bonds	2023SRF	4,600,000	5,000	
Revenue bonds	IN Brownfield Program Loan (2012 Series B)	434,800	43,480	
Revenue bonds	Sanitary District Bonds of 2017 (SRF-WW16268906)	9,100,000	525,000	
Revenue bonds	Sanitary District Bonds of 2019	14,700,000	735,000	
Revenue bonds	Sanitary District Refunding Bonds Of 2019	4,440,000	545,000	
Revenue bonds	Sanitary District Refunding Revenue Bonds (2015 Series B)	1,330,000	1,330,000	
Revenue bonds	SRFWW 2021D	6,454,000	130,070	
Revenue bonds	Tertiary Building Modifications (WW09128902) (2009 Series A)	656,000	85,000	
Revenue bonds	Wastewater/Stormwater Improvements (ES Interceptor ph 3) (WW13049804) ((2012 Series A)	<u>8,080,000</u>	<u>745,000</u>	
Total Wastewater		<u>49,794,800</u>	<u>4,143,550</u>	
Totals		<u>\$ 76,872,868</u>	<u>\$ 8,594,050</u>	

CITY OF RICHMOND
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	\$ 5,918,430
Infrastructure	37,000,177
Buildings	16,585,944
Improvements other than buildings	6,484,126
Machinery, equipment, and vehicles	24,290,200
Construction in progress	<u>1,865,921</u>
Total governmental activities	<u>92,144,798</u>
Roseview Transit:	
Land	19,950
Buildings	577,915
Improvements other than buildings	184,525
Machinery, equipment, and vehicles	<u>814,784</u>
Total Roseview Transit	<u>1,597,174</u>
Wastewater:	
Land	81,294
Infrastructure	47,667,888
Buildings	2,925,894
Improvements other than buildings	50,236,701
Machinery, equipment, and vehicles	16,883,686
Construction in progress	<u>50,440,654</u>
Total Wastewater	<u>168,236,117</u>
Off Street Parking:	
Land	154,653
Buildings	1,334,021
Improvements other than buildings	409,418
Machinery, equipment, and vehicles	<u>45,875</u>
Total Off Street Parking	<u>1,943,967</u>

(Continued)

CITY OF RICHMOND
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>
Solid Waste:	
Land	\$ 451,767
Infrastructure	4,510,283
Buildings	1,536,245
Improvements other than buildings	6,488,141
Machinery, equipment, and vehicles	21,182,529
Construction in progress	<u>12,887,087</u>
 Total Solid Waste	 <u>47,056,052</u>
 Airport:	
Land	567,389
Buildings	877,458
Improvements other than buildings	11,134,565
Machinery, equipment, and vehicles	<u>668,843</u>
 Total Airport	 <u>13,248,255</u>
 Electric:	
Land	1,191,980
Buildings	3,491,321
Improvements other than buildings	371,918
Machinery, equipment, and vehicles	49,794,300
Construction in progress	<u>5,004,069</u>
 Total Electric	 <u>59,853,588</u>
 Total capital assets	 <u>\$ 384,079,951</u>

