

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF GREENSBURG  
DECATUR COUNTY, INDIANA

January 1, 2018 to December 31, 2018



**FILED**  
09/11/2019

Reissued September 29, 2020, to correct the understatement identified on the Schedule of Expenditures of Federal Awards and to correct Finding 2018-001.



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ashlee D. Green	01-01-16 to 12-31-19
Mayor	Dan Manus	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Dan Manus	01-01-18 to 12-31-19
President Pro Tempore of the Common Council	Jamie Cain	01-01-18 to 12-31-19
Superintendent of Water Utility	Rick Denney	01-01-18 to 12-31-19
Superintendent of Wastewater Utility	Jeffrey H. Smith	01-01-18 to 12-31-19
Utility Office Manager	Donna M. Lecher	01-01-18 to 12-31-19



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF GREENSBURG, DECATUR COUNTY, INDIANA

**Report on the Financial Statement**

We have audited the accompanying financial statement of the City of Greensburg (City), which comprises the financial position and results of operations for the year ended December 31, 2018, 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 the 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, 2018.

***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, 2018, 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 August 22, 2019, 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

August 22, 2019, except for the Schedule of Expenditures of  
Federal Awards, for which the date is September 22, 2020



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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 GREENSBURG, DECATUR 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 Greensburg (City), which comprises the financial position and results of operations for the year ended December 31, 2018, and the related notes to the financial statement, and have issued our report thereon dated August 22, 2019, 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 2018-001, that we consider to be material weaknesses.

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**

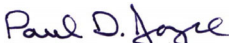
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 2018-001.

**City of Greensburg'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

August 22, 2019, except for the Schedule of Expenditures of  
Federal Awards, for which the date is September 22, 2020

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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 GREENSBURG  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2018

Fund	Cash and Investments		Cash and Investments	
	01-01-18	Receipts	Disbursements	12-31-18
STATE EQUITABLE SHARING	\$ 718	\$ -	\$ -	\$ 718
GENERAL FUND	2,136,478	7,000,048	6,376,026	2,760,500
MVH	1,570,867	766,634	750,282	1,587,219
LRS	279,154	87,226	64,627	301,753
AIRPORT OPERATIONS	191,174	80,693	170,623	101,244
GREENSBURG PREVENTION GROUP	(231)	117,790	115,172	2,387
EDLP/ACRO FUND	45,871	115	-	45,986
TRASH TIPPING FEE	134,872	154,909	144,973	144,808
LAW ENFORCEMENT CONT.ED.	26,008	7,540	18,834	14,714
UNSAFE BUILDING FEES	88,563	11,810	82	100,291
911 DISPATCH/COUNTY	47,673	-	-	47,673
RAINY DAY	470,410	-	-	470,410
K-9 OPERATIONS	11,641	35,247	27,362	19,526
LOCAL ROAD AND BRIDGE MATCHING GRANT FUND	-	1,074,156	862,974	211,182
HAZMAT EMERGENCY FUND	6,152	-	-	6,152
LEVY EXCESS FUND	29,500	-	-	29,500
VETERAN'S WAY PROJECT	1	-	-	1
HONDA/FIRE	502,595	488,489	501,432	489,652
AVIATION ROTARY FUEL	81,518	84,423	125,724	40,217
CUM.CAPITAL DEVELOPMENT	892,107	222,179	89,378	1,024,908
POLICE DONATIONS FUND	125	3,700	2,660	1,165
FIRE CONTRIBUTION FUND	29,726	17,090	15,452	31,364
CUMULATIVE FIRE	478,606	77,473	-	556,079
BOND-GENERAL SINKING	165,197	289,526	305,840	148,883
EDIT	1,187,343	532,045	260,122	1,459,266
C.C.I.F.	131,506	26,864	-	158,370
TIF	1,263,451	3,118,496	2,791,949	1,589,998
POLICE PENSION	443,359	164,464	238,930	368,893
FIRE PENSION	457,955	120,456	197,152	381,259
RIVER BOAT REVENUE	492,176	68,078	32,000	528,254
LOIT - PUBLIC SAFETY	-	522,238	22,420	499,818
TAX & MISC CLEARING FUND	-	3,130	3,130	-
LINCOLN STREET PARK	3,735	-	-	3,735
REMC GRANT	-	2,000	2,000	-
STELLAR	4,972	28,858	13,000	20,830
WELLNESS PROGRAM POLICE DEPT.	873	-	-	873
CAC GRANT	-	4,000	2,914	1,086
BIKE PATROL GRANT	901	-	796	105
OWI	-	14,000	2,273	11,727
FEDERAL EQUITABLE SHARING	7,248	-	6,891	357
OWI - OVERTIME	10,834	6,574	24,971	(7,563)
RENOVATION BOND 2005	73	-	-	73
FIRE TRUCK RADIO GRANT	-	4,998	4,998	-
LOCAL RD & MATCHING GRANT FUND	2,917	-	-	2,917
DELTA DENTAL	-	36,280	36,280	-
VSP	-	9,660	9,660	-
ONE AMERICA.AUL	-	5,684	5,684	-
GREENSBURG CITY PROJECT-BONY	219,455	2,426	221,524	357
DECATUR COUNTY TIF BOND CONST-BONY	352,772	3,151	355,331	592
DIRECT DEPOSIT PR CLEARIN	-	2,893,494	2,893,494	-
Liberty National	-	6,339	6,339	-
FEDERAL TAX WITHHELD	-	370,079	370,079	-

