

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF RICHMOND
WAYNE COUNTY, INDIANA

January 1, 2017 to December 31, 2017



FILED
02/27/2019

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Beth Fields	01-01-17 to 12-31-18
Mayor	Dave Snow	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Vicki Robinson	01-01-17 to 12-31-18
President of the Common Council	Misty Hollis Jamie Lopeman	01-01-17 to 12-31-17 01-01-18 to 12-31-18
President of the Board of Sanitary Commissioners	Suzanne Miller	01-01-17 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF RICHMOND, WAYNE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Richmond (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this 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). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement 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, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

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* paragraph, 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 and results of operations of the City for the year ended December 31, 2017.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated December 19, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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.


Paul D. Joyce, CPA
State Examiner

December 19, 2018



STATE OF INDIANA
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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 RICHMOND, WAYNE 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 Richmond (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 19, 2018, 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.

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) to determine the 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 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 item 2017-001, that we consider to be a material weakness.

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)

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 instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2017-001.

City of Richmond's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

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.


Paul D. Joyce, CPA
State Examiner

December 19, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF RICHMOND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
General	\$ 2,157,215	\$ 18,425,647	\$ 17,242,351	\$ 3,340,511
Motor Vehicle Highway	1,167,085	2,736,009	2,365,204	1,537,890
Local Road and Street	162,496	380,949	261,304	282,141
Park Nonreverting Operating	218,577	457,743	436,492	239,828
Animal Control	15,147	2,159	541	16,765
Law Enforcement Continuing Ed	9,929	30,748	27,036	13,641
Unsafe Building	49,118	16,151	433	64,836
Rainy Day City	1,417,359	2,185	167,142	1,252,402
LOIT Special Distribution	-	617,911	314,891	303,020
Cumulative Capital Development	383,015	420,946	563,525	240,436
Park Nonreverting Capital	17,590	17,791	22,874	12,507
Cumulative Capital Improvement	14,655	89,867	70,387	34,135
County EDIT	1,485,777	821,553	1,051,516	1,255,814
Tax Increment Financing	5,852,724	2,558,376	1,845,357	6,565,743
Police Pension Fund	98,472	1,953,241	1,945,528	106,185
Fire Pension	362,411	2,132,743	2,317,547	177,607
Property and Liability Insurance	161,093	700,472	707,957	153,608
Series 2015A TIF DSR	128,913	-	-	128,913
Series 2015A TIF Construction	1,779,769	-	-	1,779,769
Johns Manville TIF	646,296	228,470	670,711	204,055
Local Road & Bridge Matching Grant	1,000,323	330,163	549,530	780,956
Series 2015 TIF B&I	-	201,812	201,812	-
Series 2014 TIF B&I	-	49,415	49,415	-
Build Indiana	11,156	-	2,724	8,432
Park and Recreation	651,373	2,189,117	2,255,588	584,902
Haz-Mat	18,627	3,562	2,252	19,937
First Response	2,280,000	1,990,407	1,902,501	2,367,906
Criminal Justice	111,764	67,891	81,725	97,930
Law Enforcement Aid	169,862	62,878	54,424	178,316
Redevelopment	20,128	36	-	20,164
Redevelopment Revenue Bond	516	1	-	517
Business and Industrial Loan	570,012	72,991	32,000	611,003
Revolving Loan Local Cash	28,201	11,822	-	40,023
Program Income Loan	18,448	32	-	18,480
Microenterprise Loan	5,829	10	-	5,839
Human and Environmental	51,383	17,209	17,704	50,888
Midwest Industrial Park	480,654	54,645	-	535,299

CITY OF RICHMOND
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
City Grants	(1,389,344)	2,031,455	1,781,949	(1,139,838)
Center City Loan Program	126,173	21,069	-	147,242
Park Bond Sinking	116,463	262,419	253,885	124,997
Park Capital Improvements Infrastructure	8 52,385	- 14,098	- -	8 66,483
Park Bond Construction	25,462	9	21,278	4,193
Certified Tech Park	734,142	120,071	137,000	717,213
Health Insurance Fund	2,408,013	12,292,533	13,342,498	1,358,048
Workers Comp Insur Fund	12,410	326,813	295,748	43,475
Gifts and Donations	258,921	366,508	313,651	311,778
Roseview Transit	(266,320)	1,079,124	1,308,908	(496,104)
Wastewater Operating	4,994,680	9,240,796	8,929,532	5,305,944
Wastewater 2009 Construction	1,175	2	-	1,177
Wastewater Constr Chester Blvd	931,502	7,727	320	938,909
Wastewater Bond and Interest	2,788,694	3,460,220	3,317,541	2,931,373
Wastewater Bond Reserve	2,622,237	381,128	-	3,003,365
Stormwater Operating	3,522,276	1,509,192	1,255,913	3,775,555
Off Street Parking	53,837	71,160	49,667	75,330
Solid Waste	6,026,077	6,880,776	5,778,063	7,128,790
Landfill	4,548,904	2,565,124	2,349,432	4,764,596
Rainy Day - Sanitation	406,320	710	-	407,030
Airport	326,411	446,002	368,672	403,741
Parallax	335,925	1,253,874	1,239,371	350,428
RP&L - Payroll	-	3,674,198	3,674,198	-
RP&L - Payroll Deduction	-	2,957,322	2,957,322	-
RP&L Operating	14,323,640	85,726,507	85,864,383	14,185,764
RP&L Bond & Interest	485,000	1,682	1,682	485,000
RP&L Depreciation Fund	10,418,769	22,430	296,025	10,145,174
RP&L Customer Deposits	643,386	164,513	152,374	655,525
RP&L Cash Reserve Fund	2,139,709	2,139,709	2,139,709	2,139,709
RP&L Insurance Reserve	1,341,911	2,988	-	1,344,899
Totals	<u>\$ 79,534,683</u>	<u>\$ 173,665,111</u>	<u>\$ 170,989,592</u>	<u>\$ 82,210,202</u>

The notes to the financial statement are an integral part of this statement.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. 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.