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

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

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

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Agriculture</u>				
Supplemental Nutrition Assistance Program Cluster				
State Administrative Matching Grants for the Supplemental Nutrition Assistance Program	Indiana Department of Agriculture	10.561	400SNAPNE100F23	\$ 40,289
Cooperative Forestry Assistance	Indiana Department of Agriculture	10.664	300FR100CUF2020	<u>19,608</u>
Total - Department of Agriculture				<u>59,897</u>
<u>Department of Commerce</u>				
Economic Development Cluster				
Economic Adjustment Assistance	Direct Grant			
Revolving Loan Program		11.307	06-36-02088	<u>966,002</u>
Total - Economic Development Cluster				<u>966,002</u>
Total - Department of Commerce				<u>966,002</u>
<u>Department of Defense</u>				
National Guard Military Operations and Maintenance (O&M) Projects	Indiana Department of Defense	12.401	110241001FPU001	16,430
		12.401	110231001F00005	<u>2,758</u>
Total - Department of Defense				<u>19,188</u>
<u>Department of Transportation</u>				
Highway Planning and Construction	Indiana Department of Transportation			
Bike and Pedestrians		20.205	DES 1702769	<u>7,860</u>
Formula Grants for Rural Areas and Tribal Transit Program	Indiana Department of Transportation			
Rose View Transit		20.509	800200156800LC7	98,279
Rose View Transit		20.509	800170045800LC7	255,310
Rose View Transit		20.509	800FTAIN2022000	<u>135,553</u>
Total - Formula Grants for Rural Areas and Tribal Transit Program				<u>489,142</u>
Federal Transit Cluster				
Bus and Bus Facilities Formula & Discretionary Programs (Bus Program)	Indiana Department of Transportation			
Rose View Transit		20.526	800FTAIN2022000	<u>5,811</u>
Total - Department of Transportation				<u>502,813</u>

(Continued)

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

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds ARP Coronavirus Local Fiscal Relief	Direct Grant	21.027	FY 2021	\$ 2,290,452
Total - Department of the Treasury				<u>2,290,452</u>
<u>Department of Health and Human Services</u>				
Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises EMS Grant 2022	Indiana Department of Health	93.391	4093991PHSBG22	<u>174,800</u>
Total - Department of Health and Human Services				<u>174,800</u>
Total federal awards expended				<u>\$ 4,013,152</u>

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

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

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

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

NOTE 3 - OTHER INFORMATION

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

NOTE 4 - CALCULATION OF EXPENDITURES OF THE ECONOMIC DEVELOPMENT CLUSTER PRESENTED ON THE SEFA

Balance of RLF loans outstanding at the end of the recipient's fiscal year	\$ 313,967
Plus: Cash and Investment balance in the RLF Funds at the end of the recipient's fiscal year.	1,038,409
Plus: Administrative expenses paid out of RLF income during the recipient's fiscal year.	<u> -</u>
Total "Expenditures"	<u>1,352,376</u>
Calculation for Federal Participation Rate	
Original Grant	500,000
Original Match (In-kind – Donated Warner Gear Buildings)	<u>200,000</u>
Total Original Grant with Original Match	<u>700,000</u>
Federal Participation Rate (Original Grant Award Divided By Total Original Grant and Match)	<u>0.7143</u>
Total for SEFA (Total "Expenditures" times Federal Participation Rate)	<u>\$ 966,002</u>

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 Richmond
Wayne 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 Richmond ("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 through 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)

City's Response to Findings

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

Purpose of this Report

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

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 30, 2024

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

Those Charged with Governance
City of Richmond
Wayne County, Indiana

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the City of Richmond's (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 each of 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.

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 Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

(Continued)

Auditor's Responsibilities for the Audit of Compliance

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

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 2023-003 to be a material weakness.

(Continued)

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

Our 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 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.

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 RICHMOND
 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?	_____	Yes	<u> X </u>	None Reported

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

Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	<u> 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>
11.307	Economic Development Cluster
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 RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings

FINDING 2023-001

Subject: Financial Transactions and Reporting
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. . . ."

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

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

Condition: The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Annual Financial Report (AFR).

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

Context: The City had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the City's financial statement.

The City did not properly review the financial information prepared and submitted in Gateway. Although the outsourced accounting firm prepared the AFR, and the Controller reviewed and approved the information entered, the internal controls were not effective and did not detect and correct of errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit contained the following errors:

- The opening cash balance for the following funds did not agree to the prior audit report:
 - TMAP Fund was understated by \$100,000
 - Grants Fund was overstated by \$20,833
 - Gifts and Donations Fund was understated by \$10,074

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

- Parallax Fund was omitted, resulting in an understatement of beginning cash in the amount of \$1,187,348, receipts of \$1,811,612, disbursements of \$2,037,532 and ending cash of \$961,428.

Adjustments were proposed and made to correct the misstatements 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 error identified in the Context section.

