

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, 2018 to December 31, 2018



FILED
09/17/2019

Reissued September 30, 2020, to correct the understatement identified on the Schedule of Expenditures of Federal Awards, and to correct the Independent Auditor's Report on Compliance for the Major Federal Program; Report on Internal Control Over Compliance; and report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance and Finding 2018-001.

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Beth Fields Emily Palmer	01-01-18 to 03-10-19 03-11-19 to 12-31-19
Mayor	Dave Snow	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Vicki Robinson	01-01-18 to 12-31-19
President of the Common Council	Jamie Lopeman Gary Turner	01-01-18 to 12-31-18 01-01-19 to 12-31-19
President of the Board of Sanitary Commissioners	Suzanne Miller	01-01-18 to 12-31-19



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, 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 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 did not audit the financial information of Richmond Power and Light (Electric Utility), a department of the City. The financial information of the Electric Utility is reported in the City's financial statement as the nine separate funds with fund names beginning with "Parallax" and "RP&L." That financial information was audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in the City's financial statement for the Electric Utility, is based solely on the report of the other auditors. 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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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 20, 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 20, 2019 except for the Schedule of Expenditures of
Federal Awards, for which the date is September 24, 2020



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, 2018, and the related notes to the financial statement, and have issued our report thereon dated August 20, 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. Our report includes a reference to other auditors who audited the financial information of Richmond Power and Light (Electric Utility), a department of the City, as described in our report on the City's financial statement. This report does not include the results of the other auditors' testing of internal control over financial reporting or compliance and other matters that are reported on separately by those auditors.

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 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 2018-001.

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

August 20, 2019 except for the Schedule of Expenditures of
Federal Awards, for which the date is September 24, 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 RICHMOND
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
General	\$ 3,340,511	\$ 18,526,272	\$ 18,516,294	\$ 3,350,489
Motor Vehicle Highway	1,537,890	2,668,819	3,004,395	1,202,314
Local Road And Street	282,141	597,585	356,219	523,507
Park Nonreverting Operating	239,828	373,367	385,682	227,513
Animal Control	16,765	1,301	218	17,848
Law Enforcement Continuing Ed	13,641	30,025	30,629	13,037
Unsafe Building	64,836	17,674	5,458	77,052
Rainy Day City	1,252,402	4,366	66,490	1,190,278
LOIT Special Distribution	303,020	-	-	303,020
Cumulative Capital Development	240,436	407,573	498,293	149,716
Park Nonreverting Capital	12,507	12,924	17,883	7,548
Cumulative Capital Improvement	34,135	86,068	94,856	25,347
Tax Increment Financing	6,565,743	2,838,484	3,310,160	6,094,067
Police Pension Fund	106,185	1,990,983	1,992,766	104,402
Fire Pension	177,607	2,119,787	2,160,080	137,314
Property and Liability Insurance	153,608	785,220	778,787	160,041
Series 2015A TIF DSR	128,913	-	-	128,913
Series 2015 A TIF Construction	1,779,769	-	4,780	1,774,989
Johns Manville TIF	204,055	-	50,590	153,465
Local Road & Bridge Matching Grant	780,956	836,829	1,441,031	176,754
Series 2015 TIF B&I	-	62,108	62,108	-
Series 2014 TIF B&I	-	100,300	49,710	50,590
Park Non-Reverting FM	-	58,760	54,998	3,762
Heartland TIF Allocation	-	33,148	1,500	31,648
Build Indiana	8,432	-	-	8,432
Park And Recreation	584,902	2,155,467	2,292,314	448,055
Haz-Mat	19,937	4,494	2,193	22,238
First Response	2,367,906	2,681,939	1,523,603	3,526,242
Criminal Justice	97,930	28,156	25,117	100,969
Law Enforcement Aid	178,316	157,816	83,718	252,414
Redevelopment	20,164	71	-	20,235
Redevelopment Revenue Bond	517	2	-	519
Business And Industrial Loan	611,003	101,447	568	711,882
Revolving Loan Local Cash	40,023	31,213	-	71,236
Program Income Loan	18,480	65	-	18,545
Microenterprise Loan	5,839	20	-	5,859
Human And Environmental	50,888	15,959	17,919	48,928
Midwest Industrial Park	535,299	315,828	-	851,127
City Grants	(1,139,838)	3,444,732	4,705,383	(2,400,489)
Center City Loan Program	147,242	20,908	-	168,150
Park Bond Sinking	124,997	192,575	256,040	61,532
County EDIT	1,255,814	832,937	518,406	1,570,345
Park Capital Improvements	8	-	-	8
Infrastructure	66,483	29,726	-	96,209
Park Bond Construction	4,193	11	2,150	2,054
Certified Tech Park	717,213	134,718	48,750	803,181
Health Insurance Fund	1,358,048	7,473,756	6,407,010	2,424,794
Workers Comp Insur Fund	43,475	352,032	313,175	82,332
Gifts And Donations	311,778	254,573	252,139	314,212
Roseview Transit	(496,104)	1,229,668	1,313,348	(579,784)
Wastewater Operating	5,305,944	11,427,358	10,790,322	5,942,980
Wastewater 2009 Construction	1,177	4	-	1,181
Wastewater Constr Chester Bvd	938,909	14,656	953,565	-
Wastewater Bond And Interest	2,931,373	3,954,984	3,168,135	3,718,222
Ww Bond Reserve	3,003,365	255,311	76,722	3,181,954
Stormwater Operating	3,775,555	2,199,414	2,338,273	3,636,696
Off Street Parking	75,330	64,977	37,663	102,644
Solid Waste	7,128,790	6,932,987	4,446,265	9,615,512
Landfill	4,764,596	1,943,852	2,813,293	3,895,155
Rainy Day - Sanitation	407,030	1,427	-	408,457
Airport	403,741	442,878	427,825	418,794
Parallax	350,428	1,718,509	1,660,931	408,006
RP&L Bond & Interest	485,000	2,954	487,954	-
RP&L Payroll Deduction	-	2,919,866	2,919,690	176
Rp&L Payroll	-	3,891,754	3,891,754	-
Rp&L Depreciation Reserve	10,145,174	103,910	350,031	9,899,053
Rp&L Operating	14,185,764	86,859,955	86,746,823	14,298,896
Rp&L Customer Deposits	655,525	184,257	140,601	699,181
Rp&L Cash Reserve Fund	2,139,709	2,139,709	2,139,709	2,139,709
Rp&L Insurance Reserve	1,344,899	13,608	6,804	1,351,703
Totals	<u>\$ 82,210,202</u>	<u>\$ 176,082,076</u>	<u>\$ 174,041,120</u>	<u>\$ 84,251,158</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 non-businesses 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 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 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) 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 RICHMOND
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 RICHMOND
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.