CITY OF GREENSBURG  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2018

Fund	Cash and Investments 01-01-18	Receipts	Disbursements	Cash and Investments 12-31-18
FICA TAX	-	145,812	145,812	-
STATE TAX WITHHELD	-	124,603	124,603	-
COUNTY TAX WITHHELD	-	80,974	80,974	-
INPRS	-	27,869	27,869	-
MEDICARE	-	102,972	102,972	-
WASHINGTON NAT INS W/H	-	26,544	26,544	-
UTILITY SALARY CLEARING	38,690	250,295	236,122	52,863
77 PEN POLICE ASSES W/H	-	62,955	62,955	-
77 PEN FIRE ASSESS W/H	-	87,032	87,032	-
UNITED FUND	22	-	22	-
Garnishment #158	1	1,824	1,824	1
HEALTH INS - EMP W/H	39,101	49,951	2,797	86,255
AFLAC WITHHELD	-	13,701	13,701	-
IND STATE (Child Support)	-	31,100	31,100	-
FOP DUES	-	3,780	3,780	-
IND CHILD SUPPORT ANNUAL FEE	-	165	165	-
YMCA/ANYTIME FIT PR DED	-	3,678	3,678	-
NET PAYROLL	-	1,316	1,316	-
HOUSING REHAB LOAN	47	-	-	47
INSURANCE CLAIMS RESERVE	-	149	-	149
HEALTH CARE PLAN	696,717	1,185,104	1,047,047	834,774
AIRPORT IMPROVEMENT	(17,140)	236,641	191,457	28,044
ILR FUND	45,354	-	-	45,354
BNY WATER DEBT RESERVE #797949	359,561	1,217,599	679,916	897,244
BNY SEWER DEBT RESERVE #797949	456,420	682,384	-	1,138,804
SEWER GENERAL	2,427,275	4,922,911	4,332,224	3,017,962
SEWER COMPUTER RESERVE	174,669	72,000	25,607	221,062
SEWER DEPRECIATION	872,875	593,762	201,423	1,265,214
SEWER ELECTRONIC MAP GEN	8	-	-	8
SEWER CAPITAL IMPROVEMENT	1,318,879	-	380,412	938,467
WASTEWATER PLANT SERVIC	2,265	-	-	2,265
SEWER CASH CHANGE FUND	240	-	-	240
SEWER SINKING NY	521,510	1,950,816	1,797,509	674,817
DEBT SERVICE RESERVE-NY	1,777,851	123,671	-	1,901,522
WATER GENERAL	589,673	3,249,089	3,257,787	580,975
UTILITIES CLEARING	619,831	8,044,304	8,055,809	608,326
WATER METER DEPOSIT	188,511	56,025	53,688	190,848
WATER DEPRECIATION ACCT.	192,326	300,000	278,889	213,437
WATER CAPITAL IMPROVEMENT	451,161	769,594	595,958	624,797
WATER COMPUTER RESERVE	175,449	72,000	26,042	221,407
WATER BOND & INTEREST	98,637	1,073	99,709	1
WATER CASH CHANGE FUND	240	-	-	240
WATER DEBT RESERVE ACCT.	369,892	-	369,892	-
WATER BOND AND INT. NY	239,212	1,008,419	898,350	349,281
WATER DEBT RESERVE - NY	1,018,253	16,214	-	1,034,467
Totals	<u>\$ 24,425,825</u>	<u>\$ 43,978,688</u>	<u>\$ 40,318,363</u>	<u>\$ 28,086,150</u>

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

CITY OF GREENSBURG  
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 GREENSBURG  
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 GREENSBURG  
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.