Identification as a repeat finding, if applicable: No.

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

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

FINDING 2023-002

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

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

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

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (Continued)

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.

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

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

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

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

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

Condition: The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

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

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. In the City's submission for the year ended December 31, 2023, the following errors were noted:

1. State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (ALN 10.561) was omitted from the SEFA resulting in an understatement of \$40,289
2. Cooperative Forestry Assistance (ALN 10.664) was omitted from the SEFA resulting in an understatement of \$19,608
3. Urban and Community Forestry Program (ALN 10.675) was overstated by \$22,102

(Continued)

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

Section II – Financial Statement Findings (Continued)

FINDING 2023-002 (Continued)

4. National Guard military Operations and Maintenance Projects (12.401) was omitted from the SEFA resulting in an understatement of \$19,188
5. Airport Improvement Program (ALN 20.106) was overstated by \$326,981. The grant listed the expenditure amounts
6. Formula Grants for Rural Areas and Tribal Transit Program (ALN 10.509) was understated by \$390,863
7. Bus and Bus Facilities Formula and Discretionary Programs (ALN 10.526) was understated by \$5,811
8. Coronavirus State and Local Fiscal Recovery Funds (21.027) was omitted from the SEFA, resulting in an understatement of \$2,290,452.
9. Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises (ALN 93.391) was omitted from the SEFA, resulting in an understatement of \$174,800

In total, the SEFA was understated \$2,591,928. Adjustments were made to correct the errors noted above.

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

Identification as a repeat finding, if applicable: No.

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

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

(Continued)

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2023-003

Subject: Coronavirus State and Local Fiscal Recovery Funds - Suspension and Debarment
Federal Agency: U.S. Department of Treasury
Assistance Listing Number: 21.027
Federal Award Number: FY 2021
Pass-Through Entity: Direct grant
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness

Criteria: 2 CFR section 200.303 states in part: "The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award 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)...."

31 CFR 19.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking the EPLS; or
- (b) Collecting a certification from that person if allowed by this rule; or
- (c) Adding a clause or condition to the covered transaction with that person."

Condition: The City elected to receive the standard revenue loss allowance, allowing them to claim its total State and Local Fiscal Recovery Funds (SLFRF) allocation as revenue loss to use for government services. As such, all SLFRF program funds were expended under the revenue loss eligible use category. The U.S. Department of the Treasury (Treasury) determined that there are no subawards under this eligible use category, and that recipients' use of revenue loss funds would not give rise to subrecipient relationships given that there is no federal program or purpose to carry out in the case of the revenue loss portion of the award.

Prior to entering into subawards and covered transactions with SLFRF award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to contracts for goods and services awarded under a non-procurement transaction (i.e. grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the SAM exclusions, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person. Due to the Treasury's determination that the revenue loss eligible use category does not give rise to subawards, the City was only required to comply with suspension and debarment requirements related to covered transactions.

Cause: Management had not established a system of internal control that would have ensured proper Suspension and Debarment procedures are followed.

(Continued)

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

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

FINDING 2023-003 (Continued)

Context: We noted there was one vendor that the City entered into contract within the current year that exceeded \$25,000 paid from SLFRF funds. This transaction, totaling \$364,374 was selected for testing. The City was not able to provide support proving that the City had verified the vendor was not suspended or debarred prior to entering into the contract. Management asserts that this is being done, but support is not maintained.

Effect: Without the proper implementation of an effectively designed system of internal controls, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance.

Identification as a repeat finding, if applicable: Yes. Comment appeared in prior year as Finding 2022-002.

Recommendation: We recommended that the City’s management establish controls related to the grant agreement and the Suspension and Debarment compliance requirement.

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



CITY OF RICHMOND

DEPARTMENT OF FINANCE

50 NORTH FIFTH STREET - RICHMOND, IN 47374
PHONE (765) 983-7200 - FAX (765) 983-7212

RONALD OLER
Mayor

TRACY McGINNIS
City Controller

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

December 31, 2023

FINDING 2023-001

Subject: Financial Transactions and Reporting
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 Annual Financial Report (AFR).

