

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

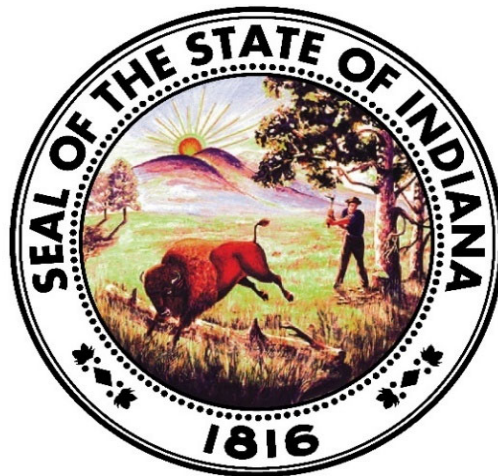
FEDERAL COMPLIANCE AUDIT REPORT

OF

CITY OF KOKOMO

HOWARD COUNTY, INDIANA

January 1, 2023 to December 31, 2023



**FILED**

09/11/2024



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Weston Reed (Vacant) Thu Caven	01-01-23 to 03-08-24 03-09-24 to 03-10-24 03-11-24 to 12-31-24
Mayor	Tyler Moore	01-01-23 to 12-31-24
President of the Board of Public Works	Weston Reed	01-01-23 to 12-31-24
President of the Common Council	Ray Collins	01-01-23 to 12-31-24
Wastewater Superintendent	Christopher Cooper	01-01-23 to 12-31-24



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

TO: THE OFFICIALS OF THE CITY OF KOKOMO, HOWARD COUNTY, INDIANA

We have audited, in accordance with 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 Kokomo (City), 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 August 26, 2024, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***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 combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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

***Report on Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the City's financial statement is free of 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 determination of financial statement amounts. 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*.

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



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 26, 2024



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

TO: THE OFFICIALS OF THE CITY OF KOKOMO, HOWARD COUNTY, INDIANA

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited the City of Kokomo's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of its 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 types of 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(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**

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 combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE  
(Continued)

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

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

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

**Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance**

We have audited the financial statement of the City, as of and for the year ended December 31, 2023, and the related notes to the financial statement. We issued our report thereon dated August 26, 2024, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 itself, 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.



Beth Kelley, CPA, CFE  
Deputy State Examiner

August 26, 2024

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

The Schedule of Expenditures of Federal Awards and accompanying notes presented were approved by management of the City. The schedule and notes are presented as intended by the City.

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CITY OF KOKOMO  
 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 Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Rural Business Enterprise Grants USDA Rev Loan Fund	Direct Grant	10.769	FY 2021	\$ -	\$ 63,750
Total - Department of Agriculture				-	63,750
<u>Department of Commerce</u>					
Economic Development Cluster Economic Adjustment Assistance EDA CARES ACT Recovery Assistance RLF	Direct Grant	11.307	06-79-06236	-	350,996
Total - Economic Development Cluster				-	350,996
Total - Department of Commerce				-	350,996
<u>Department of Housing and Urban Development</u>					
CDBG - Entitlement Grants Cluster					
Community Development Block Grants/Entitlement Grants					
HUD CDBG 2017	Direct Grant	14.218	B17-MC-18-0014	-	156,350
HUD CDBG 2018			B18-MC-18-0014	-	127,160
HUD CDBG 2019			B19-MC-18-0014	-	36,790
CDBG CV 2020			B20-MW-18-0014	-	40,530
HUD CDBG 2021			B21-MC-18-0014	-	119,050
HUD CDBG 2022			B22-MC-18-0014	74,780	572,787
HUD CDBG 2023			B23-MC-18-0014	39,222	250,677
Total - Community Development Block Grants/Entitlement Grants				114,002	1,303,344
Total - CDBG - Entitlement Grants Cluster				114,002	1,303,344
Total - Department of Housing and Urban Development				114,002	1,303,344
<u>Department of Justice</u>					
Edward Byrne Memorial Justice Assistance Grant Program	Direct Grant	16.738			
PO321 2021 JAG Grant			15PBJA-21-GG-01477-JAGX	-	14,119
PO322 2022 JAG Grant			15PBJA-22-GG-02372-JAGX	-	5,219
PO320 2020 JAG Grant			2020-DJ-BX-0956	-	13,063
Total - Edward Byrne Memorial Justice Assistance Grant Program				-	32,401
Equitable Sharing Program Police Equitable Sharing	Direct Grant	16.922	2023 Distribution	-	34,528
Total - Department of Justice				-	66,929