*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 December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

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

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

New employees hired have a one-time election to join either the Public Employees' Hybrid Plan (PERF Hybrid) or the My Choice: Retirement Savings Plan for Public Employees (My Choice) which is a multiple-employer defined contribution plan. PERF Hybrid consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

CITY OF GREENSBURG  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Financial Report*

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

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

*Contributions*

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

*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.

CITY OF GREENSBURG  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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.

*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, providing retirement, disability, and survivor benefits.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52.

*Financial Report*

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

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

*Contributions*

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

**Note 7. Cash Balance Deficit**

The financial statement contains a fund with a deficit in cash. This is a result of a reimbursable grant fund not being reimbursed by December 31, 2018.

CITY OF GREENSBURG  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 8. *Holding Corporation***

The City has entered into a capital lease with Greensburg Public Safety Facilities Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2018 totaled \$203,000.

**Note 9. *Subsequent Event***

On April 1, 2019, the City passed Ordinance 2019-10 authorizing the issuance of Waterworks Revenue Bonds in an amount not to exceed \$24,835,000. The bonds are for the purpose of providing funds to pay the cost of certain additions, extensions, and improvements of the municipal waterworks of 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 GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	STATE EQUITABLE SHARING	GENERAL FUND	MVH	LRS	AIRPORT OPERATIONS	GREENSBURG PREVENTION GROUP
Cash and investments - beginning	\$ 718	\$ 2,136,478	\$ 1,570,867	\$ 279,154	\$ 191,174	\$ (231)
Receipts:						
Taxes	-	5,824,630	7,539	-	-	-
Licenses and permits	-	115,672	-	-	-	-
Intergovernmental receipts	-	738,364	759,095	87,226	-	-
Charges for services	-	157,529	-	-	80,502	-
Fines and forfeits	-	3,545	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	160,308	-	-	191	117,790
Total receipts	-	7,000,048	766,634	87,226	80,693	117,790
Disbursements:						
Personal services	-	4,547,407	194,206	-	17,440	7,421
Supplies	-	275,957	67,433	64,627	207	-
Other services and charges	-	1,205,289	38,236	-	152,976	107,751
Debt service - principal and interest	-	129,957	-	-	-	-
Capital outlay	-	217,416	440,302	-	-	-
Other disbursements	-	-	10,105	-	-	-
Total disbursements	-	6,376,026	750,282	64,627	170,623	115,172
Excess (deficiency) of receipts over disbursements	-	624,022	16,352	22,599	(89,930)	2,618
Cash and investments - ending	\$ 718	\$ 2,760,500	\$ 1,587,219	\$ 301,753	\$ 101,244	\$ 2,387

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	EDLP/ACRO FUND	TRASH TIPPING FEE	LAW ENFORCEMENT CONT.ED.	UNSAFE BUILDING FEES	911 DISPATCH/COUNTY	RAINY DAY
Cash and investments - beginning	\$ 45,871	\$ 134,872	\$ 26,008	\$ 88,563	\$ 47,673	\$ 470,410
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	154,909	-	11,810	-	-
Fines and forfeits	-	-	7,540	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	115	-	-	-	-	-
Total receipts	115	154,909	7,540	11,810	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	18,834	-	-	-
Other services and charges	-	144,973	-	82	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	144,973	18,834	82	-	-
Excess (deficiency) of receipts over disbursements	115	9,936	(11,294)	11,728	-	-
Cash and investments - ending	\$ 45,986	\$ 144,808	\$ 14,714	\$ 100,291	\$ 47,673	\$ 470,410

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	K-9 OPERATIONS	LOCAL ROAD AND BRIDGE MATCHING GRANT FUND	HAZMAT EMERGENCY FUND	LEVY EXCESS FUND	VETERAN'S WAY PROJECT	HONDA/FIRE
Cash and investments - beginning	\$ 11,641	\$ -	\$ 6,152	\$ 29,500	\$ 1	\$ 502,595
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	1,074,156	-	-	-	-
Charges for services	-	-	-	-	-	488,489
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	35,247	-	-	-	-	-
Total receipts	<u>35,247</u>	<u>1,074,156</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>488,489</u>
Disbursements:						
Personal services	-	-	-	-	-	487,908
Supplies	27,362	-	-	-	-	1,946
Other services and charges	-	862,974	-	-	-	11,578
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>27,362</u>	<u>862,974</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>501,432</u>
Excess (deficiency) of receipts over disbursements	<u>7,885</u>	<u>211,182</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(12,943)</u>
Cash and investments - ending	<u>\$ 19,526</u>	<u>\$ 211,182</u>	<u>\$ 6,152</u>	<u>\$ 29,500</u>	<u>\$ 1</u>	<u>\$ 489,652</u>