B. 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 regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, 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.

C. 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.

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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 nonbusinesses 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.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

Fines and forfeits. Amounts received from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees. Amounts received from charges for current services.

Other receipts. Amounts received from various sources, including, but 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.

E. Disbursements

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

Personal services. Amounts disbursed for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: 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 City's general obligation indebtedness.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

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 other 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.

F. 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.

G. 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 City. 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 unit itself.

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 February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. 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.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

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. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the City 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.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

INPRS administers the plan and 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. (888) 526-1687

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

D. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

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. The plan also provides for death and disability benefits.

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. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

E. Richmond Power and Light Pension Plan

Plan Description

The Electric Utility contributes to the Richmond Power and Light Employees' 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 Employees' 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.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for grant expenditures made by the City were not received by December 31, 2017.

Note 8. Other Postemployment Benefits

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

OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	General	Motor Vehicle Highway	Local Road and Street	Park Nonreverting Operating	Animal Control	Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 2,157,215	\$ 1,167,085	\$ 162,496	\$ 218,577	\$ 15,147	\$ 9,929
Receipts:						
Taxes	12,668,820	875,467	-	-	-	-
Licenses and permits	466,025	80,411	-	-	2,159	15,160
Intergovernmental receipts	1,067,603	1,464,012	380,529	-	-	-
Charges for services	899,304	10,440	-	442,455	-	1,210
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,323,895	305,679	420	15,288	-	14,378
Total receipts	<u>18,425,647</u>	<u>2,736,009</u>	<u>380,949</u>	<u>457,743</u>	<u>2,159</u>	<u>30,748</u>
Disbursements:						
Personal services	14,621,788	1,458,577	-	209,770	-	-
Supplies	401,438	260,605	261,304	106,060	81	290
Other services and charges	2,133,474	371,500	-	98,573	460	26,746
Debt service - principal and interest	-	-	-	17,848	-	-
Capital outlay	85,502	274,522	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	149	-	-	4,241	-	-
Total disbursements	<u>17,242,351</u>	<u>2,365,204</u>	<u>261,304</u>	<u>436,492</u>	<u>541</u>	<u>27,036</u>
Excess (deficiency) of receipts over disbursements	<u>1,183,296</u>	<u>370,805</u>	<u>119,645</u>	<u>21,251</u>	<u>1,618</u>	<u>3,712</u>
Cash and investments - ending	<u>\$ 3,340,511</u>	<u>\$ 1,537,890</u>	<u>\$ 282,141</u>	<u>\$ 239,828</u>	<u>\$ 16,765</u>	<u>\$ 13,641</u>

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Unsafe Building	Rainy Day City	LOIT Special Distribution	Cumulative Capital Development	Park Nonreverting Capital	Cumulative Capital Improvement
Cash and investments - beginning	\$ 49,118	\$ 1,417,359	\$ -	\$ 383,015	\$ 17,590	\$ 14,655
Receipts:						
Taxes	14,870	-	617,911	389,406	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,184	-	-	31,167	-	89,523
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	97	2,185	-	373	17,791	344
Total receipts	<u>16,151</u>	<u>2,185</u>	<u>617,911</u>	<u>420,946</u>	<u>17,791</u>	<u>89,867</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	433	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	167,142	314,891	563,525	22,874	70,387
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>433</u>	<u>167,142</u>	<u>314,891</u>	<u>563,525</u>	<u>22,874</u>	<u>70,387</u>
Excess (deficiency) of receipts over disbursements	<u>15,718</u>	<u>(164,957)</u>	<u>303,020</u>	<u>(142,579)</u>	<u>(5,083)</u>	<u>19,480</u>
Cash and investments - ending	<u>\$ 64,836</u>	<u>\$ 1,252,402</u>	<u>\$ 303,020</u>	<u>\$ 240,436</u>	<u>\$ 12,507</u>	<u>\$ 34,135</u>

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	County EDIT	Tax Increment Financing	Police Pension Fund	Fire Pension	Property and Liability Insurance	Series 2015A TIF DSR
Cash and investments - beginning	\$ 1,485,777	\$ 5,852,724	\$ 98,472	\$ 362,411	\$ 161,093	\$ 128,913
Receipts:						
Taxes	818,686	2,508,779	1,899,915	2,106,059	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	50,415	26,355	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	2,867	49,597	2,911	329	700,472	-
Total receipts	<u>821,553</u>	<u>2,558,376</u>	<u>1,953,241</u>	<u>2,132,743</u>	<u>700,472</u>	<u>-</u>
Disbursements:						
Personal services	-	-	1,945,185	2,309,259	707,957	-
Supplies	-	-	-	350	-	-
Other services and charges	366,679	203,508	343	7,938	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	684,837	685,188	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	956,661	-	-	-	-
Total disbursements	<u>1,051,516</u>	<u>1,845,357</u>	<u>1,945,528</u>	<u>2,317,547</u>	<u>707,957</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(229,963)</u>	<u>713,019</u>	<u>7,713</u>	<u>(184,804)</u>	<u>(7,485)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,255,814</u>	<u>\$ 6,565,743</u>	<u>\$ 106,185</u>	<u>\$ 177,607</u>	<u>\$ 153,608</u>	<u>\$ 128,913</u>

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Series 2015A TIF Construction	Johns Manville TIF	Local Road & Bridge Matching Grant	Series 2015 TIF B&I	Series 2014 TIF B&I	Build Indiana
Cash and investments - beginning	\$ 1,779,769	\$ 646,296	\$ 1,000,323	\$ -	\$ -	\$ 11,156
Receipts:						
Taxes	-	228,470	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	330,163	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	201,812	49,415	-
Total receipts	-	228,470	330,163	201,812	49,415	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	2,724
Debt service - principal and interest	-	-	-	201,812	-	-
Capital outlay	-	621,296	549,530	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	49,415	-	-	49,415	-
Total disbursements	-	670,711	549,530	201,812	49,415	2,724
Excess (deficiency) of receipts over disbursements	-	(442,241)	(219,367)	-	-	(2,724)
Cash and investments - ending	\$ 1,779,769	\$ 204,055	\$ 780,956	\$ -	\$ -	\$ 8,432