E. Richmond Power and Light Pension Plan

Plan Description

The Electric Utility contributes to the Richmond Power and Light Employees' Pension Plan, 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 publically 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.

CITY OF RICHMOND
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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, 2018.

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.

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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, 2018

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Animal Control	Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 3,340,511	\$ 1,537,890	\$ 282,141	\$ 239,828	\$ 16,765	\$ 13,641
Receipts:						
Taxes	11,878,073	785,927	-	-	-	-
Licenses and permits	99,472	81,490	-	-	1,301	13,430
Intergovernmental receipts	1,931,816	1,786,866	519,276	-	-	-
Charges for services	2,400,486	-	-	372,441	-	16,174
Fines and forfeits	14,440	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	2,201,985	14,536	78,309	926	-	421
Total receipts	18,526,272	2,668,819	597,585	373,367	1,301	30,025
Disbursements:						
Personal services	15,695,319	1,665,667	-	194,859	-	-
Supplies	498,370	321,584	297,094	96,925	78	500
Other services and charges	2,085,279	716,450	-	86,533	140	29,977
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	94,651	296,708	59,125	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	142,675	3,986	-	7,365	-	152
Total disbursements	18,516,294	3,004,395	356,219	385,682	218	30,629
Excess (deficiency) of receipts over disbursements	9,978	(335,576)	241,366	(12,315)	1,083	(604)
Cash and investments - ending	\$ 3,350,489	\$ 1,202,314	\$ 523,507	\$ 227,513	\$ 17,848	\$ 13,037