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	AVIATION ROTARY FUEL	CUM.CAPITAL DEVELOPMENT	POLICE DONATIONS FUND	FIRE CONTRIBUTION FUND	CUMULATIVE FIRE	BOND-GENERAL SINKING
Cash and investments - beginning	\$ 81,518	\$ 892,107	\$ 125	\$ 29,726	\$ 478,606	\$ 165,197
Receipts:						
Taxes	-	203,548	-	-	70,966	266,441
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	18,631	-	-	6,507	23,085
Charges for services	-	-	-	17,090	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	84,423	-	3,700	-	-	-
Total receipts	84,423	222,179	3,700	17,090	77,473	289,526
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	2,660	15,452	-	-
Other services and charges	125,724	3,706	-	-	-	280
Debt service - principal and interest	-	-	-	-	-	305,560
Capital outlay	-	85,672	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	125,724	89,378	2,660	15,452	-	305,840
Excess (deficiency) of receipts over disbursements	(41,301)	132,801	1,040	1,638	77,473	(16,314)
Cash and investments - ending	\$ 40,217	\$ 1,024,908	\$ 1,165	\$ 31,364	\$ 556,079	\$ 148,883

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	EDIT	C.C.I.F.	TIF	POLICE PENSION	FIRE PENSION	RIVER BOAT REVENUE	LOIT - PUBLIC SAFETY
Cash and investments - beginning	\$ 1,187,343	\$ 131,506	\$ 1,263,451	\$ 443,359	\$ 457,955	\$ 492,176	\$ -
Receipts:							
Taxes	528,546	-	1,852,591	-	-	-	522,238
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	26,864	-	-	-	68,078	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	3,499	-	1,265,905	164,464	120,456	-	-
Total receipts	<u>532,045</u>	<u>26,864</u>	<u>3,118,496</u>	<u>164,464</u>	<u>120,456</u>	<u>68,078</u>	<u>522,238</u>
Disbursements:							
Personal services	-	-	-	238,930	197,152	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	260,122	-	2,791,949	-	-	32,000	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	22,420
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>260,122</u>	<u>-</u>	<u>2,791,949</u>	<u>238,930</u>	<u>197,152</u>	<u>32,000</u>	<u>22,420</u>
Excess (deficiency) of receipts over disbursements	<u>271,923</u>	<u>26,864</u>	<u>326,547</u>	<u>(74,466)</u>	<u>(76,696)</u>	<u>36,078</u>	<u>499,818</u>
Cash and investments - ending	<u>\$ 1,459,266</u>	<u>\$ 158,370</u>	<u>\$ 1,589,998</u>	<u>\$ 368,893</u>	<u>\$ 381,259</u>	<u>\$ 528,254</u>	<u>\$ 499,818</u>

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	TAX & MISC CLEARING FUND	LINCOLN STREET PARK	REMC GRANT	STELLAR	WELLNESS PROGRAM POLICE DEPT.	CAC GRANT	BIKE PATROL GRANT
Cash and investments - beginning	\$ -	\$ 3,735	\$ -	\$ 4,972	\$ 873	\$ -	\$ 901
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	15,858	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	3,130	-	2,000	13,000	-	4,000	-
Total receipts	3,130	-	2,000	28,858	-	4,000	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	2,000	-	-	-	-
Other services and charges	-	-	-	-	-	2,914	796
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	3,130	-	-	13,000	-	-	-
Total disbursements	3,130	-	2,000	13,000	-	2,914	796
Excess (deficiency) of receipts over disbursements	-	-	-	15,858	-	1,086	(796)
Cash and investments - ending	\$ -	\$ 3,735	\$ -	\$ 20,830	\$ 873	\$ 1,086	\$ 105

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	OWI	FEDERAL EQUITABLE SHARING	OWI - OVERTIME	RENOVATION BOND 2005	FIRE TRUCK RADIO GRANT	LOCAL RD & MATCHING GRANT FUND
Cash and investments - beginning	\$ -	\$ 7,248	\$ 10,834	\$ 73	\$ -	\$ 2,917
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	6,574	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	14,000	-	-	-	4,998	-
Total receipts	14,000	-	6,574	-	4,998	-
Disbursements:						
Personal services	2,273	-	10,971	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	4,998	-
Other disbursements	-	6,891	14,000	-	-	-
Total disbursements	2,273	6,891	24,971	-	4,998	-
Excess (deficiency) of receipts over disbursements	11,727	(6,891)	(18,397)	-	-	-
Cash and investments - ending	\$ 11,727	\$ 357	\$ (7,563)	\$ 73	\$ -	\$ 2,917