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Park and Recreation	Haz-Mat	First Response	Criminal Justice	Law Enforcement Aid	Redevelopment
Cash and investments - beginning	\$ 651,373	\$ 18,627	\$ 2,280,000	\$ 111,764	\$ 169,862	\$ 20,128
Receipts:						
Taxes	1,912,644	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	153,021	-	-	60,559	-	-
Charges for services	103,772	3,562	1,941,162	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	19,680	-	49,245	7,332	62,878	36
Total receipts	<u>2,189,117</u>	<u>3,562</u>	<u>1,990,407</u>	<u>67,891</u>	<u>62,878</u>	<u>36</u>
Disbursements:						
Personal services	1,518,048	-	672,632	20,258	-	-
Supplies	184,950	2,252	180,514	8,077	-	-
Other services and charges	514,340	-	85,611	43,390	31,547	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	38,250	-	963,744	10,000	22,877	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>2,255,588</u>	<u>2,252</u>	<u>1,902,501</u>	<u>81,725</u>	<u>54,424</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(66,471)</u>	<u>1,310</u>	<u>87,906</u>	<u>(13,834)</u>	<u>8,454</u>	<u>36</u>
Cash and investments - ending	<u>\$ 584,902</u>	<u>\$ 19,937</u>	<u>\$ 2,367,906</u>	<u>\$ 97,930</u>	<u>\$ 178,316</u>	<u>\$ 20,164</u>

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Redevelopment Revenue Bond	Business and Industrial Loan	Revolving Loan Local Cash	Program Income Loan	Microenterprise Loan	Human and Environmental
Cash and investments - beginning	\$ 516	\$ 570,012	\$ 28,201	\$ 18,448	\$ 5,829	\$ 51,383
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	10,100
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1	72,991	11,822	32	10	7,109
Total receipts	1	72,991	11,822	32	10	17,209
Disbursements:						
Personal services	-	-	-	-	-	14,583
Supplies	-	-	-	-	-	569
Other services and charges	-	-	-	-	-	2,552
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	32,000	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	32,000	-	-	-	17,704
Excess (deficiency) of receipts over disbursements	1	40,991	11,822	32	10	(495)
Cash and investments - ending	\$ 517	\$ 611,003	\$ 40,023	\$ 18,480	\$ 5,839	\$ 50,888

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Midwest Industrial Park	City Grants	Center City Loan Program	Park Bond Sinking	Park Capital Improvements	Infrastructure
Cash and investments - beginning	\$ 480,654	\$ (1,389,344)	\$ 126,173	\$ 116,463	\$ 8	\$ 52,385
Receipts:						
Taxes	-	-	-	247,242	-	13,995
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	92,080	-	15,177	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	54,645	1,939,375	21,069	-	-	103
Total receipts	<u>54,645</u>	<u>2,031,455</u>	<u>21,069</u>	<u>262,419</u>	<u>-</u>	<u>14,098</u>
Disbursements:						
Personal services	-	539,759	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	192,647	-	-	-	-
Debt service - principal and interest	-	-	-	253,885	-	-
Capital outlay	-	189,802	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	859,741	-	-	-	-
Total disbursements	<u>-</u>	<u>1,781,949</u>	<u>-</u>	<u>253,885</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>54,645</u>	<u>249,506</u>	<u>21,069</u>	<u>8,534</u>	<u>-</u>	<u>14,098</u>
Cash and investments - ending	<u>\$ 535,299</u>	<u>\$ (1,139,838)</u>	<u>\$ 147,242</u>	<u>\$ 124,997</u>	<u>\$ 8</u>	<u>\$ 66,483</u>

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Park Bond Construction	Certified Tech Park	Health Insurance Fund	Workers Comp Insur Fund	Gifts and Donations	Roseview Transit
Cash and investments - beginning	\$ 25,462	\$ 734,142	\$ 2,408,013	\$ 12,410	\$ 258,921	\$ (266,320)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	884,263
Charges for services	-	118,800	-	-	-	179,534
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	9	1,271	12,292,533	326,813	366,508	15,327
Total receipts	9	120,071	12,292,533	326,813	366,508	1,079,124
Disbursements:						
Personal services	-	-	66,729	204,976	-	884,520
Supplies	-	-	2,478	-	283,627	151,327
Other services and charges	-	137,000	13,273,291	90,772	9,063	165,051
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	21,278	-	-	-	-	107,800
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	20,961	210
Total disbursements	21,278	137,000	13,342,498	295,748	313,651	1,308,908
Excess (deficiency) of receipts over disbursements	(21,269)	(16,929)	(1,049,965)	31,065	52,857	(229,784)
Cash and investments - ending	\$ 4,193	\$ 717,213	\$ 1,358,048	\$ 43,475	\$ 311,778	\$ (496,104)

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Wastewater Operating	Wastewater 2009 Construction	Wastewater Constr Chester Blvd	Wastewater Bond and Interest	Wastewater Bond Reserve	Stormwater Operating
Cash and investments - beginning	\$ 4,994,680	\$ 1,175	\$ 931,502	\$ 2,788,694	\$ 2,622,237	\$ 3,522,276
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	9,134,397	-	-	-	-	1,485,127
Other receipts	106,399	2	7,727	3,460,220	381,128	24,065
Total receipts	9,240,796	2	7,727	3,460,220	381,128	1,509,192
Disbursements:						
Personal services	1,279,330	-	-	-	-	45,541
Supplies	-	-	-	-	-	-
Other services and charges	378,589	-	-	-	-	7
Debt service - principal and interest	137,470	-	-	2,780,542	-	-
Capital outlay	605,977	-	-	-	-	249,715
Utility operating expenses	3,599,908	-	320	-	-	228,586
Other disbursements	2,928,258	-	-	536,999	-	732,064
Total disbursements	8,929,532	-	320	3,317,541	-	1,255,913
Excess (deficiency) of receipts over disbursements	311,264	2	7,407	142,679	381,128	253,279
Cash and investments - ending	\$ 5,305,944	\$ 1,177	\$ 938,909	\$ 2,931,373	\$ 3,003,365	\$ 3,775,555