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

	Unsafe Building	Rainy Day City	LOIT Special Distribution	Cumulative Capital Development	Park Nonreverting Capital	Cumulative Capital Improvement
Cash and investments - beginning	\$ 64,836	\$ 1,252,402	\$ 303,020	\$ 240,436	\$ 12,507	\$ 34,135
Receipts:						
Taxes	16,021	-	-	373,827	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,408	-	-	32,941	-	86,052
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	245	4,366	-	805	12,924	16
Total receipts	17,674	4,366	-	407,573	12,924	86,068
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	5,458	-	-	-	-	50,000
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	66,490	-	498,293	17,883	44,856
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	5,458	66,490	-	498,293	17,883	94,856
Excess (deficiency) of receipts over disbursements	12,216	(62,124)	-	(90,720)	(4,959)	(8,788)
Cash and investments - ending	\$ 77,052	\$ 1,190,278	\$ 303,020	\$ 149,716	\$ 7,548	\$ 25,347

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

	Tax Increment Financing	Police Pension Fund	Fire Pension	Property and Liability Insurance	Series 2015A TIF DSR	Series 2015 A TIF Construction
Cash and investments - beginning	\$ 6,565,743	\$ 106,185	\$ 177,607	\$ 153,608	\$ 128,913	\$ 1,779,769
Receipts:						
Taxes	2,814,233	1,926,659	2,091,311	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	54,771	28,011	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	24,251	9,553	465	785,220	-	-
Total receipts	2,838,484	1,990,983	2,119,787	785,220	-	-
Disbursements:						
Personal services	-	1,992,060	2,146,981	-	-	-
Supplies	-	-	268	-	-	-
Other services and charges	80,286	686	12,831	778,787	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	2,747,541	-	-	-	-	4,780
Utility operating expenses	-	-	-	-	-	-
Other disbursements	482,333	20	-	-	-	-
Total disbursements	3,310,160	1,992,766	2,160,080	778,787	-	4,780
Excess (deficiency) of receipts over disbursements	(471,676)	(1,783)	(40,293)	6,433	-	(4,780)
Cash and investments - ending	\$ 6,094,067	\$ 104,402	\$ 137,314	\$ 160,041	\$ 128,913	\$ 1,774,989

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

	Johns Manville TIF	Local Road & Bridge Matching Grant	Series 2015 TIF B&I	Series 2014 TIF B&I	Park Non-Reverting FM	Heartland TIF Allocation
Cash and investments - beginning	\$ 204,055	\$ 780,956	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	33,148
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	545,404	-	-	28,673	-
Charges for services	-	-	-	-	22,157	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	291,425	62,108	100,300	7,930	-
Total receipts	-	836,829	62,108	100,300	58,760	33,148
Disbursements:						
Personal services	-	-	-	-	47,466	-
Supplies	-	-	-	-	723	-
Other services and charges	-	-	-	-	6,809	1,500
Debt service - principal and interest	-	-	62,108	49,710	-	-
Capital outlay	50,590	1,441,031	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	50,590	1,441,031	62,108	49,710	54,998	1,500
Excess (deficiency) of receipts over disbursements	(50,590)	(604,202)	-	50,590	3,762	31,648
Cash and investments - ending	\$ 153,465	\$ 176,754	\$ -	\$ 50,590	\$ 3,762	\$ 31,648

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

	Build Indiana	Park And Recreation	Haz-Mat	First Response	Criminal Justice	Law Enforcement Aid
Cash and investments - beginning	\$ 8,432	\$ 584,902	\$ 19,937	\$ 2,367,906	\$ 97,930	\$ 178,316
Receipts:						
Taxes	-	1,828,275	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	161,257	-	-	27,356	-
Charges for services	-	161,616	4,494	2,496,779	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	4,319	-	185,160	800	157,816
Total receipts	-	2,155,467	4,494	2,681,939	28,156	157,816
Disbursements:						
Personal services	-	1,515,778	-	361,947	7,629	-
Supplies	-	185,342	2,193	197,900	4,297	-
Other services and charges	-	517,279	-	200,663	13,191	35,267
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	70,665	-	762,061	-	48,451
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	3,250	-	1,032	-	-
Total disbursements	-	2,292,314	2,193	1,523,603	25,117	83,718
Excess (deficiency) of receipts over disbursements	-	(136,847)	2,301	1,158,336	3,039	74,098
Cash and investments - ending	\$ 8,432	\$ 448,055	\$ 22,238	\$ 3,526,242	\$ 100,969	\$ 252,414

