

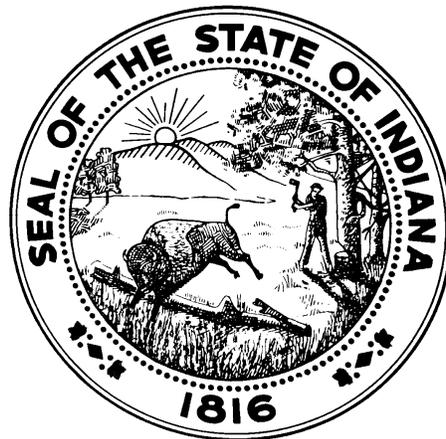
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2008

CITY OF GREENWOOD

JOHNSON COUNTY, INDIANA



**FILED**  
01/14/2010



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jeannine Myers	01-01-08 to 12-31-09
Mayor	Charles E. Henderson	01-01-08 to 12-31-09
President of the Board of Public Works and Safety	Charles E. Henderson	01-01-08 to 12-31-09
President of the Common Council	Ron Deer	01-01-08 to 12-31-09



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF GREENWOOD, JOHNSON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenwood (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated October 14, 2009, 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 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 internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Long-Term Debt has not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

October 14, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF GREENWOOD, JOHNSON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Greenwood (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated October 14, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies described in item 2008-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. However, of the significant deficiencies described above, we consider item 2008-1 to be a material weakness.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are 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 no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Board of Public Works and Safety, Common Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 14, 2009

CITY OF GREENWOOD  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2008

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 14,791,248	\$ 2,351,317	\$ 260,074	\$ -	\$ (12,179,857)	\$ -	\$ (12,179,857)
Public safety	9,864,972	660,322	-	-	(9,204,650)	-	(9,204,650)
Highways and streets	2,347,088	-	1,229,735	442,470	(674,883)	-	(674,883)
Health and welfare	69,535	-	-	-	(69,535)	-	(69,535)
Economic development	2,017,498	-	-	-	(2,017,498)	-	(2,017,498)
Culture and recreation	1,729,360	227,881	-	-	(1,501,479)	-	(1,501,479)
Urban redevelopment and housing	50,884	-	-	-	(50,884)	-	(50,884)
Principal and interest on indebtedness	634,712	-	-	-	(634,712)	-	(634,712)
Total governmental activities	<u>31,505,297</u>	<u>3,239,520</u>	<u>1,489,809</u>	<u>442,470</u>	<u>(26,333,498)</u>	<u>-</u>	<u>(26,333,498)</u>
Business-type activities:							
Wastewater Utility	18,085,433	9,562,245	-	-	-	(8,523,188)	(8,523,188)
Aviation operating	363,637	361,708	-	-	-	(1,929)	(1,929)
Total business-type activities	<u>18,449,070</u>	<u>9,923,953</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(8,525,117)</u>	<u>(8,525,117)</u>
Total primary government	<u>\$ 49,954,367</u>	<u>\$ 13,163,473</u>	<u>\$ 1,489,809</u>	<u>\$ 442,470</u>	<u>(26,333,498)</u>	<u>(8,525,117)</u>	<u>(34,858,615)</u>
General receipts:							
Property taxes					10,872,820	-	10,872,820
Intergovernmental					8,208,922	-	8,208,922
Other local sources					7,893,374	-	7,893,374
Net proceeds from borrowings					2,970,000	-	2,970,000
Investment earnings					555,215	276,404	831,619
Total general receipts					<u>30,500,331</u>	<u>276,404</u>	<u>30,776,735</u>
Change in net assets					4,166,833	(8,248,713)	(4,081,880)
Net assets - beginning					<u>23,422,425</u>	<u>14,337,297</u>	<u>37,759,722</u>
Net assets - ending					<u>\$ 27,589,258</u>	<u>\$ 6,088,584</u>	<u>\$ 33,677,842</u>
<u>Assets</u>							
Cash and investments					\$ 3,637,220	\$ 6,088,584	\$ 9,725,804
Cash with fiscal agent					131,601	-	131,601
Restricted assets:							
Cash and investments					<u>23,820,437</u>	<u>-</u>	<u>23,820,437</u>
Total assets					<u>\$ 27,589,258</u>	<u>\$ 6,088,584</u>	<u>\$ 33,677,842</u>
<u>Net Assets</u>							
Restricted for:							
Culture and recreation					\$ 1,304,963	\$ -	\$ 1,304,963
Debt service					329,548	-	329,548
Other purposes					22,317,527	-	22,317,527
Unrestricted					<u>3,637,220</u>	<u>6,088,584</u>	<u>9,725,804</u>
Total net assets					<u>\$ 27,589,258</u>	<u>\$ 6,088,584</u>	<u>\$ 33,677,842</u>