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	DELTA DENTAL	VSP	ONE AMERICA.AUL	GREENSBURG CITY PROJECT-BONY	DECATUR COUNTY TIF BOND CONST-BONY	DIRECT DEPOSIT PR CLEARIN
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 219,455	\$ 352,772	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	36,280	9,660	5,684	2,426	3,151	2,893,494
Total receipts	36,280	9,660	5,684	2,426	3,151	2,893,494
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	355,331	-
Other disbursements	36,280	9,660	5,684	221,524	-	2,893,494
Total disbursements	36,280	9,660	5,684	221,524	355,331	2,893,494
Excess (deficiency) of receipts over disbursements	-	-	-	(219,098)	(352,180)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 357	\$ 592	\$ -

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Liberty National	FEDERAL TAX WITHHELD	FICA TAX	STATE TAX WITHHELD	COUNTY TAX WITHHELD	INPRS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	80,974	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	6,339	370,079	145,812	124,603	-	27,869
Total receipts	6,339	370,079	145,812	124,603	80,974	27,869
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	6,339	370,079	145,812	124,603	80,974	27,869
Total disbursements	6,339	370,079	145,812	124,603	80,974	27,869
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	MEDICARE	WASHINGTON NAT INS W/H	UTILITY SALARY CLEARING	77 PEN POLICE ASSES W/H	77 PEN FIRE ASSES W/H	UNITED FUND
Cash and investments - beginning	\$ -	\$ -	\$ 38,690	\$ -	\$ -	\$ 22
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	102,972	26,544	250,295	62,955	87,032	-
Total receipts	102,972	26,544	250,295	62,955	87,032	-
Disbursements:						
Personal services	-	-	128,047	62,955	87,032	22
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	102,972	26,544	108,075	-	-	-
Total disbursements	102,972	26,544	236,122	62,955	87,032	22
Excess (deficiency) of receipts over disbursements	-	-	14,173	-	-	(22)
Cash and investments - ending	\$ -	\$ -	\$ 52,863	\$ -	\$ -	\$ -

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	Garnishment #158	HEALTH INS - EMP W/H	AFLAC WITHHELD	IND STATE (Child Support)	FOP DUES	IND CHILD SUPPORT ANNUAL FEE
Cash and investments - beginning	\$ 1	\$ 39,101	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,824	49,951	13,701	31,100	3,780	165
Total receipts	1,824	49,951	13,701	31,100	3,780	165
Disbursements:						
Personal services	-	-	13,701	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	1,824	2,797	-	31,100	3,780	165
Total disbursements	1,824	2,797	13,701	31,100	3,780	165
Excess (deficiency) of receipts over disbursements	-	47,154	-	-	-	-
Cash and investments - ending	\$ 1	\$ 86,255	\$ -	\$ -	\$ -	\$ -

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	YMCA/ANYTIME FIT PR DED	NET PAYROLL	HOUSING REHAB LOAN	INSURANCE CLAIMS RESERVE	HEALTH CARE PLAN	AIRPORT IMPROVEMENT
Cash and investments - beginning	\$ -	\$ -	\$ 47	\$ -	\$ 696,717	\$ (17,140)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	236,641
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,678	1,316	-	149	1,185,104	-
Total receipts	3,678	1,316	-	149	1,185,104	236,641
Disbursements:						
Personal services	-	-	-	-	2,265	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	167,422
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,678	1,316	-	-	1,044,782	24,035
Total disbursements	3,678	1,316	-	-	1,047,047	191,457
Excess (deficiency) of receipts over disbursements	-	-	-	149	138,057	45,184
Cash and investments - ending	\$ -	\$ -	\$ 47	\$ 149	\$ 834,774	\$ 28,044

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	ILR FUND	BNY WATER DEBT RESERVE #797949	BNY SEWER DEBT RESERVE #797949	SEWER GENERAL	SEWER COMPUTER RESERVE	SEWER DEPRECIATION
Cash and investments - beginning	\$ 45,354	\$ 359,561	\$ 456,420	\$ 2,427,275	\$ 174,669	\$ 872,875
Receipts:						
Taxes	-	-	679,916	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	1,202,796	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	4,411,598	66,000	593,762
Other receipts	-	14,803	2,468	511,313	6,000	-
Total receipts	-	1,217,599	682,384	4,922,911	72,000	593,762
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	679,916	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	-	4,332,224	25,607	201,423
Total disbursements	-	679,916	-	4,332,224	25,607	201,423
Excess (deficiency) of receipts over disbursements	-	537,683	682,384	590,687	46,393	392,339
Cash and investments - ending	\$ 45,354	\$ 897,244	\$ 1,138,804	\$ 3,017,962	\$ 221,062	\$ 1,265,214

