

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF GREENSBURG

DECATUR COUNTY, INDIANA

January 1, 2020 to December 31, 2020



FILED
03/24/2022

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|--|--|
| Clerk-Treasurer | Brenda L. Dwenger Betsy Wiley (interim) Amy E. Borns | 01-01-20 to 06-01-21 06-02-21 to 06-28-21 06-29-21 to 12-31-22 |
| Mayor | Joshua L. Marsh | 01-01-20 to 12-31-22 |
| President of the Board of Public Works | Joshua L. Marsh | 01-01-20 to 12-31-22 |
| President Pro Tempore of the Common Council | Jamie Cain | 01-01-20 to 12-31-22 |
| Utilities Office Manager | Donna M. Lecher | 01-01-20 to 12-31-22 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the City of Greensburg (City), for the period from January 1, 2020 to December 31, 2020. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Audit Report of the City, which provides our opinions on the City's financial statement. This report may be found at www.in.gov/sboa/.

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

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

Beth Kelley, CPA, CFE
Deputy State Examiner

March 8, 2022

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CLERK-TREASURER
CITY OF GREENSBURG

CLERK-TREASURER
CITY OF GREENSBURG
AUDIT RESULTS AND COMMENTS

ACCOUNTING FOR CORONAVIRUS RELIEF FUND GRANTS

Condition and Context

The City did not properly account for the COVID-19 - Coronavirus Relief Fund (CRF) in accordance with the options outlined in the State Examiner Directive 2020-3 (Directive).

The City established fund 150 - COVID fund; however, the City commingled the CRF monies administered by the Indiana Finance Authority (IFA) with COVID funds received from the Indiana Office of Community and Rural Affairs (OCRA).

The City adopted Resolution 2020-34 (Resolution) to utilize prescribed Option Two to account for public health and safety payroll costs. The City receipted \$386,000 into the COVID fund; however, the payroll reimbursement from the IFA totaled \$386,600. The full amount of \$386,600 was deposited into the City's bank account and the account reconciled at year end; however, the City cannot identify into which fund the \$600 was recorded.

Per the adopted Resolution, a claim would be created against the COVID fund, up to the payroll reimbursement amount, and be receipted into the General Fund. As of December 31, 2020, the \$386,000 remained in the COVID fund.

Criteria

Transactions for public health and safety payroll costs must be accounted for through one of these two prescribed options.

Option One. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. The reimbursed amount for public health and safety payroll costs originally incurred in the general fund (or other fund) will be moved to the separate CARES grant fund through a reversing entry. This action will reinstate the general fund (or other fund) cash balance and re-appropriate the general fund (or other fund) in a similar manner to IC 6-1.1-18-9(1) for those disbursements. This reversal must be done in the same budget year that the original transaction was posted.

Once the disbursement is reversed within the general fund (or other fund), it must be posted as a disbursement in the separate CARES grant fund. Documentation must be maintained so the audit trail can be followed. The accounting system must tie the original claim for the disbursement to the separate CARES grant fund by specific reference or notation in a comment section.

CLERK-TREASURER
CITY OF GREENSBURG
AUDIT RESULTS AND COMMENTS
(Continued)

Once option one is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. . . .**

Option Two. Reimbursements received from IFA shall be receipted into the separate CARES grant fund. A claim will be created against the separate CARES grant fund for the reimbursed amount in favor of the general fund. This claim must be supported by documentation of the public health and safety payroll costs that have been expensed from the general fund or other funds.

The amount of the claim will be receipted into the general fund cash balance. Normal appropriation procedures will apply to these funds.

Once option two is completed, the cash balance of the separate CARES grant fund will be zero. **No money shall remain in the separate CARES grant fund. This option requires a resolution or ordinance as detailed in the memorandum CARES Reimbursement of Public Health and Safety Payroll Costs, September 30, 2020. . . .** (State Examiner Directive 2020-3)

BANK ACCOUNT RECONCILIATIONS

Condition and Context

The bank reconciliation for December 31, 2020, included a reconciling item in the amount of \$129,000 for which no supporting documentation was provided. This resulted in a cash long.

The bank reconciliation for December 31, 2020, did not properly identify a posting error in the amount of \$46,226 that occurred when a bank account was closed, but the transaction was not properly posted on the City's ledger. This resulted in the funds being reported in both the General Fund and the EPLD/ACRO Fund balances. This resulted in a cash short.

The errors noted above resulted in a net cash long at December 31, 2020, in the amount of \$82,774.

Criteria

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

CLERK-TREASURER
CITY OF GREENSBURG
EXIT CONFERENCE

The contents of this report were discussed on March 8, 2022, with Amy E. Borns, Clerk-Treasurer; Joshua L. Marsh, Mayor; Donna M. Lecher, Utilities Office Manager; Betsy Wiley, Deputy Clerk-Treasurer; Rick Emsweller, Common Council member; Glenn Tebbe, Board of Public Works member; and Rodney A. King, Board of Public Works member.