



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

March 30, 2022

TO: THE OFFICIALS OF THE TOWN OF GREENSBORO, HENRY COUNTY, INDIANA

As authorized under Indiana Code 5-11-1, we performed certain procedures to the accounting records and related documents of the Town of Greensboro (Town), Henry County, for the period of January 1, 2017 to December 31, 2020, to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

Management is responsible for preparing and maintaining its accounting records and related documents, as well as compliance with applicable state laws and uniform compliance guidelines established by the Indiana State Board of Accounts.

The Town's Annual Financial Reports filed by management can be found on the Gateway Website: [www.gateway.ifionline.org](http://www.gateway.ifionline.org).

The Comments contained herein describe the identified reportable instances of noncompliance found as a result of the procedures we performed. Our procedures were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

***Comments***

***ADOPTION OF, AND TRAINING ON, INTERNAL CONTROL STANDARDS***

***Condition and Context***

The Town had not adopted the acceptable minimum level of internal control standards as defined by the Indiana State Board of Accounts.

Town employees whose official duties included receiving, processing, depositing, disbursing, or otherwise having access to funds that belonged to the Town had not received training over internal control standards that was developed or approved by the Indiana State Board of Accounts.

***Criteria***

Indiana Code 5-11-1-27(g) states:

"After June 30, 2016, the legislative body of a political subdivision shall ensure that:

- (1) the internal control standards and procedures developed under subsection (e) are adopted by the political subdivision; and

- (2) personnel receive training concerning the internal control standards and procedures adopted by the political subdivision."

## **ANNUAL FINANCIAL REPORT - BEGINNING AND ENDING BALANCES**

### *Condition and Context*

The Annual Financial Report (AFR) for 2017 included the Riverboat fund with a beginning balance that was \$848 more than the prior period ending balance.

The AFR for 2018 included the Riverboat fund with a beginning balance that was \$848 less than the prior period ending balance.

The AFR for 2019 included the Cumulative Capital Improvement fund with a beginning balance that was \$224 more than the prior period ending balance. The AFR for 2019 also included the Riverboat fund with a beginning balance that was \$847 less than the prior period ending balance.

The AFR for 2020 included the General fund and the Park Nonreverting Capital fund with beginning balances that were \$5,141 and \$270 more than the prior period ending balances. The AFR for 2020 also included the Motor Vehicle Highway, Local Road and Street, Riverboat, and Cumulative Capital Improvement funds with beginning balances that were \$5,191, \$270, \$847, and \$552 less than the prior period ending balances.

### *Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 1)

## **BANK ACCOUNT RECONCILIATIONS**

### *Condition and Context*

Depository reconciliations of the fund balances to the bank account balances were conducted; however, the December 31, 2020 reconciliation did not balance. As a result, the December 31, 2020 ending cash and investments balance in the Indiana Gateway for Government Units (Gateway) financial reporting system was \$1,269 more than the December 31, 2020 adjusted bank balance.

### *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."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Towns, Chapter 1)

### **LATE SUBMISSION OF ANNUAL FINANCIAL REPORT**

#### *Condition and Context*

The Town's Annual Financial Report for 2017, 2018, 2019, and 2020 was not filed electronically until March 20, 2018; April 14, 2019; March 2, 2020; and March 24, 2021, respectively, which was 19, 44, 2, and 23 days past the due date.

#### *Criteria*

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

### **MOTOR VEHICLE HIGHWAY (MVH) - RESTRICTED FUND**

#### *Condition and Context*

In 2019, the Town failed to create and report the MVH Restricted sub-fund as directed by the State Examiner. Therefore, the Town failed to allocate or deposit at least 50 percent of the distributions from the State Motor Vehicle Highway (MVH) Account at the time of the receipt, into an MVH Restricted sub-fund. Since the MVH Restricted sub-fund had not been created, we were not able to determine if the Town used at least 50 percent for the purposes specified in Indiana Code 8-14-1-5(c).

#### *Criteria*

The purpose of this Directive is to authorize and require . . . cities, and towns that receive distributions from the State Motor Vehicle Highway Account to **create a new sub-fund within the MVH Fund** to properly manage and account for the usage restrictions that were included in House Enrolled Act 1002-2017 and House Enrolled Act 1290-2018. . . .

On the chart of accounts, the MVH fund and MVH Restricted sub-fund shall be shown as follows:

...

#### Cities and Towns

Fund 201 MVH  
Fund 203 MVH Restricted.

**Together, MVH and MVH Restricted shall constitute the total MVH fund.** MVH and MVH Restricted will be shown separately on the Annual Financial Report . . .

Starting on January 1, 2019, the political subdivision must post at the time of receipt of the distribution from the State Motor Vehicle Highway Account fifty percent (50%) of the distribution to MVH Restricted. (State Examiner Directive 2018-2)

Indiana Code 8-14-1-5(c) states: "For funds distributed to a city or town from the motor vehicle highway account, the city or town shall use at least fifty percent (50%) of the money for the construction, reconstruction, and preservation of the city's or town's highways."

Units are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings, court decisions, and filing requirements concerning reports and other procedural matters of federal and state agencies. Units must file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

This report is intended solely for the information and use of management, governance, and others within the organization. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The Schedule of Cash and Investment Balances - Regulatory Basis, is presented as other information. It has not been subjected to any auditing procedures, and, accordingly, we do not express an opinion or provide any assurance on it.

SCHEDULE OF CASH AND INVESTMENT  
BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2020

Fund	Cash and Investments 12-31-20
General	\$ 12,268
Motor Vehicle Highway	18,793
Local Road and Street	17,320
Riverboat	3,388
Park Nonreverting Capital	1,867
Cumulative Capital Improvement	<u>2,105</u>
Total	<u>\$ 55,741</u>

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

The contents of this report were communicated to Rayann Knepley, Clerk-Treasurer, and Mikel Knepley, President of the Town Council, on March 14, 2022.

Respectfully,



Beth Kelley, CPA, CFE  
Deputy State Examiner