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	SEWER ELECTRONIC MAP GEN	SEWER CAPITAL IMPROVEMENT	WASTEWATER PLANT SERVIC	SEWER CASH CHANGE FUND	SEWER SINKING NY	DEBT SERVICE RESERVE-NY
Cash and investments - beginning	\$ 8	\$ 1,318,879	\$ 2,265	\$ 240	\$ 521,510	\$ 1,777,851
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	1,845,144	94,643
Other receipts	-	-	-	-	105,672	29,028
Total receipts	-	-	-	-	1,950,816	123,671
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	1,797,509	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	380,412	-	-	-	-
Total disbursements	-	380,412	-	-	1,797,509	-
Excess (deficiency) of receipts over disbursements	-	(380,412)	-	-	153,307	123,671
Cash and investments - ending	\$ 8	\$ 938,467	\$ 2,265	\$ 240	\$ 674,817	\$ 1,901,522

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	WATER GENERAL	UTILITIES CLEARING	WATER METER DEPOSIT	WATER DEPRECIATION ACCT.	WATER CAPITAL IMPROVEMENT	WATER COMPUTER RESERVE
Cash and investments - beginning	\$ 589,673	\$ 619,831	\$ 188,511	\$ 192,326	\$ 451,161	\$ 175,449
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	3,244,642	8,043,769	55,294	300,000	769,594	72,000
Other receipts	4,447	535	731	-	-	-
Total receipts	3,249,089	8,044,304	56,025	300,000	769,594	72,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	3,257,787	8,055,809	53,688	278,889	595,958	26,042
Total disbursements	3,257,787	8,055,809	53,688	278,889	595,958	26,042
Excess (deficiency) of receipts over disbursements	(8,698)	(11,505)	2,337	21,111	173,636	45,958
Cash and investments - ending	\$ 580,975	\$ 608,326	\$ 190,848	\$ 213,437	\$ 624,797	\$ 221,407

CITY OF GREENSBURG  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2018

	WATER BOND & INTEREST	WATER CASH CHANGE FUND	WATER DEBT RESERVE ACCT.	WATER BOND AND INT. NY	WATER DEBT RESERVE - NY	Totals
Cash and investments - beginning	\$ 98,637	\$ 240	\$ 369,892	\$ 239,212	\$ 1,018,253	\$ 24,425,825
Receipts:						
Taxes	-	-	-	-	-	10,037,389
Licenses and permits	-	-	-	-	-	115,672
Intergovernmental receipts	-	-	-	-	-	4,020,660
Charges for services	-	-	-	-	-	1,153,544
Fines and forfeits	-	-	-	-	-	11,085
Utility fees	-	-	-	-	-	19,496,446
Other receipts	1,073	-	-	1,008,419	16,214	9,143,892
Total receipts	1,073	-	-	1,008,419	16,214	43,978,688
Disbursements:						
Personal services	-	-	-	-	-	5,997,730
Supplies	-	-	-	-	-	476,478
Other services and charges	-	-	-	-	-	5,908,772
Debt service - principal and interest	-	-	-	-	-	2,912,942
Capital outlay	-	-	-	-	-	1,126,139
Other disbursements	99,709	-	369,892	898,350	-	23,896,302
Total disbursements	99,709	-	369,892	898,350	-	40,318,363
Excess (deficiency) of receipts over disbursements	(98,636)	-	(369,892)	110,069	16,214	3,660,325
Cash and investments - ending	\$ 1	\$ 240	\$ -	\$ 349,281	\$ 1,034,467	\$ 28,086,150

CITY OF GREENSBURG  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2018

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 87,806	\$ 589,823
Water	21,177	528,600
Governmental activities	80,755	-
Totals	\$ 189,738	\$ 1,118,423