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Off Street Parking	Solid Waste	Landfill	Rainy Day - Sanitation	Airport
Cash and investments - beginning	\$ 53,837	\$ 6,026,077	\$ 4,548,904	\$ 406,320	\$ 326,411
Receipts:					
Taxes	-	6,666,416	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	101,131	-	-	-
Charges for services	62,345	83,767	1,861,678	-	237,896
Fines and forfeits	8,445	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	370	29,462	703,446	710	208,106
Total receipts	<u>71,160</u>	<u>6,880,776</u>	<u>2,565,124</u>	<u>710</u>	<u>446,002</u>
Disbursements:					
Personal services	11,077	2,592,995	810,305	-	112,189
Supplies	2,323	506,253	108,572	-	136,438
Other services and charges	36,267	950,559	807,686	-	103,595
Debt service - principal and interest	-	137,470	-	-	-
Capital outlay	-	907,801	597,869	-	16,380
Utility operating expenses	-	-	-	-	-
Other disbursements	-	682,985	25,000	-	70
Total disbursements	<u>49,667</u>	<u>5,778,063</u>	<u>2,349,432</u>	<u>-</u>	<u>368,672</u>
Excess (deficiency) of receipts over disbursements	<u>21,493</u>	<u>1,102,713</u>	<u>215,692</u>	<u>710</u>	<u>77,330</u>
Cash and investments - ending	<u>\$ 75,330</u>	<u>\$ 7,128,790</u>	<u>\$ 4,764,596</u>	<u>\$ 407,030</u>	<u>\$ 403,741</u>

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	Parallax	RP&L - Payroll	RP&L - Payroll Deduction	RP&L Operating	RP&L Bond & Interest
Cash and investments - beginning	\$ 335,925	\$ -	\$ -	\$ 14,323,640	\$ 485,000
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	85,726,507	-
Other receipts	1,253,874	3,674,198	2,957,322	-	1,682
Total receipts	1,253,874	3,674,198	2,957,322	85,726,507	1,682
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	85,864,383	-
Other disbursements	1,239,371	3,674,198	2,957,322	-	1,682
Total disbursements	1,239,371	3,674,198	2,957,322	85,864,383	1,682
Excess (deficiency) of receipts over disbursements	14,503	-	-	(137,876)	-
Cash and investments - ending	\$ 350,428	\$ -	\$ -	\$ 14,185,764	\$ 485,000

CITY OF RICHMOND
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	RP&L Depreciation Fund	RP&L Customer Deposits	RP&L Cash Reserve Fund	RP&L Insurance Reserve	Totals
Cash and investments - beginning	\$ 10,418,769	\$ 643,386	\$ 2,139,709	\$ 1,341,911	\$ 79,534,683
Receipts:					
Taxes	-	-	-	-	30,968,680
Licenses and permits	-	-	-	-	563,755
Intergovernmental receipts	-	-	-	-	4,757,282
Charges for services	-	-	-	-	5,945,925
Fines and forfeits	-	-	-	-	8,445
Utility fees	-	-	-	-	96,346,031
Other receipts	22,430	164,513	2,139,709	2,988	35,074,993
Total receipts	22,430	164,513	2,139,709	2,988	173,665,111
Disbursements:					
Personal services	-	-	-	-	30,025,478
Supplies	-	-	-	-	2,597,508
Other services and charges	-	-	-	-	20,034,345
Debt service - principal and interest	-	-	-	-	3,529,027
Capital outlay	-	-	-	-	7,803,187
Utility operating expenses	-	-	-	-	89,693,197
Other disbursements	296,025	152,374	2,139,709	-	17,306,850
Total disbursements	296,025	152,374	2,139,709	-	170,989,592
Excess (deficiency) of receipts over disbursements	(273,595)	12,139	-	2,988	2,675,519
Cash and investments - ending	\$ 10,145,174	\$ 655,525	\$ 2,139,709	\$ 1,344,899	\$ 82,210,202

CITY OF RICHMOND
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Roseview Transit	\$ 11,555	\$ -
Wastewater	257,436	742,412
Off Street Parking	3,308	-
Solid Waste	113,354	143,118
Airport	5,769	-
Electric	390,835	6,668,397
Governmental activities	<u>1,378,800</u>	<u>816,949</u>
Totals	<u>\$ 2,161,057</u>	<u>\$ 8,370,876</u>