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

CITY OF GREENWOOD  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2008

	General Fund	TIF	TIF #71 Eastside Surplus Cash	TIF #75 Eastside Allocation Cash	Fire	2008 GO Bond Revenue	Other Governmental Funds	Totals
<b>Receipts:</b>								
Taxes	\$ 3,557,653	\$ 24,102	\$ -	\$ -	\$ 3,592,762	\$ -	\$ 3,698,303	\$ 10,872,820
Licenses and permits	120,654	-	-	-	-	-	-	120,654
Intergovernmental	6,220,418	9,255	-	-	539,144	-	3,372,384	10,141,201
Charges for services	-	-	-	-	6,000	-	227,881	233,881
Fines and forfeits	501,711	-	-	-	-	-	34,459	536,170
Interfund loans	-	-	-	-	600,000	-	600,000	1,200,000
Other	154,675	87,969	350,129	2,827,256	142,756	22,345	3,002,828	6,587,958
<b>Total receipts</b>	<b>10,555,111</b>	<b>121,326</b>	<b>350,129</b>	<b>2,827,256</b>	<b>4,880,662</b>	<b>22,345</b>	<b>10,935,855</b>	<b>29,692,684</b>
<b>Disbursements:</b>								
General government	6,249,937	-	-	-	-	83,100	3,669,951	10,002,988
Public safety	5,195,605	-	-	-	4,231,824	-	135,394	9,562,823
Highways and streets	293,187	-	-	-	-	-	1,836,674	2,129,861
Health and welfare	43,813	-	-	-	-	-	-	43,813
Economic development	3,332	281,409	1,029,892	-	-	-	102,865	1,417,498
Culture and recreation	-	-	-	-	-	-	1,380,100	1,380,100
Urban redevelopment and housing	50,884	-	-	-	-	-	-	50,884
Interfund loans	-	-	-	-	600,000	-	600,000	1,200,000
<b>Debt service:</b>								
Principal	-	246,632	-	214,260	-	-	-	460,892
Interest	-	-	-	-	-	-	173,820	173,820
<b>Capital outlay:</b>								
General government	117,190	-	-	-	216,278	-	2,268,853	2,602,321
Public safety	302,149	-	-	-	-	-	-	302,149
Highways and streets	24,238	-	-	-	-	-	192,989	217,227
Health and welfare	25,722	-	-	-	-	-	-	25,722
Economic development	-	-	-	-	-	-	600,000	600,000
Culture and recreation	-	-	-	-	-	-	349,260	349,260
<b>Total disbursements</b>	<b>12,306,057</b>	<b>528,041</b>	<b>1,029,892</b>	<b>214,260</b>	<b>5,048,102</b>	<b>83,100</b>	<b>11,309,906</b>	<b>30,519,358</b>
Excess (deficiency) of receipts over disbursements	(1,750,946)	(406,715)	(679,763)	2,612,996	(167,440)	(60,755)	(374,051)	(826,674)
<b>Other financing sources (uses):</b>								
Net proceeds from borrowings	-	-	-	-	-	2,970,000	-	2,970,000
Transfers in	-	-	3,757,927	214,070	-	-	1,778,482	5,750,479
Transfers out	-	(5,750,407)	-	-	-	-	(72)	(5,750,479)
Other receipts	1,752,812	-	-	-	-	-	107,820	1,860,632
<b>Total other financing sources (uses)</b>	<b>1,752,812</b>	<b>(5,750,407)</b>	<b>3,757,927</b>	<b>214,070</b>	<b>-</b>	<b>2,970,000</b>	<b>1,886,230</b>	<b>4,830,632</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,866	(6,157,122)	3,078,164	2,827,066	(167,440)	2,909,245	1,512,179	4,003,958
Cash and investment fund balance - beginning	3,635,354	6,157,122	-	-	538,266	-	13,122,957	23,453,699
Cash and investment fund balance - ending	<u>\$ 3,637,220</u>	<u>\$ -</u>	<u>\$ 3,078,164</u>	<u>\$ 2,827,066</u>	<u>\$ 370,826</u>	<u>\$ 2,909,245</u>	<u>\$ 14,635,136</u>	<u>27,457,657</u>
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:								
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.								
								131,601
Net assets of governmental activities								<u>\$ 27,589,258</u>
<b>Cash and Investment Assets - Ending</b>								
Cash and investments	\$ 3,637,220	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,637,220
<b>Restricted assets:</b>								
Cash and investments	-	-	3,078,164	2,827,066	370,826	2,909,245	14,635,136	23,820,437
<b>Total cash and investment assets - ending</b>	<u>\$ 3,637,220</u>	<u>\$ -</u>	<u>\$ 3,078,164</u>	<u>\$ 2,827,066</u>	<u>\$ 370,826</u>	<u>\$ 2,909,245</u>	<u>\$ 14,635,136</u>	<u>\$ 27,457,657</u>
<b>Cash and Investment Fund Balance - Ending</b>								
<b>Restricted for:</b>								
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,304,963	\$ 1,304,963
Debt service	-	-	-	-	-	-	329,548	329,548
Other purposes	-	-	3,078,164	2,827,066	370,826	2,909,245	13,000,625	22,185,926
Unrestricted	3,637,220	-	-	-	-	-	-	3,637,220
<b>Total cash and investment fund balance - ending</b>	<u>\$ 3,637,220</u>	<u>\$ -</u>	<u>\$ 3,078,164</u>	<u>\$ 2,827,066</u>	<u>\$ 370,826</u>	<u>\$ 2,909,245</u>	<u>\$ 14,635,136</u>	<u>\$ 27,457,657</u>