CITY OF GREENSBURG  
SCHEDULE OF LEASES AND DEBT  
December 31, 2018

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Greensburg Public Safety Facilities Building Corporation	Greensburg Public Safety Facility	\$ 203,000	6/30/2010	12/31/2022
Great America Financial	copy machine	1,435	8/8/2018	8/8/2023
Ricoh	copy machine	1,625	11/13/2016	12/31/2019
Ricoh	copier machine	1,207	1/11/2017	1/11/2019
Ricoh	copy machine	<u>1,625</u>	4/5/2018	4/5/2023
Total governmental activities		<u>208,892</u>		
Water:				
Toshiba	copier machine	<u>4,566</u>	3/31/2016	3/31/2020
Total of annual lease payments		<u>\$ 213,458</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Renovation Bond 2005 Billings School/City Hall		\$ 420,000	\$ 100,680
Revenue bonds	Redevelopment Dist Tax Increment Rev Bond 2014 (Note 1)		<u>1,574,371</u>	<u>543,245</u>
Total governmental activities			<u>1,994,371</u>	<u>643,925</u>
Wastewater:				
Revenue bonds	Sewage Works Revenue Bonds 2007B		5,617,575	640,350
Revenue bonds	Sewage Works Revenue Bonds 2013		1,029,000	697,408
Revenue bonds	Sewage Works Revenue Bonds 2016		7,500,000	331,050
Revenue bonds	Sewage Works SRF Revenue Bonds Series-2017		<u>5,168,658</u>	<u>360,720</u>
Total Wastewater			<u>19,315,233</u>	<u>2,029,528</u>
Water:				
Revenue bonds	Waterworks Revenue Bonds 2007A		4,415,000	440,000
Revenue bonds	Waterworks Revenue Bonds 2007B		<u>4,426,517</u>	<u>458,350</u>
Total Water			<u>8,841,517</u>	<u>898,350</u>
Totals			<u>\$ 30,151,121</u>	<u>\$ 3,571,803</u>

Note 1: Redevelopment Dist Tax Increment Revenue Bond has an established maximum draw of \$9,500,000. The final principal balance will not be determined until the planned construction projects are completed.

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE CITY OF GREENSBURG, DECATUR COUNTY, INDIANA

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

We have audited the City of Greensburg's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2018. The City's major federal program is 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 the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the Major Federal Program***

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 its major federal program for the year ended December 31, 2018.

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

***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 item 2018-002. Our opinion on the 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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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.

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 item 2018-002, that we consider to be material weaknesses.

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

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

August 22, 2019

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 GREENSBURG  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For the Year Ended December 31, 2018

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>					
Cooperative Forestry Assistance Federal Matching Grant	Indiana Department of Natural Resources	10.664	300FR100VFA2018	\$ -	\$ 4,546
Total - Department of Agriculture				-	4,546
<u>Department of Transportation</u>					
Airport Improvement Program Airport Improvement Program	Direct Grant	20.106		-	156,223
Highway Planning and Construction Cluster Highway Planning and Construction Veterans Way Phase II	Indiana Department of Transportation	20.205	DES 1400722	-	994,868
Total - Department of Transportation				-	1,151,091
<u>Department of Health and Human Services</u>					
Drug-Free Communities Support Program Grants Greensburg Drug Prevention	Direct Grant	93.276		-	104,030
Total federal awards expended				\$ -	\$ 1,259,667

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

CITY OF GREENSBURG  
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, 2018. 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.

CITY OF GREENSBURG  
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 weakness identified?	Yes
Significant deficiency identified?	None reported
Noncompliance material to financial statement noted?	No

Federal Awards:

Internal control over major program:	
Material weakness identified?	Yes
Significant deficiency 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 Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Highway Planning and Construction Cluster	Unmodified

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

Auditee qualified as low-risk auditee? no

**Section II - Financial Statement Findings**

**FINDING 2018-001**

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

*Condition and Context*

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). The City hired a consultant to prepare the SEFA without an oversight, review, or approval process.

Due to the lack of effective controls, the SEFA presented for audit contained the following errors:

1. The federal agency, cluster names, and grant titles were not properly listed on the schedule.
2. Pass-through entities and direct grants were not properly labeled on the schedule.

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

3. The Highway Planning and Construction and Cooperative Forestry Assistance federal expenditures were understated by \$126,608 in total.
4. The Airport Improvement Program was omitted, which understated federal expenditures by \$156,223.
5. The Drug-Free Communities Support Program Grants program was omitted, which understated federal expenditures by \$104,030.

Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report.

*Criteria*

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

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

An integral part of the control activity component is segregation of duties. . . .

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

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

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

2 CFR 200.508 states in part:

"The auditee must: . . .

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

CITY OF GREENSBURG  
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 *Condition and Context*.