Context: The City had not established effective internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source of the City's financial statement.

The City did not properly review the financial information prepared and submitted in Gateway. Although the outsourced accounting firm prepared the AFR, and the Controller reviewed and approved the information entered, the internal controls were not effective and did not detect and correct of errors prior to submission.

Due to the lack of effective internal controls, the financial statement presented for audit contained the following errors:

- The opening cash balance for the following funds did not agree to the prior audit report:
 - TMAP Fund was understated by \$100,000
 - Grants Fund was overstated by \$20,833
 - Gifts and Donations Fund was understated by \$10,074
 - Parallax Fund was omitted, resulting in an understatement of beginning cash in the amount of \$1,187,348, receipts of \$1,811,612, disbursements of \$2,037,532 and ending cash of \$961,428.

Adjustments were proposed and made to correct the misstatements 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 Controller, Deputy Controller and outsourced accounting firm that assists with the preparation of the AFR. The Correction Action will be implemented starting with the calendar year 2024 AFR submission.

FINDING 2023-002

Subject: Preparation and Review 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).

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. In the City's submission for the year ended December 31, 2023, the following errors were noted:

1. State Administrative Matching Grants for the Supplemental Nutrition Assistance Program (ALN 10.561) was omitted from the SEFA resulting in an understatement of \$40,289
2. Cooperative Forestry Assistance (ALN 10.664) was omitted from the SEFA resulting in an understatement of \$19,608
3. Urban and Community Forestry Program (ALN 10.675) was overstated by \$22,102
4. National Guard military Operations and Maintenance Projects (12.401) was omitted from the SEFA resulting in an understatement of 19,188
5. Airport Improvement Program (ALN 20.106) was overstated by \$326,981. The grant listed the expenditure amounts
6. Formula Grants for Rural Areas and Tribal Transit Program (ALN 10.509) was understated by \$390,863
7. Bus and Bus Facilities Formula and Discretionary Programs (ALN 10.526) was understated by \$5,811
8. Coronavirus State and Local Fiscal Recovery Funds (21.027) was omitted from the SEFA, resulting in an understatement of \$2,290,452.
9. Activities to Support State, Tribal, Local and Territorial (STLT) Health Department Response to Public Health or Healthcare Crises (ALN 93.391) was omitted from the SEFA, resulting in an understatement of \$174,800

In total, the SEFA was understated \$2,591,928. Adjustments were made 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 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 Controller, Deputy Controller and the Director of Strategic Initiatives. The Corrective Action will be implemented starting with the calendar year 2024 SEFA submission.

FINDING 2023-003

Subject: Coronavirus State and Local Fiscal Recovery Funds - Suspension and Debarment
Federal Agency: U.S. Department of Treasury
Assistance Listing Number: 21.027
Federal Award Number: FY 2021
Pass-Through Entity: Direct grant
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness

Condition: The City elected to receive the standard revenue loss allowance, allowing them to claim its total State and Local Fiscal Recovery Funds (SLFRF) allocation as revenue loss to use for government services. As such, all SLFRF program funds were expended under the revenue loss eligible use category. The U.S. Department of the Treasury (Treasury) determined that there are no subawards under this eligible use category, and that recipients' use of revenue loss funds would not give rise to subrecipient relationships given that there is no federal program or purpose to carry out in the case of the revenue loss portion of the award.

Prior to entering into subawards and covered transactions with SLFRF award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to contracts for goods and services awarded under a non-procurement transaction (i.e. grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification from that person, or adding a clause or condition to the covered transaction with that person. Due to the Treasury's determination that the revenue loss eligible use category does not give rise to subawards, the City was only required to comply with suspension and debarment requirements related to covered transactions.

