

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF GREENWOOD

JOHNSON COUNTY, INDIANA

January 1, 2016 to December 31, 2016



FILED
08/08/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Mark W. Myers	01-01-16 to 12-31-19
Controller	Adam Stone (Vacant) Jody Long Kathie Fritz (interim)	01-01-16 to 10-03-16 10-04-16 to 10-16-16 10-17-16 to 04-13-17 04-14-17 to 12-31-17
President of the Board of Public Works and Safety	Michael Newbold Kevin Hoover	01-01-16 to 07-17-16 07-18-16 to 12-31-17
President of the Common Council	Michael Campbell	01-01-16 to 12-31-17
Superintendent of Wastewater Utility	Keith Meier	01-01-16 to 12-31-17
Superintendent of Storm Water Utility	Christopher Jones	01-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF GREENWOOD, JOHNSON COUNTY, INDIANA

This report is supplemental to our audit report of the City of Greenwood (City), for the period from January 1, 2016 to December 31, 2016. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Report of the City, which provides our opinions on the City's financial statement. This report may be found at 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 Audit Result and Comment contained herein describes the identified reportable instance 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 Audit Result and Comment, incorporated within this report, was not verified for accuracy.

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

June 20, 2017

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CONTROLLER
CITY OF GREENWOOD

CONTROLLER
CITY OF GREENWOOD
AUDIT RESULT AND COMMENT

CAPITAL ASSETS

The City had not properly maintained a complete inventory of capital assets owned. The following errors were noted in the City capital asset records:

- The asset records included information technology (IT) equipment that had been removed from the IT asset list five or six years prior.
- There were 217 vehicle identification numbers (VIN) which had been duplicated and were listed on various non-vehicle classifications in the asset records, including traffic signals, land (right of way), infrastructure (streets, sidewalks, pumps, lift station, pipes, manholes, and street lights), buildings, flag poles, furniture, street lights, surveying equipment, building (interior construction, elevator upgrades, electrical, audio/video, and building improvements), communication equipment, city fuel station, treatment plant, fencing, and parking lot improvements. Two vehicles had two different VIN numbers listed for each of them.

Every unit must have a capital assets policy that details the threshold at which an item is considered a capital asset. Every unit must have a complete detail listing of all capital assets owned which reflects their acquisition value. Capital Asset Ledger (Form 369) has been prescribed for this purpose. A complete physical inventory must be taken at least every two years, unless more stringent requirements exist, to verify account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)



June 28, 2017

State Board of Accounts
302 West Washington Street, Room E 418
Indianapolis, Indiana 46204-2765

RE: City of Greenwood 2016 Audit Result and Comment

In response to the 2016 City of Greenwood's Audit Results and Comments, the Finance Office submits the following corrective action plans:

Capital Assets

- The Capital Asset excel file is currently being reviewed by line item for corrections.
 - The file will be sorted by department and sent to the department heads to validate accuracy.
- A capital asset tracking form will be distributed to department heads by August 14th to update additions and deletions at the end of each month.
 - The Finance department will update the citywide capital asset excel file monthly and compare to our capital asset accounts in our software system.
- The capital assets classification list has been updated and distributed to the department heads to assist in determining the correct asset classification.
- Validation of the capital asset file by department heads will become part of our year-end checklist distributed to each department.

Sincerely,

KATHIE FRITZ
INTERIM CONTROLLER

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CONTROLLER
CITY OF GREENWOOD
EXIT CONFERENCE

The contents of this report were discussed on June 20, 2017, with Mark W. Myers, Mayor; Michael Campbell, President of the Common Council; Kathie Fritz, interim Controller; and Krista Taggart, Attorney.