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

*Views of Responsible Officials*

In the Corrective Action Plan that the City has prepared for this audit finding, they state that they disagree with the finding due to the fact they had a consultant reviewing the financial information before it gets submitted via Gateway. We don't dispute that this review was taking place; however, there was no evidence presented to substantiate that a control was in fact in place at the unit. There was no documentation of the review. The unit states in their Corrective Action Plan that they will, moving forward, have documentation that this review prior to submittal is taking place.

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

**FINDING 2018-002**

Subject: Control Deficiency - Cash Management, Matching, and Period of Performance  
Federal Agency: Department of Transportation  
Federal Program: Highway Planning and Construction  
CFDA Number: 20.205  
Federal Award Number and Year (or Other Identifying Numbers): FY 2018  
Pass-Through Entity: Indiana Department of Transportation  
Compliance Requirements: Cash Management, Matching, and Period of Performance  
Audit Finding: Material Weakness

*Condition and Context*

An effective internal control system, which would include segregation of duties, was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the following compliance requirements: Cash Management, Matching, and Period of Performance.

The Street Commissioner prepared and submitted all the reimbursement requests for the grant program without any review or oversight. There was no evidence presented for audit that there were internal controls over the compliance requirements listed above.

The lack of controls was a systemic issue 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 had not developed a system of internal controls to ensure compliance with the compliance requirements listed above.

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

*Effect*

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements listed above. A lack of segregation of duties within an internal control system could have also allowed noncompliance with compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

*Questioned Costs*

There were no questioned costs identified.

*Recommendation*

We recommended that the City's management establish a system of internal controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

*Views of Responsible Officials*

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

AUDITEE-PREPARED DOCUMENT

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

Clerk-Treasurer's Office

314 West Washington Street  
Greensburg, Indiana 47240

Phone: 812.663.8582

Fax: 812.663.6314



Corrective Action Plan

Contact Person Responsible for Corrective Action: Ashlee Green

Contact Phone Number: 812-663-8582

Views of Responsible Official: Disagree

Description of Corrective Action Plan:

We do have a consultant that reviews the information that is entered into Gateway. The grants were not up to date with information from the past administration to be able to have anything to go off of from year to year. In Gateway, we were not aware that we **only** needed *Federal Grants*. I also sign off on Gateway information stating that the information is true to the best of my knowledge, which this information *was* to the best of my knowledge. Moving forward, I will print out the information and have the consultant or employee sign and date before submitting, but this had never been an issue in any past audit.

Anticipation Completion Date: 12/31/2019

Ashlee Green

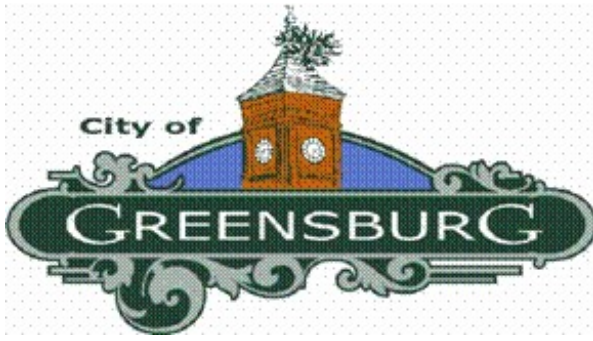
(Signature)

City Clerk-Treasurer

(Title)

08-06-19

(Date)



## Greensburg Street Department

Mark Klosterkemper, Street Commissioner  
Gary Robbins, Assistant Street Commissioner

### CORRECTIVE ACTION PLAN

#### **FINDING 2018-002**

Contact Person Responsible for Corrective Action: Mark Klosterkemper  
Contact Phone Number: 812-663-5634

Views of Responsible Official: We concur with the finding.

#### Description of Corrective Action Plan:

The Street Commissioner as the ERC will complete the LPA Invoice Voucher and assemble the required supporting documentation. Prior to signing and submitting the voucher, it will be reviewed by either the City Clerk-Treasurer or Mayor to assure it complies with Cash Management, Matching & Period of Performance Highway Planning and Construction requirements for the duration of the grant contract. A Certificate of Review will be signed by the reviewing party and kept with each voucher.

Anticipated Completion Date: August 7, 2019

  
\_\_\_\_\_  
(Signature)

Street Commissioner

\_\_\_\_\_  
(Title)

August 7, 2019

\_\_\_\_\_  
(Date)

Greensburg Street Department  
200 South Monfort Street  
Greensburg, Indiana 47240

Phone 812-663-5634

Fax 812-662-3042

Email

[mklosterkemper@greensburg.in.gov](mailto:mklosterkemper@greensburg.in.gov)

#### 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/>.