CITY OF KOKOMO  
 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 Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Federal Transit Cluster					
Federal Transit Formula Grants					
	Direct Grant	20.507			
FTA16 Federal Transit Formula Grant 2016			IN-2016-034-00	-	5,013
FTA19 Federal Transit Formula Grant 2019			IN-2019-010-00	-	71,712
FTABB. Transit STBG Flex Bus Barn Replacement			IN-2020-036-00	-	30,849
FTA21 Federal Transit Formula Grant 2021			IN-2021-044-00	-	1,810,607
				<u>-</u>	<u>1,918,181</u>
Total - Federal Transit Formula Grants					
				-	1,918,181
Total - Federal Transit Cluster					
				<u>-</u>	<u>1,918,181</u>
Highway Safety Cluster					
State and Community Highway Safety					
	Indiana Criminal Justice Institute	20.600			
PO420C HVE Motorcycle			CHIRP-2023-00078	-	4,637
PO420 Click It to Live It			CHIRP-2023-00078	-	17,340
				<u>-</u>	<u>21,977</u>
Total - State and Community Highway Safety					
				-	21,977
National Priority Safety Programs					
	Indiana Criminal Justice Institute	20.616			
PO420A Non-Motorist Grant			CHIRP-2023-00078	-	582
PO420F Stop Arm Violation Enforcement			SAVE-2023-00004	-	8,027
				<u>-</u>	<u>8,609</u>
Total - National Priority Safety Programs					
				-	8,609
Total - Highway Safety Cluster					
				<u>-</u>	<u>30,586</u>
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure					
Investment and Jobs Act Programs					
	Direct Grant	20.106			
AI30 14/32 Rehab Construction & Cons Eng 100% FAA			3-18-0044-030-2020	-	6,300
AI31 Airport Coro Response Grant			3-18-0044-031-2021	-	1,492
AI33 Airport Rescue Grant			3-18-0044-033-2021	-	32,000
AI34 Design Rnwy 5/23 Rehab			3-18-0044-034-2022	-	29,007
				<u>-</u>	<u>68,799</u>
Total - Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure					
				-	68,799
Highway Planning and Construction					
	Indiana Department of Transportation	20.205			
SMITH Smith road Preliminary Eng			DES #2002563	-	108,541
Berkley Fr Markland To Sycamore PE			DES #1900778	-	105,934
Center Trail Fr SR931 to Dixon			DES #1901304	-	115,708
GOYR-PE Goyer fr Markland to Boulevard			DES #2201070	-	39,045
Lincoln & Berkley CE			DES #1900780	-	724
				<u>-</u>	<u>369,952</u>
Total - Highway Planning and Construction					
				-	369,952
Minimum Penalties for Repeat Offenders for Driving While Intoxicated					
	Indiana Criminal Justice Institute	20.608			
PO420D Distracted Driving Grant			CHIRP-2023-00078	-	8,844
				<u>-</u>	<u>8,844</u>
Total - Department of Transportation					
				<u>-</u>	<u>2,396,362</u>

