

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF LEBANON

BOONE COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED

07/21/2023

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Tonya Thayer	01-01-21 to 12-31-23
Mayor	Matthew Gentry	01-01-21 to 12-31-23
President of the Board of Public Works and Safety	Matthew Gentry	01-01-21 to 12-31-23
President Pro Tempore of the Common Council	Brent Wheat Morris Jones Mike Kincaid	01-01-21 to 12-31-21 01-01-22 to 12-31-22 01-01-23 to 12-31-23
Utility Chief Financial Officer	Sandra Morgan	01-01-21 to 12-31-23



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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TO: THE OFFICIALS OF THE CITY OF LEBANON, BOONE COUNTY, INDIANA

This report is supplemental to the audit report of the City of Lebanon (City), for the period from January 1, 2021 to December 31, 2021. 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 the 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

July 6, 2023

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CLERK-TREASURER
CITY OF LEBANON

CLERK-TREASURER
CITY OF LEBANON
AUDIT RESULTS AND COMMENTS

COMPENSATION AND BENEFITS

The same comment also appeared in prior Report B58673.

Condition and Context

The salary ordinance included the budgeted amount for salaries and wages for departments or classes of employees rather than listing the individual rate of pay for each position, such as building inspector, assistant building inspector, pool staff, park staff, and fire captain.

Criteria

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution, or salary schedule adopted by the governing body unless otherwise authorized by law. Compensation must be paid in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

ANNUAL UPLOADS

Condition and Context

Annual upload requirements include the year-end bank statement, year-end outstanding check list, year-end investments, detail of receipt activity, detail of disbursement activity, current year salary ordinance, an annual vendor history report, an annual funds ledger, and an annual payroll history report-without social security numbers.

For the year ending December 31, 2021, the City and the Utilities did not comply with the State Examiner Directive and failed to upload any of the required annual documents into the Indiana Gateway for Government Units (Gateway) financial reporting system.

Criteria

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)

Beginning with July 2018 files, which will be due September 15, 2018, **all** cities, towns, townships, libraries, and special districts will use the Upload App to upload files containing financial and governmental unit information on Gateway to allow the State Board of Accounts (SBOA) to conduct audit planning and audit processes prior to on-site work at a unit. (State Examiner Directive 2018-1)

CLERK-TREASURER
CITY OF LEBANON
EXIT CONFERENCE

The contents of this report were discussed on July 6, 2023, with Tonya Thayer, Clerk-Treasurer; Matthew Gentry, Mayor; Mike Kincaid, President Pro Tempore of the Common Council; Dick Robertson, Common Council member; and Sandra Morgan, Utility Chief Financial Officer.