CITY OF RICHMOND
SCHEDULE OF LEASES AND DEBT
December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
First Federal Leasing	Ambulance	<u>\$ 51,778</u>	04/15/2014	12/15/2018
Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	
Governmental activities:				
General obligation bonds	2009 Park District Bonds	\$ 370,000	\$ 256,040	
Revenue bonds	Tax Increment Revenue Bonds of 2015 Series A	1,885,000	123,976	
Revenue bonds	Taxable Economic Development Revenue Bonds Series 2016	28,619,000	7,000	
Revenue bonds	Taxable Tax Increment Revenue Bonds of 2015 Series B (Brownfield Bonds)	513,000	28,500	
Notes and loans payable	Guaranteed Energy Savings Project (City)	331,060	173,852	
Notes and loans payable	Economic Development Revenue Bonds Series 2014	<u>676,000</u>	<u>100,300</u>	
Total governmental activities		<u>32,394,060</u>	<u>689,668</u>	
Wastewater:				
Revenue bonds	Tertiary Building Modifications (WW09128902) (2009 Series A)	1,040,000	107,048	
Revenue bonds	Wastewater/Stormwater Improvements (ES Interceptor ph 3) (WW13049804) ((2012 Series A)	11,600,000	880,680	
Revenue bonds	Wastewater/Stormwater Improvements (SE Basin and ES Interceptor ph 1 & 2) (2009 Series B)	7,645,000	811,866	
Revenue bonds	IN Brownfield Program Loan (2012 Series B)	695,680	86,960	
Revenue bonds	Sanitary District Bonds of 2017 (SRF-WW16268906)	11,555,000	706,000	
Revenue bonds	Sanitary District Refunding Revenue Bonds (2015 Series A)	775,000	790,190	
Revenue bonds	Sanitary District Refunding Revenue Bonds (2015 Series B)	6,820,000	563,672	
Notes and loans payable	Guaranteed Energy Savings Project (Wastewater)	<u>1,583,624</u>	<u>274,940</u>	
Total Wastewater		<u>41,714,304</u>	<u>4,221,356</u>	
Electric:				
Revenue bonds	Baghouse (RPL)	<u>485,000</u>	<u>493,827</u>	
Totals		<u>\$ 74,593,364</u>	<u>\$ 5,404,851</u>	

CITY OF RICHMOND
SCHEDULE OF CAPITAL ASSETS
December 31, 2017

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.

	Ending Balance
Governmental activities:	
Land	\$ 1,456,666
Infrastructure	36,694,533
Buildings	14,157,931
Improvements other than buildings	1,785,746
Machinery, equipment, and vehicles	<u>13,832,902</u>
Total governmental activities	<u>67,927,778</u>
Roseview Transit:	
Land	19,950
Buildings	577,915
Improvements other than buildings	184,525
Machinery, equipment, and vehicles	<u>925,264</u>
Total Roseview Transit	<u>1,707,654</u>
Wastewater:	
Land	81,294
Infrastructure	46,874,513
Buildings	2,925,894
Improvements other than buildings	48,967,460
Machinery, equipment, and vehicles	14,474,827
Construction in progress	<u>15,992,205</u>
Total Wastewater	<u>129,316,193</u>
Off Street Parking:	
Land	154,653
Buildings	1,334,021
Improvements other than buildings	409,418
Machinery, equipment, and vehicles	<u>56,046</u>
Total Off Street Parking	<u>1,954,138</u>
Solid Waste:	
Land	451,767
Infrastructure	4,318,839
Buildings	1,491,409
Improvements other than buildings	6,443,305
Machinery, equipment, and vehicles	13,286,352
Construction in progress	<u>1,619,633</u>
Total Solid Waste	<u>27,611,305</u>
Airport:	
Land	567,389
Buildings	877,458
Improvements other than buildings	8,393,739
Machinery, equipment, and vehicles	<u>1,012,852</u>
Total Airport	<u>10,851,438</u>
Electric:	
Land	936,572
Infrastructure	18,076,567
Buildings	9,488,411
Improvements other than buildings	72,507,188
Machinery, equipment, and vehicles	88,084,006
Construction in progress	<u>2,264,906</u>
Total Electric	<u>191,357,650</u>
Total capital assets	<u>\$ 430,726,156</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE CITY OF RICHMOND, WAYNE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Richmond'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, 2017. 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.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. Except as discussed below, we conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Basis for Qualified Opinion on Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

As described in item 2017-004 in the accompanying Schedule of Findings and Questioned Costs, we were unable to obtain sufficient appropriate audit evidence supporting the compliance of the City with Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii regarding Cash Management. Consequently, we were unable to determine whether the City complied with those requirements applicable to the program.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Qualified Opinion on Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii

In our opinion, except for the possible effects of the matter described in the *Basis for Qualified Opinion on Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii* paragraph, 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 Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii for the year ended December 31, 2017.

Unmodified Opinion on Each of the Other Major Federal Programs

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 other major federal programs identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs for the year ended December 31, 2017.

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, and 2017-006. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's 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 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. 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as items 2017-002, 2017-003, 2017-004, 2017-005, and 2017-006, that we consider to be material weaknesses.

The City's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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


Paul D. Joyce, CPA
State Examiner

December 19, 2018

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.

CITY OF RICHMOND
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Child Nutrition Cluster					
Summer Food Service Program for Children	Indiana Department of Education	10.559	71817IN109942SF	\$ -	\$ 18,994
Total - Child Nutrition Cluster				-	18,994
Total - Department of Agriculture				-	18,994
<u>Department of Commerce</u>					
Economic Development Cluster					
Economic Adjustment Assistance	Direct Grant	11.307	06-36-02088	-	971,251
Total - Economic Development Cluster				-	971,251
Total - Department of Commerce				-	971,251
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Indiana Housing and Community Development Authority Indiana Housing and Community Development Authority Indiana Office of Community and Rural Affairs	14.228	HD-16-012 DR2OR-05-006 A-192-15-ST-13-101	- - -	83,430 294,230 750,000
Total - Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii				-	1,127,660
Total - Department of Housing and Urban Development				-	1,127,660
<u>Department of Justice</u>					
Missing Children's Assistance	Indiana State Police	16.543	2014-MC-FX-K018	-	14,029
Total - Department of Justice				-	14,029
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 1382810 DES 1173174 DES 0800343 DES 0600374	- - - -	130,909 58,811 510 316
Total - Highway Planning and Construction				-	190,546
Total - Highway Planning and Construction Cluster				-	190,546
Federal Transit Cluster					
Bus and Bus Facilities Formula Program	Indiana Department of Transportation	20.526	800138239400LC7	-	118,128
Total - Federal Transit Cluster				-	118,128
Highway Safety Cluster					
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600	032NHTSA4022017	25,359	43,506
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute	20.601	032NHTS405D2017	12,901	17,053
Total - Highway Safety Cluster				38,260	60,559
Airport Improvement Program	Direct Grant	20.106	3-18-0071-17	-	91,570
Formula Grants for Rural Areas	Indiana Department of Transportation	20.509	249-17-G160020	-	313,397
Total - Department of Transportation				38,260	583,654
<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	Indiana University	93.044	356001174	-	39,394
Total - Aging Cluster				-	352,791
Total - Department of Health and Human Services				-	39,394
Total federal awards expended				\$ 38,260	\$ 2,945,528

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

CITY OF RICHMOND
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. 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, 2017. 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.