CITY OF KOKOMO  
 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 Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of the Treasury</u>					
COVID-19 Coronavirus State and Local Fiscal Recovery Funds	Direct Grant	21.027			
ARP Coronavirus State & Local Fiscal Recovery			CY 2022	-	3,164,133
TRSW Extend Storm Sewer SR931 @ Blvd			TRSW221634	-	562,500
				-	3,726,633
Total - COVID-19 Coronavirus State and Local Fiscal Recovery Funds				-	3,726,633
Total - Department of the Treasury				-	3,726,633
<u>Environmental Protection Agency</u>					
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	Direct Grant	66.818			
Brownfield Revolving Loan			BF-00E01364	-	191,554
Brownfield Grant			BF-00E02704	-	26,054
				-	217,608
Total - Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements				-	217,608
Total - Environmental Protection Agency				-	217,608
<u>Department of Health and Human Services</u>					
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Area 5 on Aging & Community Services	93.044			
Title III part B Area 5			2023	-	23,062
				-	23,062
Total - Aging Cluster				-	23,062
Total - Department of Health and Human Services				-	23,062
<u>Department of Homeland Security</u>					
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067			
SHSP31 Equipment NONpriority			EMW-2022-SS-00064	-	89,652
SHSP32 Equipment Priority Hazardous Devices Unit			EMW-2022-SS-00064	-	66,724
				-	156,376
Total - Homeland Security Grant Program				-	156,376
Total - Department of Homeland Security				-	156,376
Total federal awards expended				\$ 114,002	\$ 8,305,060

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF KOKOMO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. Summary of Significant Accounting Policies**

**A. Basis of Presentation**

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2023. The information in the SEFA 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 SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

**B. Other Significant Accounting Policies**

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

**Note 2. Indirect Cost Rate**

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

**Note 3. Calculation of Economic Development Cluster Expenditures on the SEFA**

The reported expenditures were calculated as follows in accordance with guidance by the grantor:

Revolving Loan Fund (RLF):

Outstanding loans as of December 31, 2023	\$ 211,939
Cash and Investments as of December 31, 2023	139,057
Administrative expenses paid out of RLF income during 2023	-
Unpaid principal on loans written off during 2023	-
	<hr/>
Subtotal	<u>350,996</u>

CITY OF KOKOMO  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Calculation of Federal Participation Rate (FPR):

Original grant	330,000	
Original match (In-Kind)	-	-
Subtotal	330,000	330,000
FPR - Original grant awarded divided by total including original match	100.00%	100.00%
Expenditures reported on the SEFA	\$ 350,996	\$ 350,996

**Note 4. Loans Outstanding**

The City had the following loan balances outstanding at December 31, 2023. The value of these loans are also included in the federal expenditures presented in the SEFA.

Program Title	Assistance Listings Number	2023
Rural Business Enterprise Grants	10.769	\$ 63,750
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements	66.818	187,500

CITY OF KOKOMO  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**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 weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

<u>Assistance Listings Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
21.027	COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Unmodified
	CDBG - Entitlement Grants Cluster	Unmodified

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2022-001**

**Fiscal year in which the finding initially occurred:** CY2022  
**Current Audit Period:** CY2023

**Finding Subject:** COVID-19 - Coronavirus State and Local Fiscal Recovery Funds - Reporting  
**Summary of Finding:**

The City submitted four P&E reports during the audit period; however, a single employee prepared and submitted each P&E report without a review or oversight process in place to prevent, or detect and correct, errors.

**Recommendation:**

We recommended that management of the City design and implement a proper system of internal controls, including policies and procedures that would provide segregation of duties to ensure appropriate reviews, approvals, and oversight are taking place.

**Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented.

### **FINDING 2022-002**

**Fiscal year in which the finding initially occurred:** CY2022  
**Current Audit Period:** CY2023

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

**Summary of Finding:**

The City did not have policies or 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 or disqualified from participating in federal assistance programs or activities if the vendor was located outside of the City.

**Recommendation:**

We recommended that management of the City establish a proper system of internal controls and develop policies and procedures to ensure all contractors and subrecipients, as appropriate, are not suspended, debarred, or otherwise excluded prior to entering into any contracts or subawards.

**Status of Audit Finding:**

Fully Corrected and the original corrective action was implemented.

## OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.