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

	Redevelopment	Redevelopment Revenue Bond	Business And Industrial Loan	Revolving Loan Local Cash	Program Income Loan	Microenterprise Loan
Cash and investments - beginning	\$ 20,164	\$ 517	\$ 611,003	\$ 40,023	\$ 18,480	\$ 5,839
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	71	2	101,447	31,213	65	20
Total receipts	71	2	101,447	31,213	65	20
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	1	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	567	-	-	-
Total disbursements	-	-	568	-	-	-
Excess (deficiency) of receipts over disbursements	71	2	100,879	31,213	65	20
Cash and investments - ending	\$ 20,235	\$ 519	\$ 711,882	\$ 71,236	\$ 18,545	\$ 5,859

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

	Human And Environmental	Midwest Industrial Park	City Grants	Center City Loan Program	Park Bond Sinking	County EDIT
Cash and investments - beginning	\$ 50,888	\$ 535,299	\$ (1,139,838)	\$ 147,242	\$ 124,997	\$ 1,255,814
Receipts:						
Taxes	-	-	-	-	180,683	827,904
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	15,959	-	3,071,752	-	11,892	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	315,828	372,980	20,908	-	5,033
Total receipts	15,959	315,828	3,444,732	20,908	192,575	832,937
Disbursements:						
Personal services	14,763	-	-	-	-	-
Supplies	346	-	-	-	-	-
Other services and charges	2,752	-	17,370	-	-	195,038
Debt service - principal and interest	-	-	-	-	256,040	-
Capital outlay	-	-	4,688,013	-	-	323,368
Utility operating expenses	-	-	-	-	-	-
Other disbursements	58	-	-	-	-	-
Total disbursements	17,919	-	4,705,383	-	256,040	518,406
Excess (deficiency) of receipts over disbursements	(1,960)	315,828	(1,260,651)	20,908	(63,465)	314,531
Cash and investments - ending	\$ 48,928	\$ 851,127	\$ (2,400,489)	\$ 168,150	\$ 61,532	\$ 1,570,345

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

	Park Capital Improvements	Infrastructure	Park Bond Construction	Certified Tech Park	Health Insurance Fund	Workers Comp Insur Fund
Cash and investments - beginning	\$ 8	\$ 66,483	\$ 4,193	\$ 717,213	\$ 1,358,048	\$ 43,475
Receipts:						
Taxes	-	29,481	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	132,000	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	245	11	2,718	7,473,756	352,032
Total receipts	-	29,726	11	134,718	7,473,756	352,032
Disbursements:						
Personal services	-	-	-	-	18,658	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	48,750	6,388,352	313,175
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	2,150	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	2,150	48,750	6,407,010	313,175
Excess (deficiency) of receipts over disbursements	-	29,726	(2,139)	85,968	1,066,746	38,857
Cash and investments - ending	\$ 8	\$ 96,209	\$ 2,054	\$ 803,181	\$ 2,424,794	\$ 82,332

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

	Gifts And Donations	Roseview Transit	Wastewater Operating	Wastewater 2009 Construction	Wastewater Constr Chester Bvd	Wastewater Bond And Interest
Cash and investments - beginning	\$ 311,778	\$ (496,104)	\$ 5,305,944	\$ 1,177	\$ 938,909	\$ 2,931,373
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	1,026,404	-	-	-	-
Charges for services	-	187,212	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	10,680,826	-	-	-
Other receipts	254,573	16,052	746,532	4	14,656	3,954,984
Total receipts	254,573	1,229,668	11,427,358	4	14,656	3,954,984
Disbursements:						
Personal services	-	919,185	1,453,072	-	-	-
Supplies	118,343	169,832	-	-	-	-
Other services and charges	122,449	166,822	-	-	-	-
Debt service - principal and interest	-	-	137,470	-	-	2,811,035
Capital outlay	11,347	55,000	1,511,268	-	17,035	-
Utility operating expenses	-	-	4,122,877	-	936,530	-
Other disbursements	-	2,509	3,565,635	-	-	357,100
Total disbursements	252,139	1,313,348	10,790,322	-	953,565	3,168,135
Excess (deficiency) of receipts over disbursements	2,434	(83,680)	637,036	4	(938,909)	786,849
Cash and investments - ending	\$ 314,212	\$ (579,784)	\$ 5,942,980	\$ 1,181	\$ -	\$ 3,718,222