Note 2. Summary of 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. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

Note 3. 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	\$ 748,748
Plus: Cash and Investment balance in the RLF at the end of the recipient's fiscal year	611,003
Plus: Administrative expenses paid out of RLF income during the recipients fiscal year	-
Total "Expenditures"	1,359,751
Calculation for Federal Participation Rate	
Original Grant	500,000
Original Match (In-kind - Donated Warner Gear Buildings)	200,000
Total Original Grant with Original Match	700,000
Federal Participation Rate (Original Grant Award Divided By Total Original Grant and Match)	0.7143
Total for SEFA (Total "Expenditures" times Federal Participation Rate)	\$ 971,251

CITY OF RICHMOND
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?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

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

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
14.228	Economic Development Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	Unmodified Qualified

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

FINDING 2017-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2016-001.

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).

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

There were not adequate controls in place, such as an oversight, review, or approval process, to ensure the accuracy of the information that was entered into the Indiana Gateway for Government Units financial reporting system, which was the source of the City's SEFA.

Context

The SEFA presented for audit contained the following errors:

1. The Economic Development Cluster expenditures were understated by \$322,503.
2. The Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii expenditures were understated by \$83,430.
3. The Missing Children's Assistance expenditures were not included on the SEFA in the amount of \$14,029.
4. The Highway Safety Cluster expenditures were understated by \$12,668 and did not include amounts passed through to subrecipients of \$38,260.
5. Not all CFDA numbers, program names, grants, and identifying numbers were correct or listed.

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

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. . . ."

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. . . ."

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(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 the 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 CFDA number or other identifying number when the CFDA 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."

Cause

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

Effect

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

Recommendation

We recommended that the City's management establish controls related to the preparation of the SEFA.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Economic Adjustment Assistance - Special Tests and Provisions -
Increases to RLF Capital Base and Capital Utilization
Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-36-02088
Compliance Requirement: Special Tests and Provisions - Increases to
RLF Capital Base and Capital Utilization
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior audit report. The prior audit finding number was 2016-004.

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

The ED-209 reports were prepared and submitted by one employee, who was also responsible for monitoring compliance with the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement. There were no control procedures in place, such as an oversight, review, or approval process, to ensure the federal portion of the interest earned on the sequestered funds was remitted in a timely manner. Interest for the period April 1, 2017 to March 31, 2018, was remitted to the Economic Development Administration on June 21, 2018.

Context

The lack of controls and noncompliance was a systemic issue, which occurred throughout the audit period.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 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). . . ."

13 CFR 307.16(c) states in part:

"Capital utilization standard.

- (1) During the Revolving Phase, RLF Recipients must manage their repayment and lending schedules to provide that at all times at least 75 percent of the RLF Capital is loaned or committed, except that EDA may require an RLF Recipient with an RLF Capital base in excess of \$4 million to adopt a Plan that maintains a proportionately higher percentage of its funds loaned.
- (2) When the percentage of loaned RLF Capital falls below the capital utilization standard, the dollar amount of the RLF funds equivalent to the difference between the actual percentage of RLF Capital loaned and the capital utilization standard is referred to as 'excess funds.'
 - (i) *Sequestration of excess funds.* If the RLF Recipient fails to satisfy the capital utilization standard for two consecutive Reporting Periods, EDA may require the RLF Recipient to deposit excess funds in an interest-bearing account. The portion of interest earned on the account holding excess funds attributable to the Federal Share (as defined in § 314.5 of this chapter) of the RLF Grant shall be remitted to the U.S. Treasury. The RLF Recipient must obtain EDA's written authorization to withdraw any sequestered funds. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the City in noncompliance with the grant agreement and the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

Questioned Costs

There were no questioned costs identified.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Increases to RLF Capital Base and Capital Utilization compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-003

Subject: Economic Adjustment Assistance - Reporting
Federal Agency: Department of Commerce
Federal Program: Economic Adjustment Assistance
CFDA Number: 11.307
Federal Award Number and Year (or Other Identifying Number): 06-36-02088
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Repeat Finding

This is a repeat finding from the immediate prior audit report. The prior audit finding number was 2016-003.

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The ED-209 reports prepared for the periods ending March 31, 2017, and September 30, 2017, were incorrect. The City's records did not match the amounts that were submitted on the reports.

Context

The lack of controls and noncompliance was a systemic problem throughout the audit period. The errors occurred in both reports that had periods ending during the audit period.

Criteria

2 CFR 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). . . ."

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

2 CFR 200.302(b)(2) states in part: "Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-004

Subject: Community Development Block Grants/State's Program and
Non-Entitlement Grants in Hawaii - Cash Management
Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Number): HD-16-012, DR2OR-05-006

Pass-Through Entity: Indiana Housing and Community Development Authority

Compliance Requirement: Cash Management

Audit Findings: Material Weakness, Modified Opinion

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

The City is required to maintain and provide documentation to support and allow verification that expenses were paid prior to requesting reimbursement. The City contracted with a grant administrator to initially pay the expenses for the program and then request the reimbursements from the federal agency. The City was then required to reimburse the grant administrator once the City received monies from the federal agency. However, several of the requests for reimbursements provided by the grant administrator did not include copies of checks to prove that the expenses were paid prior to requesting reimbursement. Reimbursements from the City to the grant administrator were made after requesting reimbursement.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Context

This was a systemic problem throughout the audit period. There were several reimbursement requests that did not include the copies of retainage checks written by the grant administrator to verify payment prior to requesting reimbursement.