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

CITY OF GREENWOOD  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As Of And For The Year Ended December 31, 2008

	Wastewater Utility	Aviation Commission	Totals	Internal Service Funds
Operating receipts:				
Customers	\$ 6,244,448	\$ -	\$ 6,244,448	\$ -
Fees	1,438,676	-	1,438,676	-
Penalties	96,202	-	96,202	-
Charges for services	-	361,708	361,708	2,348,815
Miscellaneous	1,782,919	-	1,782,919	-
	<u>9,562,245</u>	<u>361,708</u>	<u>9,923,953</u>	<u>2,348,815</u>
Total operating receipts				
Operating disbursements:				
Salaries and wages	-	5,759	5,759	-
Material and supplies	-	1,889	1,889	-
Contractual services	1,298,593	29,024	1,327,617	-
Insurance claims and expense	-	7,570	7,570	2,185,939
Collection and transmission	5,361,890	-	5,361,890	-
Refunds	-	1,154	1,154	-
Equipment and capital improvements	6,988,449	-	6,988,449	-
Miscellaneous	1,295,349	139,184	1,434,533	-
	<u>14,944,281</u>	<u>184,580</u>	<u>15,128,861</u>	<u>2,185,939</u>
Total operating disbursements				
Excess (deficiency) of operating receipts over operating disbursements	<u>(5,382,036)</u>	<u>177,128</u>	<u>(5,204,908)</u>	<u>162,876</u>
Nonoperating receipts (disbursements):				
Investment income	276,404	-	276,404	-
Debt service of principal	(1,761,408)	(93,615)	(1,855,023)	-
Interest disbursements	(1,379,744)	(85,442)	(1,465,186)	-
	<u>(2,864,748)</u>	<u>(179,057)</u>	<u>(3,043,805)</u>	<u>-</u>
Total nonoperating receipts (disbursements)				
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	<u>(8,246,784)</u>	<u>(1,929)</u>	<u>(8,248,713)</u>	<u>162,876</u>
Capital contributions	-	-	-	-
Transfers in	1,497,456	-	1,497,456	-
Transfers out	(1,497,456)	-	(1,497,456)	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital contributions and transfers				
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	<u>(8,246,784)</u>	<u>(1,929)</u>	<u>(8,248,713)</u>	<u>162,876</u>
Cash and investment fund balance - beginning	<u>14,170,833</u>	<u>166,464</u>	<u>14,337,297</u>	<u>(31,275)</u>
Cash and investment fund balance - ending	<u>\$ 5,924,049</u>	<u>\$ 164,535</u>	<u>\$ 6,088,584</u>	<u>\$ 131,601</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 5,924,049	\$ 164,535	\$ 6,088,584	\$ -
Cash with fiscal agent	-	-	-	131,601
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - December 31	<u>\$ 5,924,049</u>	<u>\$ 164,535</u>	<u>\$ 6,088,584</u>	<u>\$ 131,601</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Other purposes	\$ -	\$ -	\$ -	\$ 131,601
Unrestricted	5,924,049	164,535	6,088,584	-
	<u>5,924,049</u>	<u>164,535</u>	<u>6,088,584</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 5,924,049</u>	<u>\$ 164,535</u>	<u>\$ 6,088,584</u>	<u>\$ 131,601</u>

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

CITY OF GREENWOOD  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2008

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 121,507	
Plan members	2,416	
State	205,010	
Total contributions	328,933	
Investment earnings:		
Interest	2,945	
Total investment earnings	2,945	
Net investment earnings	2,945	
Total additions	331,878	
Deductions:		
Benefits	314,231	
Administrative and general	1,544	
Total deductions	315,775	
Excess (deficiency) of total additions over total deductions	16,103	
Cash and investment fund balance - beginning	159,792	
Cash and investment fund balance - ending	\$ 175,895	\$ 362,996

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

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS

I. 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 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, wastewater, sanitation, and urban redevelopment.

The City's financial reporting entity is composed of the following:

Primary Government: City of Greenwood

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the board members of the Redevelopment Commission and Economic Development Commission.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The TIF (tax increment financing) funds are used to account for property taxes levied on improvements to the various areas after the TIF district was established by the City.

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The fire fund is used to account for the activities of the fire department. The major revenue is from property taxes levied.

The 2008 general obligation bond revenue fund is used for the purpose of providing funds to be applied to pay for the construction and maintenance of public streets.

The City reports the following major proprietary funds:

The wastewater utility fund accounts for the operation of the wastewater, pumping stations, and collection systems.