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

	Ww Bond Reserve	Stormwater Operating	Off Street Parking	Solid Waste	Landfill	Rainy Day - Sanitation
Cash and investments - beginning	\$ 3,003,365	\$ 3,775,555	\$ 75,330	\$ 7,128,790	\$ 4,764,596	\$ 407,030
Receipts:						
Taxes	-	-	-	6,033,849	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	746,173	-	-
Charges for services	-	-	59,685	89,301	1,888,379	-
Fines and forfeits	-	-	4,880	-	-	-
Utility fees	-	1,515,260	-	-	-	-
Other receipts	255,311	684,154	412	63,664	55,473	1,427
Total receipts	255,311	2,199,414	64,977	6,932,987	1,943,852	1,427
Disbursements:						
Personal services	-	46,804	11,658	2,440,309	781,326	-
Supplies	-	-	2,034	576,096	123,734	-
Other services and charges	-	-	23,906	1,008,877	908,944	-
Debt service - principal and interest	-	-	-	137,470	-	-
Capital outlay	-	1,217,158	-	127,705	997,464	-
Utility operating expenses	-	530,654	-	-	-	-
Other disbursements	76,722	543,657	65	155,808	1,825	-
Total disbursements	76,722	2,338,273	37,663	4,446,265	2,813,293	-
Excess (deficiency) of receipts over disbursements	178,589	(138,859)	27,314	2,486,722	(869,441)	1,427
Cash and investments - ending	\$ 3,181,954	\$ 3,636,696	\$ 102,644	\$ 9,615,512	\$ 3,895,155	\$ 408,457

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

	Airport	Parallax	RP&L Bond & Interest	RP&L Payroll Deduction	Rp&L Payroll	Rp&L Depreciation Reserve
Cash and investments - beginning	\$ 403,741	\$ 350,428	\$ 485,000	\$ -	\$ -	\$ 10,145,174
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	439,265	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,613	1,718,509	2,954	2,919,866	3,891,754	103,910
Total receipts	442,878	1,718,509	2,954	2,919,866	3,891,754	103,910
Disbursements:						
Personal services	140,174	-	-	-	-	-
Supplies	151,567	-	-	-	-	-
Other services and charges	107,188	-	-	-	-	-
Debt service - principal and interest	-	-	485,000	-	-	-
Capital outlay	28,620	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	276	1,660,931	2,954	2,919,690	3,891,754	350,031
Total disbursements	427,825	1,660,931	487,954	2,919,690	3,891,754	350,031
Excess (deficiency) of receipts over disbursements	15,053	57,578	(485,000)	176	-	(246,121)
Cash and investments - ending	\$ 418,794	\$ 408,006	\$ -	\$ 176	\$ -	\$ 9,899,053

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

	Rp&L Operating	Rp&L Customer Deposits	Rp&L Cash Reserve Fund	Rp&L Insurance Reserve	Totals
Cash and investments - beginning	\$ 14,185,764	\$ 655,525	\$ 2,139,709	\$ 1,344,899	\$ 82,210,202
Receipts:					
Taxes	-	-	-	-	28,819,391
Licenses and permits	-	-	-	-	195,693
Intergovernmental receipts	-	-	-	-	10,076,011
Charges for services	-	-	-	-	8,269,989
Fines and forfeits	-	-	-	-	19,320
Utility fees	85,809,502	-	-	-	98,005,588
Other receipts	1,050,453	184,257	2,139,709	13,608	30,696,084
Total receipts	86,859,955	184,257	2,139,709	13,608	176,082,076
Disbursements:					
Personal services	-	-	-	-	29,453,655
Supplies	-	-	-	-	2,747,226
Other services and charges	-	-	-	-	13,924,760
Debt service - principal and interest	2,942	-	-	-	3,941,775
Capital outlay	-	-	-	-	15,182,253
Utility operating expenses	84,604,172	-	-	-	90,194,233
Other disbursements	2,139,709	140,601	2,139,709	6,804	18,597,218
Total disbursements	86,746,823	140,601	2,139,709	6,804	174,041,120
Excess (deficiency) of receipts over disbursements	113,132	43,656	-	6,804	2,040,956
Cash and investments - ending	\$ 14,298,896	\$ 699,181	\$ 2,139,709	\$ 1,351,703	\$ 84,251,158

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

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Solid Waste	\$ -	\$ -
Airport	-	7,562
Electric	540,527	7,329,872
Roseview Transit	-	1,069
Wastewater	195,328	-
Off Street Parking	-	-
Governmental activities	<u>-</u>	<u>1,037,018</u>
Totals	<u>\$ 735,855</u>	<u>\$ 8,375,521</u>