Context: We noted there was one vendor that the City entered into contract with in the current year that exceeded \$25,000 paid from SLFRF funds. This transaction, totaling \$364,374 was selected for testing. The City was not able to provide support proving that the City had verified the vendor was not suspended or debarred prior to entering into the contract. Management asserts that this is being done, but support is not maintained.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The City will include a suspension and debarment clause into our federal contracts going forward.

Responsible Party and Timeline for Completion: The Controller, Deputy Controller and the Director of Strategic Initiatives. The Corrective Action will be implemented in January 2025.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Subject: Formula Grants for Rural Areas and Tribal Transit Program – Suspension and Debarment
Federal Agency: U.S. Department of Transportation
Assistance Listing Number: 20.509
Federal Award Number: 1803911O, 1804311O
Pass-Through Entity: Indiana Department of Transportation
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition: Prior to entering into subawards and covered transactions with Formula Grants for Rural Areas and Tribal Transit Program award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to contracts for goods and services awarded under a non-procurement transaction (i.e., grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the SAM exclusions, collecting a certification from that person, or adding a clause or condition to the covered transaction with that person.

Context: Upon inquiry of the City, in order to review the procedures in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded, the City divulged there were no procedures in place. A population of one covered transaction for goods or services that equaled or exceeded \$25,000 paid from Formula Grants for Rural Areas and Tribal Transit Program funds during the audit period was identified. The one transaction, totaling \$137,180, was selected for testing. The City did not verify the vendor's suspension and debarment status prior to payment due to the City not having any policies or procedures in place to verify that contractors were neither suspended nor debarred, or otherwise excluded or disqualified from participating in federal assistance programs or activities.

Status: Unresolved. The program did not meet the requirement of a major program in the current year and was therefore not tested. Management did confirm that this finding has not been resolved.

FINDING 2022-002

Subject: Coronavirus State and Local Fiscal Recovery Funds - Suspension and Debarment
Federal Agency: U.S. Department of Treasury
Assistance Listing Number: 21.027
Federal Award Number: FY 2021
Pass-Through Entity: Direct grant
Compliance Requirements: Procurement and Suspension and Debarment
Audit Findings: Material Weakness, Modified Opinion

Condition: The City elected to receive the standard revenue loss allowance, allowing them to claim its total State and Local Fiscal Recovery Funds (SLFRF) allocation as revenue loss to use for government services. As such, all SLFRF program funds were expended under the revenue loss eligible use category. The U.S. Department of the Treasury (Treasury) determined that there are no subawards under this eligible use category, and that recipients' use of revenue loss funds would not give rise to subrecipient relationships given that there is no federal program or purpose to carry out in the case of the revenue loss portion of the award.

Prior to entering into subawards and covered transactions with SLFRF award funds, recipients are required to verify that such contractors and subrecipients are not suspended, debarred, or otherwise excluded. "Covered transactions" include, but are not limited to contracts for goods and services awarded under a non-procurement transaction (i.e. grant agreement) that are expected to equal or exceed \$25,000. The verification is to be done by checking the Excluded Parties List System (EPLS), collecting a certification

from that person, or adding a clause or condition to the covered transaction with that person. Due to the Treasury's determination that the revenue loss eligible use category does not give rise to subawards, the City was only required to comply with suspension and debarment requirements related to covered transactions.

Context: Upon inquiry of the City, in order to review the procedures in place for verifying that an entity with which it plans to enter into a covered transaction is not suspended, debarred, or otherwise excluded, the City divulged that they were unaware of the suspension and debarment requirements related to the SLFRF awards at the time the contracts were issued. A population of five covered transactions for goods or services that equaled or exceeded \$25,000 paid from SLFRF funds during the audit period was identified. All five of these transactions, totaling \$846,919, were selected for testing. For each of the transactions, the City did not verify the vendors' suspension and debarment status prior to payment due to the City not having any policies or procedures in place to verify that vendors were neither suspended nor debarred, or otherwise excluded or disqualified from participating in federal assistance programs or activities.

Status: Unresolved. See Finding 2023-003 in the current year report.