The aviation fund accounts for the operation of the airport.

Additionally, the City reports the following fund types:

The internal service fund accounts for health insurance coverage provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police pension fund, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for employees, police departments, county and state government and other city funds serve as control accounts for certain cash transaction during the time they are a liability of the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Wastewater Utility, Aviation Commission, and City. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the School Corporation on or prior to December 31 of the year collected.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a deposit policy for custodial credit risk. At December 31, 2008, the City had deposit balances in the amount of \$34,014,064.

The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>
TIF	TIF Eastside Surplus Cash	\$ 3,757,927
TIF	TIF Eastside Allocation Cash	214,070
TIF	Other governmental funds	<u>1,778,482</u>
Total		<u>\$ 5,750,479</u>

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The City is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Medical Benefits

The City has chosen to establish a risk financing fund for risks associated with medical benefits. The risk financing fund is accounted for in the Health Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$1,000,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

C. Holding Corporation

The City has entered into a capital lease with City of Greenwood Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year totaled \$735,000.

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Indiana Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

During 2009, the City entered into various new capital lease agreements for the acquisition of three new dump trucks totaling \$394,839, fifteen police cruisers and one emergency equipment totaling \$345,815, and four fire vehicles totaling \$131,536.16.

The City is currently working on a study to possibly merge with White River Township. This area in question was annexed by the Town of Bargersville during 2009. The City contested this annexation and is awaiting a ruling by a judge, however, as of October 13, 2009, a ruling has not been made.

E. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

The City provides postemployment health benefits, as authorized Indiana Code 5-10-8, to all employees who retire from the City on or after attaining specified age with at least 20 years of service. Currently, nine retirees meet these eligibility requirements. The City provides the cost of these postemployment benefits that exceeds 50% of the monthly health insurance premium. Disbursements for those postemployment benefits include insurance premiums and benefit payments under the City's self-insurance plan and are on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

Funding Policy

The contribution requirements of plan members are established by the City's Common Council. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2008, the City contribution to the plan cannot be determined.

Annual OPEB Cost and Net OPEB Obligation

The City's annual other postemployment benefit (OPEB) expense has not been calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The City has not engaged an actuary to perform an actuarial valuation of the plan.

Funded Status and Funding Progress

As of December 31, 2008, the plan was not funded and is on a pay-as-you-go basis. An actuarial valuation has not been performed, consequently, the unfunded actuarial accrued liability for benefits is unknown.

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utility is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which 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.

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

Actuarial Information for the Above Plans

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>
Annual required contribution	\$ 397,974	\$ 424,400
Interest on net pension obligation	(606)	67,800
Adjustment to annual required contribution	<u>690</u>	<u>(85,600)</u>
Annual pension cost	398,058	406,600
Contributions made	<u>400,642</u>	<u>326,517</u>
Increase (decrease) in net pension obligation	(2,584)	80,083
Net pension obligation, beginning of year	<u>(8,357)</u>	<u>1,130,812</u>
Net pension obligation, end of year	<u>\$ (10,941)</u>	<u>\$ 1,210,895</u>

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>
Contribution rates:		
City	7%	421%
Plan members	3%	6%
Actuarial valuation date	07-01-08	01-01-08
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years
Amortization period (from date)	07-01-97	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension
Investment rate of return	7.25%	6%
Projected future salary increases:		
Total	5%	4%
Attributed to inflation	4%	4%
Attributed to merit/seniority	1%	0%
Cost-of-living adjustments	2%	2.75/4%*

\*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 339,332	89%	\$ (62,230)
	06-30-07	387,636	86%	(8,357)
	06-30-08	398,058	101%	(10,941)
1925 Police Officers' Pension Plan	12-31-06	397,100	51%	1,004,013
	12-31-07	401,900	68%	1,130,812
	12-31-08	406,600	80%	1,210,895

Membership in the 1925 Police Officers' Pension Plan at January 1, 2008, was comprised of the following:

	1925 Police Officers' Pension
Retirees and beneficiaries currently receiving benefits	11
Current active employees	2

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

CITY OF GREENWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF 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:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2008, 2007, and 2006, were \$824,607, \$791,635, and \$750,501, respectively, equal to the required contributions for each year.

CITY OF GREENWOOD  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 3,828,562	\$ 5,065,417	\$ (1,236,855)	76%	\$ 5,335,140	(23%)
07-01-07	4,477,577	5,644,589	(1,167,012)	79%	5,446,536	(21%)
07-01-08	5,067,704	6,394,417	(1,326,713)	79%	5,762,005	(23%)

1925 Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 433,573	\$ 5,607,100	\$ (5,173,527)	8%	\$ 175,700	(2,945%)
01-01-04	351,091	5,726,800	(5,375,709)	6%	179,700	(2,991%)
01-01-05	376,606	5,159,400	(4,782,794)	7%	137,500	(3,478%)
01-01-06	296,198	5,290,200	(4,994,002)	6%	94,400	(5,290%)
01-01-07	406,916	5,328,300	(4,921,384)	8%	97,800	(5,032%)
01-01-08	159,792	5,399,300	(5,239,508)	3%	100,800	(5,198%)