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

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	2009 Park District Bonds	\$ 250,000	\$ 256,750
Revenue bonds	Tax Increment Revenue Bonds of 2015 Series A	1,825,000	123,496
Revenue bonds	Taxable Economic Development Revenue Bonds Series 2016	28,612,000	742,000
Revenue bonds	Taxable Tax Increment Revenue Bonds of 2015 Series B (Brownfield Bonds)	484,500	28,500
Notes and loans payable	Guaranteed Energy Savings Project (City)	168,794	173,852
Notes and loans payable	Economic Development Revenue Bonds Series 2014	612,000	100,725
		<u>31,952,294</u>	<u>1,425,323</u>
Total governmental activities			
Wastewater:			
Revenue bonds	IN Brownfield Program Loan (2012 Series B)	652,200	43,480
Revenue bonds	Sanitary District Bonds of 2017 (SRF-WW16268906)	11,555,000	681,550
Revenue bonds	Sanitary District Refunding Revenue Bonds (2015 Series A)	775,000	782,595
Revenue bonds	Sanitary District Refunding Revenue Bonds (2015 Series B)	6,820,000	559,458
Revenue bonds	Tertiary Building Modifications (WW09128902) (2009 Series A)	1,040,000	105,835
Revenue bonds	Wastewater/Stormwater Improvements (ES Interceptor ph 3) (WW13049804) ((2012 Series A)	11,600,000	874,798
Revenue bonds	Wastewater/Stormwater Improvements (SE Basin and ES Interceptor ph 1 & 2) (2009 Series B)	7,645,000	802,166
Notes and loans payable	Guaranteed Energy Savings Project (Wastewater)	1,489,128	274,940
		<u>41,576,328</u>	<u>4,124,822</u>
Total Wastewater			
Totals		<u>\$ 73,528,622</u>	<u>\$ 5,550,145</u>

CITY OF RICHMOND
SCHEDULE OF CAPITAL ASSETS
December 31, 2018

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	14,084,971
Improvements other than buildings	1,785,746
Machinery, equipment, and vehicles	<u>14,057,531</u>
Total governmental activities	<u>68,079,447</u>
Roseview Transit:	
Land	19,950
Buildings	577,915
Improvements other than buildings	184,525
Machinery, equipment, and vehicles	<u>982,165</u>
Total Roseview Transit	<u>1,764,555</u>
Wastewater:	
Land	81,294
Infrastructure	46,874,513
Buildings	2,925,894
Improvements other than buildings	48,967,460
Machinery, equipment, and vehicles	17,407,753
Construction in progress	<u>21,838,326</u>
Total Wastewater	<u>138,095,240</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	14,693,366
Construction in progress	<u>1,619,633</u>
Total Solid Waste	<u>29,018,319</u>
Airport:	
Land	567,389
Buildings	877,458
Improvements other than buildings	10,318,739
Machinery, equipment, and vehicles	<u>1,012,852</u>
Total Airport	<u>12,776,438</u>
Electric:	
Land	938,485
Infrastructure	9,561,446
Buildings	19,104,553
Improvements other than buildings	73,621,160
Machinery, equipment, and vehicles	88,782,984
Construction in progress	<u>3,844,163</u>
Total Electric	<u>195,852,791</u>
Total capital assets	<u>\$ 447,540,928</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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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, 2018. 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. 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.

Opinion on Each 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 each of its major federal programs for the year ended December 31, 2018.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH 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 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.

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 a material weakness.

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.

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

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 20, 2019 except for the opinion on Clean Water State
Revolving Fund Cluster, for which the date is September 24, 2020

