

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF GREENFIELD

HANCOCK COUNTY, INDIANA

January 1, 2014 to December 31, 2014



**FILED**

04/04/2017



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## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Larry J. Breese	01-01-12 to 12-31-15
	Lori Elmore	01-01-16 to 12-31-19
Mayor	Charles R. Fewell	12-30-13 to 12-31-19
President of the Board of Public Works and Safety	Charles R. Fewell	12-30-13 to 12-31-19
President Pro Tempore of the Common Council	Kerry T. Grass	01-01-14 to 12-31-15
	Gary A. McDaniel	01-01-16 to 12-31-17
Superintendent of Utilities	Michael Fruth	01-01-14 to 12-31-17
Superintendent of Water Utility	Mike Fannin	01-01-14 to 12-05-14
	(Vacant)	12-06-14 to 02-01-15
	Charles Gill	02-02-15 to 12-31-17
Superintendent of Wastewater Utility	David Scheiter	01-01-14 to 12-31-17
Superintendent of Electric Utility	Nelson Castrodale	01-01-14 to 12-31-17
Superintendent of Storm Water Utility	Daniel Miller	01-01-14 to 12-31-17
Utility Office Manager	Judy Smoll	01-01-14 to 05-22-15
	Jane Webb	05-23-15 to 12-31-17



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF GREENFIELD, HANCOCK COUNTY, INDIANA

This report is supplemental to our examination report of the City of Greenfield (City), for the period from January 1, 2014 to December 31, 2014. It has been provided as a separate report so that the reader may easily identify any Examination Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Examination Report of the City, which provides our opinion on the City's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Examination Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Examination Results and Comments, incorporated within this report, was not verified for accuracy.

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

February 27, 2017

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CLERK-TREASURER  
CITY OF GREENFIELD

CLERK-TREASURER  
CITY OF GREENFIELD  
EXAMINATION RESULTS AND COMMENTS

***LOCAL DISTRIBUTION POSTING ERRORS***

The City's financial records contained the following posting errors related to local distributions:

1. The Spring CVET distribution of \$19,420 was posted entirely to the MVH Street fund when portions should have been posted to the General Fund in the amount of \$14,254, the Park & Recreation fund in the amount of \$1,997, and the Park Bond fund in the amount of \$979. A second CVET distribution of \$281 was posted entirely to the Fire Territory fund but \$34 of that should have been posted to the Fire Equipment fund.
2. The August CEDIT distribution of \$43,401 was incorrectly posted to the General Fund instead of to the CEDIT fund.

Adjustments were proposed, accepted by the City, and made in a subsequent period.

Sources and uses of funds must be limited to those authorized by the enabling law, ordinance/resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

***CUSTOMER DEPOSIT REGISTER***

The detailed customer deposit register for the Water and Electric Utilities did not reconcile with the customer deposit amounts recorded in the Fund Ledger. In both cases, the cash exceeded the total of customer deposits on record. The excess amounts for 2014 were \$369 in the Light Meter Dep fund and \$72 in Water Meter Deposit fund.

A similar comment appeared in the prior Report B44916.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
CITY OF GREENFIELD  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

**PAYROLL**

The City's payroll records presented for examination included the following deficiencies:

1. Department Head time/attendance sheets were not approved by another individual.
2. Payroll information was not reviewed for errors by another individual. As a result, an employee was overpaid \$38.

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. . . ."

CLERK-TREASURER  
CITY OF GREENFIELD  
EXIT CONFERENCE

The contents of this report were discussed on February 27, 2017, with Larry J. Breese, former Clerk-Treasurer; Lori Elmore, Clerk-Treasurer; Charles R. Fewell, Mayor; and Gary A. McDaniel, President Pro Tempore of the Common Council.