CITY OF GREENWOOD  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS FROM THE  
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan				
Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed		
		City	State	
1925 Police Officers' Pension Plan	12-31-03	\$ 669,000	0%	21%
	12-31-04	699,400	17%	17%
	12-31-05	408,500	0%	28%
	12-31-06	408,100	18%	31%
	12-31-07	416,600	66%	86%
	12-31-08	424,400	28%	48%

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008

	MVH	LRS	Clerks Record Perpeutation	Park & Rec.	User Fee	Fire Prev.-Public Ed	SNR Parks
<b>Receipts:</b>							
Taxes	\$ 25,342	\$ -	\$ -	\$ 950,228	\$ -	\$ -	\$ -
Intergovernmental	2,270,275	442,470	-	145,696	-	-	-
Charges for services	-	-	-	227,881	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	135,884	54,770	8,569	68,656	12,224	13,507	323,801
<b>Total receipts</b>	<b>2,431,501</b>	<b>497,240</b>	<b>8,569</b>	<b>1,392,461</b>	<b>12,224</b>	<b>13,507</b>	<b>323,801</b>
<b>Disbursements:</b>							
General government	-	-	-	-	10,339	-	309,506
Public safety	-	-	-	-	-	7,463	-
Highways and streets	1,667,088	169,586	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	1,303,759	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	192,989	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	349,260	-	-	-
<b>Total disbursements</b>	<b>1,667,088</b>	<b>362,575</b>	<b>-</b>	<b>1,653,019</b>	<b>10,339</b>	<b>7,463</b>	<b>309,506</b>
Excess (deficiency) of receipts over disbursements	764,413	134,665	8,569	(260,558)	1,885	6,044	14,295
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	107,820	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>107,820</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	764,413	134,665	8,569	(152,738)	1,885	6,044	14,295
Cash and investment fund balance - beginning	676,866	347,829	20,075	1,085,877	42,000	14,341	169,575
Cash and investment fund balance - ending	<u>\$ 1,441,279</u>	<u>\$ 482,494</u>	<u>\$ 28,644</u>	<u>\$ 933,139</u>	<u>\$ 43,885</u>	<u>\$ 20,385</u>	<u>\$ 183,870</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 1,441,279	\$ 482,494	\$ 28,644	\$ 933,139	\$ 43,885	\$ 20,385	\$ 183,870
<b>Total cash and investment assets - ending</b>	<b><u>\$ 1,441,279</u></b>	<b><u>\$ 482,494</u></b>	<b><u>\$ 28,644</u></b>	<b><u>\$ 933,139</u></b>	<b><u>\$ 43,885</u></b>	<b><u>\$ 20,385</u></b>	<b><u>\$ 183,870</u></b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ 933,139	\$ -	\$ -	\$ 183,870
Debt service	-	-	-	-	-	-	-
Other purposes	1,441,279	482,494	28,644	-	43,885	20,385	-
<b>Total cash and investment fund balance - ending</b>	<b><u>\$ 1,441,279</u></b>	<b><u>\$ 482,494</u></b>	<b><u>\$ 28,644</u></b>	<b><u>\$ 933,139</u></b>	<b><u>\$ 43,885</u></b>	<b><u>\$ 20,385</u></b>	<b><u>\$ 183,870</u></b>

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For The Year Ended December 31, 2008  
 (Continued)

	Rainy Day	DARE	TIF Fry Road Cash Account	TIF #73 Eastside Debt Reserve	TIF #74 Airport Blvd. Cash Acct.	Sidewalk	Police Equipment & Training
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ 506,019	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	600,000	-	-	-	-	-	-
Other	<u>671,257</u>	<u>841</u>	<u>8,618</u>	<u>12,053</u>	<u>22</u>	<u>1,475</u>	<u>7,343</u>
<b>Total receipts</b>	<u>1,271,257</u>	<u>841</u>	<u>514,637</u>	<u>12,053</u>	<u>22</u>	<u>1,475</u>	<u>7,343</u>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	1,623	-	-	-	-	35,896
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	101,865	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	600,000	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<u>600,000</u>	<u>1,623</u>	<u>101,865</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>35,896</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>671,257</u>	<u>(782)</u>	<u>412,772</u>	<u>12,053</u>	<u>22</u>	<u>1,475</u>	<u>(28,553)</u>
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	812,045	965,491	946	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>812,045</u>	<u>965,491</u>	<u>946</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>671,257</u>	<u>(782)</u>	<u>1,224,817</u>	<u>977,544</u>	<u>968</u>	<u>1,475</u>	<u>(28,553)</u>
<b>Cash and investment fund balance - beginning</b>	<u>637,828</u>	<u>1,173</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,970</u>	<u>36,518</u>
<b>Cash and investment fund balance - ending</b>	<u>\$ 1,309,085</u>	<u>\$ 391</u>	<u>\$ 1,224,817</u>	<u>\$ 977,544</u>	<u>\$ 968</u>	<u>\$ 55,445</u>	<u>\$ 7,965</u>
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 1,309,085	\$ 391	\$ 1,224,817	\$ 977,544	\$ 968	\$ 55,445	\$ 7,965
<b>Total cash and investment assets - ending</b>	<u>\$ 1,309,085</u>	<u>\$ 391</u>	<u>\$ 1,224,817</u>	<u>\$ 977,544</u>	<u>\$ 968</u>	<u>\$ 55,445</u>	<u>\$ 7,965</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	<u>1,309,085</u>	<u>391</u>	<u>1,224,817</u>	<u>977,544</u>	<u>968</u>	<u>55,445</u>	<u>7,965</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 1,309,085</u>	<u>\$ 391</u>	<u>\$ 1,224,817</u>	<u>\$ 977,544</u>	<u>\$ 968</u>	<u>\$ 55,445</u>	<u>\$ 7,965</u>