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, 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
Department of Agriculture					
Child Nutrition Cluster					
Summer Food Service Program for Children	Indiana Department of Education	10.559	71818IN109942SF	\$ -	\$ 16,400
Total - Child Nutrition Cluster				-	16,400
Total - Department of Agriculture				-	16,400
Department of Commerce					
Economic Development Cluster					
Economic Adjustment Assistance	Direct Grant	11.307	06-36-02088	-	914,397
Total - Economic Development Cluster				-	914,397
Total - Department of Commerce				-	914,397
Department of Housing and Urban Development					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Housing and Community Development Authority	14.228	DR2OR-05-006	-	56,287
Total - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				-	56,287
Total - Department of Housing and Urban Development				-	56,287
Department of Justice					
Missing Children's Assistance	Indiana State Police	16.543	2014MCFXK018 '15FN 2014MCFXK018 '16FN	-	1,594 9,151
Total-Missing Children's Assistance				-	10,745
Equitable Sharing Program	Direct Grant	16.922	FY18	-	72,974
Total - Department of Justice				-	83,719
Department of Transportation					
Formula Grants for Rural Areas and Tribal Transit Program	Indiana Department of Transportation	20.509	EDS#249-17-G160020	-	467,039
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205	A249-14-320955 DES #1173174 DES#081067	-	125,325 29,570 16,595
Total-Highway Planning and Construction				-	171,490
Recreational Trails Program	Indiana Department of Transportation	20.219	DES1592326	-	12,129
Total - Highway Planning and Construction Cluster				-	183,619
Highway Safety Cluster					
State and Community Highway Safety	Indiana Department of Transportation	20.600	032NHTSA402CF17	4,550	13,040
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Department of Transportation	20.601	D3-18-12065	3,404	7,848
Total - Highway Safety Cluster				7,954	20,888
Airport Improvement Program	Direct Grant	20.106	3-18-0071-019-2017	-	1,566,865
Federal Transit Cluster					
Bus and Bus Facilities Formula, Competitive, and Low or No Emissions Programs	Indiana Department of Transportation	20.526	800138239400LC7	-	130,498
Total- Federal Transit Cluster				-	130,498
Total - Department of Transportation				7,954	2,368,909
Environmental Protection Agency					
Clean Water State Revolving Fund Cluster					
Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority	66.458	WW16268906B	-	3,486,466
Total Clean Water State Revolving Fund Cluster				-	3,486,466
Total - Environmental Protection Agency				-	3,486,466
Department of Health and Human Services					
Aging Cluster					
Special Programs for the Aging, Title III, Part B, Grants for Supportive Services and Senior Centers	Indiana University	93.044	FY18	-	36,364
Total - Aging Cluster				-	3,522,830
Total - Department of Health and Human Services				-	36,364
Department of Homeland Security					
Assistance to Firefighters Grant	Direct Grant	97.044	FO1602886FF	-	37,273
Total - Department of Homeland Security				-	37,273
Total federal awards expended				\$ 7,954	\$ 6,999,815

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, 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.

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	\$ 567,680
Plus: Cash and Investment balance in the RLF Fund at the end of the recipient's fiscal year	711,882
Plus: Administrative expenses paid out of RLF income during the recipients fiscal year	<u>568</u>
 Total "Expenditures"	 <u>1,280,130</u>
 Calculation for Federal Participation Rate	
Original Grant	500,000
Original Match (In-kind - Donated Warner Gear Buildings)	<u>200,000</u>
 Total Original Grant with Original Match	 <u>700,000</u>
 Federal Participation Rate (Original Grant Award Divided By Total Original Grant and Match)	 <u>0.7143</u>
 Total for SEFA (Total "Expenditures" times Federal Participation Rate)	 <u><u>\$ 914,379</u></u>

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 weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
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 Programs and type of auditor's report issued on compliance for each:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
20.106	Economic Development Cluster Airport Improvement Program Clean Water State Revolving Fund Cluster	Unmodified Unmodified 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

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2017-001.

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 system which was the source of the SEFA.

Context

The SEFA presented for audit contained the following errors:

1. The Economic Development Cluster expenditures were overstated by \$564,235.
2. The Airport Improvement Program expenditures were overstated by \$96,851.
3. The Missing Children's Assistance grant expenditures were not included on the SEFA, resulting in an understatement of \$10,745.
4. The Equitable Sharing Program expenditures were overstated by \$10,745.
5. The Recreational Trails Program expenditures were not included on the SEFA, resulting in an understatement of \$12,129.
6. The Clean Water State Revolving Fund Cluster was not included on the SEFA, resulting in an understatement of \$3,486,466.
7. Not all CFDA numbers, program names, grants, and identifying numbers were correct or reported.

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. . . .

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

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. . . ."

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."

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

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* section.

Recommendation

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

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 2018-002

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 immediately prior audit report. The prior audit finding number was 2017-003.