Criteria

2 CFR 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). . . ."

2 CFR 200.333 states in part:

"Financial records, supporting documents, statistical records, and all other non-Federal entity records pertinent to a Federal award must be retained for a period of three years from the date of submission of the final expenditure report or, for Federal awards that are renewed quarterly or annually, from the date of the submission of the quarterly or annual financial report, respectively, as reported to the Federal awarding agency or pass-through entity in the case of a subrecipient. . . ."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Cash Management compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Cash Management compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Cash Management compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

FINDING 2017-005

Subject: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii - Reporting
Federal Agency: Department of Housing and Urban Development
Federal Program: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii
CFDA Number: 14.228
Federal Award Number and Year (or Other Identifying Number): A-192-15-ST-13-101
Pass-Through Entity: Indiana Office of Community and Rural Affairs
Compliance Requirement: Reporting
Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Reporting compliance requirement.

The City is required to maintain and provide documentation to support and allow verification that proper reports were filed. There were inadequate controls surrounding the grant which passed through the Indiana Office of Community and Rural Affairs. Semiannual reports were filed, but there was no indication of an internal control process to ensure accuracy of the reports.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

2 CFR 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). . . ."

Cause

Management of the City had not developed a system of internal controls to ensure compliance with the Reporting compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Reporting compliance requirement.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Reporting compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2017-006

Subject: Community Development Block Grants/State's Program and Non-Entitlement
Grants in Hawaii - Allowable Costs/Cost Principles

Federal Agency: Department of Housing and Urban Development

Federal Program: Community Development Block Grants/State's Program
and Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Numbers): A-192-15-ST-13-101, HD-16-012,
DR2OR-05-006

Pass-Through Entities: Indiana Housing and Community Development Authority;
Indiana Office of Community and Rural Affairs

Compliance Requirement: Allowable Costs/Cost Principles

Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

As required by the Indiana Office of Community and Rural Affairs, the City did not adequately document grant transactions in a separate fund or account. Most City grant transactions were posted to the City Grants fund. Without separate accounting, it was difficult to differentiate what was federal, what was not federal, and what belonged to what federal grant.

Context

This was a systemic problem throughout the audit period.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

2 CFR 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). . . ."

2 CFR 200.302 states in part:

"(a) Each state must expend and account for the Federal award in accordance with state laws and procedures for expending and accounting for the state's own funds. In addition, the state's and the other non-Federal entity's financial management systems, including records documenting compliance with Federal statutes, regulations, and the terms and conditions of the Federal award, must be sufficient to permit the preparation of reports required by general and program-specific terms and conditions; and the tracing of funds to a level of expenditures adequate to establish that such funds have been used according to the Federal statutes, regulations, and the terms and conditions of the Federal award. See also § 200.450 Lobbying. . . ."

Indiana CDBG Handbook, Community Development Block Grants, paragraph 6.3 states:

"Required Financial Records CDBG funds must be maintained in a separate account or in a separate fund within an existing account. Detailed records of receipts and expenditures of grant funds must be maintained at all times. Records must be supported by source documents including but not limited to deposit receipts, invoices and payments, and contracts awarded."

Cause

Management had not developed a system of internal controls that would have ensured compliance with the Allowable Costs/Cost Principles compliance requirement.

Effect

The failure to establish an effective internal control system placed the City in noncompliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Allowable Costs/Cost Principles compliance requirement.

CITY OF RICHMOND
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



CITY OF RICHMOND

DEPARTMENT OF FINANCE & PURCHASING
50 NORTH FIFTH STREET, RICHMOND, INDIANA 47374
PHONE (765) 983-7200 FAX (765) 983-7212

DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-001

Fiscal year in which the finding initially occurred: 2016

Contact Person Responsible for Corrective Action: Beth Fields

Contact Phone Number: 765.983.7211

Status of Audit Finding:

While not in compliance for the period identified in Finding 2016-001 – Preparation of the Schedule of Expenditures of Federal Awards, as noted in our 2016 Audit Exit Conference on January 8, 2018 this issue has been addressed.

Internal control procedures to provide oversight, review and approval of the City’s SEFA to ensure accurate reporting of federal awards have been put in place. The City has designated one individual in each department which receives federal funds to be responsible for providing all SEFA data to the Finance team. Data provided by the departments is being reviewed by the Deputy Controller and approved by the Controller prior to submission in Gateway.

Anticipated Completion Date: Completed

Beth Fields

(Signature)

Controller

(Title)

12.18.18

(Date)



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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-002

Fiscal year in which the finding initially occurred: 2016

Contact Person Responsible for Corrective Action: Beth Fields

Contact Phone Number: 765.983.7211

Status of Audit Finding:

While not in compliance for the period identified in Finding 2016-002, as noted in our 2016 Audit Exit Conference on January 8, 2018 this issue has been addressed. Finance team has recognized the need for additional documentation, training and reinforcement of internal controls.

Description of Corrective Action Plan:

1. Lack of Segregation of Duties:
 - a. Cash and Investments: We will implement an internal control procedure to provide oversight, review and approval of the City's bank reconciliations. The Deputy Controller will complete the bank reconciliation with assistance from financial consultant, if needed. Reconciliation will be reviewed and approved by Controller.
 - b. Payroll Disbursements: We will implement an internal control procedure to provide oversight, review and approval of payroll disbursements to ensure all entries are properly posted. The Deputy Controller will review all payroll disbursement reports to ensure all entries are posted to the proper fund and approve prior to the distribution of payroll. In the event that the Deputy Controller is not available, the Controller will review.
2. Financial Statement: We will implement an internal control procedure to provide oversight, review and approval of year-end financial statements prepared by consultants which include Richmond Power & Light information. The Deputy Controller will review all year-end reports prepared by consultants for accuracy and to ensure the reconciliation of receipts and disbursements. The Controller will review and approve prior to submission to Gateway.