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Pol.Jag Program 2007-F3819-Ind	EDC Donation	Police Seizure & Forfeiture	Police Laboratory Fees	Alpine	Local Law Enforcement Cont. Ed.	Restricted Donation
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	182	215	3,486	1,042	1,352	44,471	2,837
<b>Total receipts</b>	<b>182</b>	<b>215</b>	<b>3,486</b>	<b>1,042</b>	<b>1,352</b>	<b>44,471</b>	<b>2,837</b>
<b>Disbursements:</b>							
General government	-	4,166	-	-	-	-	-
Public safety	13,581	-	26,296	-	-	20,497	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>13,581</b>	<b>4,166</b>	<b>26,296</b>	<b>-</b>	<b>-</b>	<b>20,497</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(13,399)</b>	<b>(3,951)</b>	<b>(22,810)</b>	<b>1,042</b>	<b>1,352</b>	<b>23,974</b>	<b>2,837</b>
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(13,399)</b>	<b>(3,951)</b>	<b>(22,810)</b>	<b>1,042</b>	<b>1,352</b>	<b>23,974</b>	<b>2,837</b>
Cash and investment fund balance - beginning	13,581	9,415	51,803	5,030	49,504	31,527	107,105
Cash and investment fund balance - ending	\$ 182	\$ 5,464	\$ 28,993	\$ 6,072	\$ 50,856	\$ 55,501	\$ 109,942
<b>Cash and Investment Assets - Ending</b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 182	\$ 5,464	\$ 28,993	\$ 6,072	\$ 50,856	\$ 55,501	\$ 109,942
<b>Total cash and investment assets - ending</b>	<b>\$ 182</b>	<b>\$ 5,464</b>	<b>\$ 28,993</b>	<b>\$ 6,072</b>	<b>\$ 50,856</b>	<b>\$ 55,501</b>	<b>\$ 109,942</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	182	5,464	28,993	6,072	50,856	55,501	109,942
<b>Total cash and investment fund balance - ending</b>	<b>\$ 182</b>	<b>\$ 5,464</b>	<b>\$ 28,993</b>	<b>\$ 6,072</b>	<b>\$ 50,856</b>	<b>\$ 55,501</b>	<b>\$ 109,942</b>

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Paid Insurance	VIN	Restitution	Greenwood Flags	Employee Xmas	Independent Engineer	Administrative Fee
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	39,007	-	1,803	338	1	9,420	505
<b>Total receipts</b>	<b>39,007</b>	<b>-</b>	<b>1,803</b>	<b>338</b>	<b>1</b>	<b>9,420</b>	<b>505</b>
<b>Disbursements:</b>							
General government	21,895	-	-	1,334	-	4,463	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>21,895</b>	<b>-</b>	<b>-</b>	<b>1,334</b>	<b>-</b>	<b>4,463</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>17,112</b>	<b>-</b>	<b>1,803</b>	<b>(996)</b>	<b>1</b>	<b>4,957</b>	<b>505</b>
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>17,112</b>	<b>-</b>	<b>1,803</b>	<b>(996)</b>	<b>1</b>	<b>4,957</b>	<b>505</b>
Cash and investment fund balance - beginning	97,060	75	65,783	1,330	217	223,074	18,435
Cash and investment fund balance - ending	<u>\$ 114,172</u>	<u>\$ 75</u>	<u>\$ 67,586</u>	<u>\$ 334</u>	<u>\$ 218</u>	<u>\$ 228,031</u>	<u>\$ 18,940</u>
<b>Cash and Investment Assets - Ending</b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 114,172	\$ 75	\$ 67,586	\$ 334	\$ 218	\$ 228,031	\$ 18,940
<b>Total cash and investment assets - ending</b>	<b>\$ 114,172</b>	<b>\$ 75</b>	<b>\$ 67,586</b>	<b>\$ 334</b>	<b>\$ 218</b>	<b>\$ 228,031</b>	<b>\$ 18,940</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	114,172	75	67,586	334	218	228,031	18,940
<b>Total cash and investment fund balance - ending</b>	<b>\$ 114,172</b>	<b>\$ 75</b>	<b>\$ 67,586</b>	<b>\$ 334</b>	<b>\$ 218</b>	<b>\$ 228,031</b>	<b>\$ 18,940</b>