Condition

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

The ED-209 report prepared for the period ending March 31, 2018, contained material errors. The City's records did not match the amounts that were submitted on the report. The ED-209 report prepared for the period ending September 30, 2018, also contained errors; however, these errors were identified by the grantor and subsequently corrected by the unit.

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

Context

The lack of controls was a systemic problem throughout the audit period. Errors were present on both reports submitted.

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(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 to ensure compliance with the Reporting Compliance requirement.

Effect

The failure to establish an effective internal control system enabled material noncompliance to go undetected.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and the Reporting compliance requirement to ensure compliance with program requirements.

Views of Responsible Officials

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

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
50 NORTH 5th STREET – RICHMOND, IN 47374
PHONE (765) 983-7211 – FAX (765) 962-7204
bfields@richmondindiana.gov

DAVID M. SNOW
Mayor

EMILY PALMER
Controller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2017-001

Fiscal year in which the finding initially occurred: 2014
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Emily Palmer
Contact Phone Number: 765-983-7211

Status of Audit Finding: Will be corrected for 2019.

FINDING 2017-002

Fiscal year in which the finding initially occurred: 2014
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: Corrected December 2018 per Beth Fields – prior Controller current Director of Infrastructure and Development.

FINDING 2017-003

Fiscal year in which the finding initially occurred: 2014
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: Corrected December 2018 per Beth Fields – prior Controller current Director of Infrastructure and Development.

FINDING 2017-004

Fiscal year in which the finding initially occurred: 2017
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Housing and Urban Development
Contact Person Responsible for Corrective Action: Beth Fields
Contact Phone Number: 765-983-7211

Status of Audit Finding: Corrected December 2018 per Beth Fields – prior Controller current Director of Infrastructure and Development.

FINDING 2017-005

Fiscal year in which the finding initially occurred: 2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Housing and Urban Development

Contact Person Responsible for Corrective Action: Beth Fields

Contact Phone Number: 765-983-7211

Status of Audit Finding: Corrected December 2018 per Beth Fields – prior Controller current Director of Infrastructure and Development.

FINDING 2017-006

Fiscal year in which the finding initially occurred: 2017

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Department of Housing and Urban Development

Contact Person Responsible for Corrective Action: Beth Fields

Contact Phone Number: 765-983-7211

Status of Audit Finding: Corrected December 2018 per Beth Fields – prior Controller current Director of Infrastructure and Development.



(Signature)

Controller

(Title)

7.29.19

(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b) for audit periods beginning before December 26, 2014. For audit periods beginning after December 26, 2014, please see 2 CFR §200.511(b).)



CITY OF RICHMOND

DEPARTMENT OF FINANCE

50 NORTH FIFTH STREET - RICHMOND, IN 47374
PHONE (765) 983-7200 - FAX (765) 983-7212

DAVID M. SNOW
Mayor

EMILY PALMER
City Controller

CORRECTIVE ACTION PLAN

FINDING 2018-001

Contact Person Responsible for Corrective Action: Emily Palmer
Contact Phone Number: 765-983-7218

Views of Responsible Official:

We concur with finding 2018-001. As a result of the errors reported in Finding 2018-001 the Finance Department recognizes a need for additional training and review to ensure accurate reporting of the SEFA.

Description of Corrective Action Plan:

The City Controller will train the Deputy Controller to prepare the SEFA. After preparing the SEFA the Deputy Controller will send all supporting documentation and internal reports to the City's Municipal Advisor for review. If any changes are advised and agreed upon they will be made accordingly. The City Controller will review the SEFA and supporting documentation for final approval prior to submitting in Gateway.

Anticipated Completion Date: 3-31-2020



FINDING 2018-002

Contact Person Responsible for Corrective Action: Beth Fields
Contact Phone Number: 765-983-7211

Views of Responsible Official:

We concur with Finding 2018-002. As a result of the errors reported in Finding 2018-002 the Department of Infrastructure and Development recognizes a need for additional training and review to ensure accurate reporting of the ED-209.

Description of Corrective Action Plan:

Both the preparer of the ED-209 (the Director of the Department of Infrastructure and Development) and the reviewer (the Mayor) of this document now have a better understanding of what should be reported in the section that contained errors. The report will be completed by the Director of Infrastructure and Development and reviewed by the Mayor.

Anticipated Completion Date: Complete



(Signature)

City Controller

(Title)

8.20.19

(Date)

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/>.