Internal control procedures to provide oversight, review and approval of the City's SEFA to ensure accurate reporting of federal awards have been put in place. The City has designated one individual in each department which receives federal funds to be responsible for providing all SEFA data to the

Finance team. Data provided by the departments is being reviewed by the Deputy Controller and approved by the Controller prior to submission in Gateway.

Anticipated Completion Date: Completed

Beth Field

(Signature)

Controller

(Title)

12.18.18

(Date)



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DAVID M.SNOW
Mayor

BETH FIELDS
City Controller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-003

Fiscal year in which the finding initially occurred: 2016

Pass-through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Commerce

Contact Person Responsible for Corrective Action: Beth Fields

Contact Phone Number: 765.983.7211

Status of Audit Finding:

While not in compliance for the period identified in Finding 2016-003, as noted in our 2016 Audit Exit Conference on January 8, 2018 this issue has been addressed. Finance team has recognized the need for additional documentation, training and reinforcement of internal controls.

During 2018, the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process and additional training. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed. The most recent ED209 was completed by one individual and reviewed by a second prior to submission. During the completion of the June ED209 it was discovered that the interest earned on sequestered funds had not been remitted. The EDA was notified and the remittance was forwarded on June 21, 2018.

Beth Fields

(Signature)

Controller

(Title)

12.11.18

(Date)



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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-004

Fiscal year in which the finding initially occurred: 2016

Pass-through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Commerce

Contact Person Responsible for Corrective Action: Beth Fields

Contact Phone Number: 765.983.7211

Status of Audit Finding:

While not in compliance for the period identified in Finding 2017-002 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Increases to the Capital Base and Capital Utilization.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process, interest remittance is now an item on Controller's reconciliation during the reporting months. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

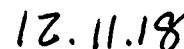
Anticipated Completion Date: Completed. The most recent ED209 was completed by one individual and reviewed by a second prior to submission. During the completion of the June ED209 it was discovered that the interest earned on sequestered funds had not been remitted. The EDA was notified and the remittance was forwarded on June 21, 2018.



(Signature)



(Title)



(Date)



CITY OF RICHMOND

Division of Public Works and Engineering
50 NORTH 5th STREET – RICHMOND, IN 47374
PHONE (765) 983-7394 – FAX (765) 962-7024
www.richmondindiana.gov

DAVE SNOW
Mayor

GREG STIENS
Director

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2016-005

Fiscal year in which the finding initially occurred: 2016
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Dept. of Transportation
Contact Person Responsible for Corrective Action: Greg Stiens
Contact Phone Number: 765-983-7394

Status of Audit Finding: We have implemented the corrective action plan. Each LPA Voucher is reviewed, initialed or signed by reviewer and dated prior to submitting for reimbursement.

A handwritten signature in blue ink that reads "Greg Stiens".

Greg Stiens

Director of Public Works and Engineering

December 5, 2018



CITY OF RICHMOND

DEPARTMENT OF FINANCE & PURCHASING
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PHONE (765) 983-7200 FAX (765) 983-7212

DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-001 the Finance team has recognized the need for additional training and reinforcement of internal controls to ensure proper reporting of the SEFA.

Description of Corrective Action Plan:

We will implement an internal control procedure to provide oversight, review and approval of the City's SEFA to ensure accurate reporting of federal awards. The City will designate one individual in each department which receives federal funds to be responsible for providing all SEFA data to the Finance team. Data provided by the departments will be reviewed by the Deputy Controller and approved by the Controller prior to submission in Gateway.

Anticipated Completion Date: Completed

Signed Beth Fields
Title Controller
Date Dec. 11, 2018



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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-002

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-002 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Increases to the Capital Base and Capital Utilization.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process, interest remittance is now an item on Controller's reconciliation during the reporting months. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed. The most recent ED209 was completed by one individual and reviewed by a second prior to submission. During the completion of the June ED209 it was discovered that the interest earned on sequestered funds had not been remitted. The EDA was notified and the remittance was forwarded on June 21, 2018.

Signed Beth Fields
Title Controller
Date Dec. 11, 2018



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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-003

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-003 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for reporting.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process and additional training. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed. The most recent ED209 was completed by one individual and reviewed by a second prior to submission. During the completion of the June ED209 it was discovered that the interest earned on sequestered funds had not been remitted. The EDA was notified and the remittance was forwarded on June 21, 2018.

Signed Beth Fields
Title Controller
Date Dec. 11, 2018



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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-004

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-004 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Cash Management.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process, electronic copies of documents to be kept on the server and additional training. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed.

Signed Beth Fields
Title Controller
Date Dec. 11, 2018



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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-005

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-005 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Reporting.

Description of Corrective Action Plan:

During 2018 the Infrastructure & Development team introduced several processes focused on accountability and reinforcement of reporting and internal control measures; a dual review process, electronic copies of documents to be kept on the server and additional training. It is the intent of the Department of Infrastructure & Development to maintain effective reporting, internal controls, and processes.

Anticipated Completion Date: Completed.

Signed Beth Fields
Title Controller
Date Dec 11 2018



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DAVID M. SNOW
Mayor

BETH FIELDS
City Controller

CORRECTIVE ACTION PLAN

FINDING 2017-006

Contact Person: Beth Fields
Contact Number: 765.983.7211

View of Responsible Official:

While not in compliance for the period identified in Finding 2017-006 the Infrastructure & Development team has recognized the need for additional training and reinforcement of internal controls to ensure compliance with requirements for Allowable Costs.

Description of Corrective Action Plan:

During our 2016 Audit it was suggested that a new fund be set up for each new grant received. All grants included in the 2017 were grants received prior to receiving this information in January of 2018. All new grants will be assigned a new fund to ensure compliance with requirements for Reporting and Allowable Costs.

Anticipated Completion Date: Completed.

Signed Beth Fields
Title Controller
Date Dec 11, 2018

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/>.