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 For The Year Ended December 31, 2008  
 (Continued)

	Adult Probation	City Limits Signs	Siren Donations	Tracy Ditch	History Book	Impact Fees	Park Trails & Greenways
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	84,327	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	34,459	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	<u>538,386</u>	<u>23</u>	<u>23</u>	<u>990</u>	<u>570</u>	<u>154,132</u>	<u>5,088</u>
Total receipts	<u>657,172</u>	<u>23</u>	<u>23</u>	<u>990</u>	<u>570</u>	<u>154,132</u>	<u>5,088</u>
Disbursements:							
General government	608,182	-	-	-	-	1,110,424	4,100
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	4,405	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	<u>612,587</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,110,424</u>	<u>4,100</u>
Excess (deficiency) of receipts over disbursements	<u>44,585</u>	<u>23</u>	<u>23</u>	<u>990</u>	<u>570</u>	<u>(956,292)</u>	<u>988</u>
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>44,585</u>	<u>23</u>	<u>23</u>	<u>990</u>	<u>570</u>	<u>(956,292)</u>	<u>988</u>
Cash and investment fund balance - beginning	<u>187,062</u>	<u>893</u>	<u>855</u>	<u>43,939</u>	<u>11,973</u>	<u>1,498,416</u>	<u>4,063</u>
Cash and investment fund balance - ending	<u>\$ 231,647</u>	<u>\$ 916</u>	<u>\$ 878</u>	<u>\$ 44,929</u>	<u>\$ 12,543</u>	<u>\$ 542,124</u>	<u>\$ 5,051</u>
<u>Cash and Investment Assets - Ending</u>							
Restricted assets:							
Cash and investments	\$ 231,647	\$ 916	\$ 878	\$ 44,929	\$ 12,543	\$ 542,124	\$ 5,051
Total cash and investment assets - ending	<u>\$ 231,647</u>	<u>\$ 916</u>	<u>\$ 878</u>	<u>\$ 44,929</u>	<u>\$ 12,543</u>	<u>\$ 542,124</u>	<u>\$ 5,051</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,051
Debt service	-	-	-	-	-	-	-
Other purposes	<u>231,647</u>	<u>916</u>	<u>878</u>	<u>44,929</u>	<u>12,543</u>	<u>542,124</u>	<u>-</u>
Total cash and investment fund balance - ending	<u>\$ 231,647</u>	<u>\$ 916</u>	<u>\$ 878</u>	<u>\$ 44,929</u>	<u>\$ 12,543</u>	<u>\$ 542,124</u>	<u>\$ 5,051</u>

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	AIP-16 Grant	AIP-18 Grant	AIP-19 Grant	AIP-20 Grant	Brownfield Grant	Byrne Grant 2002-Db509	CDS Independent Engineering
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	-	-	1,721	199,655	332	194	11,264
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>1,721</b>	<b>199,655</b>	<b>332</b>	<b>194</b>	<b>11,264</b>
<b>Disbursements:</b>							
General government	7,150	-	-	267,054	-	-	9,004
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>7,150</b>	<b>-</b>	<b>-</b>	<b>267,054</b>	<b>-</b>	<b>-</b>	<b>9,004</b>
Excess (deficiency) of receipts over disbursements	(7,150)	-	1,721	(67,399)	332	194	2,260
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(7,150)	-	1,721	(67,399)	332	194	2,260
Cash and investment fund balance - beginning	7,150	2,186	(1,721)	27,824	5,746	3,607	-
Cash and investment fund balance - ending	\$ -	\$ 2,186	\$ -	\$ (39,575)	\$ 6,078	\$ 3,801	\$ 2,260
<b><u>Cash and Investment Assets - Ending</u></b>							
<b>Restricted assets:</b>							
Cash and investments	\$ -	\$ 2,186	\$ -	\$ (39,575)	\$ 6,078	\$ 3,801	\$ 2,260
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 2,186</b>	<b>\$ -</b>	<b>\$ (39,575)</b>	<b>\$ 6,078</b>	<b>\$ 3,801</b>	<b>\$ 2,260</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt service	-	-	-	-	-	-	-
Other purposes	-	2,186	-	(39,575)	6,078	3,801	2,260
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 2,186</b>	<b>\$ -</b>	<b>\$ (39,575)</b>	<b>\$ 6,078</b>	<b>\$ 3,801</b>	<b>\$ 2,260</b>

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 For The Year Ended December 31, 2008  
 (Continued)

	Tracy Trails	GPD Property Room	Fire Station Graham Rd.	Fire Truck Debt Serv.2005	Park Debt Service 2005	Debt Service-Bldg. & Fire	CCI Cig. Tax
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ 149,618	\$ 130,573	\$ 324,183	\$ -
Intergovernmental	-	-	-	14,844	7,201	65,693	154,865
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Other	502,714	4,593	8,170	-	256	12,158	17,656
<b>Total receipts</b>	<b>502,714</b>	<b>4,593</b>	<b>8,170</b>	<b>164,462</b>	<b>138,030</b>	<b>402,034</b>	<b>172,521</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	1,179,276	-
Public safety	-	503	29,535	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	76,341	-	-
Interfund loans	-	-	-	-	-	-	-
Debt service:							
Interest	-	-	-	173,820	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	600,000
Culture and recreation	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>503</b>	<b>29,535</b>	<b>173,820</b>	<b>76,341</b>	<b>1,179,276</b>	<b>600,000</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>502,714</b>	<b>4,090</b>	<b>(21,365)</b>	<b>(9,358)</b>	<b>61,689</b>	<b>(777,242)</b>	<b>(427,479)</b>
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>502,714</b>	<b>4,090</b>	<b>(21,365)</b>	<b>(9,358)</b>	<b>61,689</b>	<b>(777,242)</b>	<b>(427,479)</b>
Cash and investment fund balance - beginning	-	109,714	97,496	180,057	76,341	936,091	847,687
Cash and investment fund balance - ending	<u>\$ 502,714</u>	<u>\$ 113,804</u>	<u>\$ 76,131</u>	<u>\$ 170,699</u>	<u>\$ 138,030</u>	<u>\$ 158,849</u>	<u>\$ 420,208</u>
<b>Cash and Investment Assets - Ending</b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 502,714	\$ 113,804	\$ 76,131	\$ 170,699	\$ 138,030	\$ 158,849	\$ 420,208
<b>Total cash and investment assets - ending</b>	<b>\$ 502,714</b>	<b>\$ 113,804</b>	<b>\$ 76,131</b>	<b>\$ 170,699</b>	<b>\$ 138,030</b>	<b>\$ 158,849</b>	<b>\$ 420,208</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ 138,030	\$ -	\$ -
Debt service	-	-	-	170,699	-	158,849	-
Other purposes	502,714	113,804	76,131	-	-	-	420,208
<b>Total cash and investment fund balance - ending</b>	<b>\$ 502,714</b>	<b>\$ 113,804</b>	<b>\$ 76,131</b>	<b>\$ 170,699</b>	<b>\$ 138,030</b>	<b>\$ 158,849</b>	<b>\$ 420,208</b>

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	CC Development	Redevelopment District Capital	Park District Bonds 2005	CCI Tax Levy	Worthsville Road Capital Improvement	Fire Truck Bond 2005	Totals
<b>Receipts:</b>							
Taxes	\$ 681,947	\$ -	\$ -	\$ 930,393	\$ -	\$ -	\$ 3,698,303
Intergovernmental	79,293	-	-	107,720	-	-	3,372,384
Charges for services	-	-	-	-	-	-	227,881
Fines and forfeits	-	-	-	-	-	-	34,459
Interfund loans	-	-	-	-	-	-	600,000
Other	58,551	-	-	42,117	18,865	1,691	3,002,828
<b>Total receipts</b>	<b>819,791</b>	<b>-</b>	<b>-</b>	<b>1,080,230</b>	<b>18,865</b>	<b>1,691</b>	<b>10,935,855</b>
<b>Disbursements:</b>							
General government	-	-	-	14,600	118,358	100	3,669,951
Public safety	-	-	-	-	-	-	135,394
Highways and streets	-	-	-	-	-	-	1,836,674
Economic development	-	-	1,000	-	-	-	102,865
Culture and recreation	-	-	-	-	-	-	1,380,100
Interfund loans	-	-	-	-	-	-	600,000
Debt service:							
Interest	-	-	-	-	-	-	173,820
Capital outlay:							
General government	1,945,785	-	-	318,663	-	-	2,268,853
Highways and streets	-	-	-	-	-	-	192,989
Economic development	-	-	-	-	-	-	600,000
Culture and recreation	-	-	-	-	-	-	349,260
<b>Total disbursements</b>	<b>1,945,785</b>	<b>-</b>	<b>1,000</b>	<b>333,263</b>	<b>118,358</b>	<b>100</b>	<b>11,309,906</b>
Excess (deficiency) of receipts over disbursements	(1,125,994)	-	(1,000)	746,967	(99,493)	1,591	(374,051)
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	1,778,482
Transfers out	-	(72)	-	-	-	-	(72)
Other receipts	-	-	-	-	-	-	107,820
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(72)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,886,230</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,125,994)	(72)	(1,000)	746,967	(99,493)	1,591	1,512,179
Cash and investment fund balance - beginning	2,881,329	72	45,873	1,709,668	687,258	(613)	13,122,957
Cash and investment fund balance - ending	\$ 1,755,335	\$ -	\$ 44,873	\$ 2,456,635	\$ 587,765	\$ 978	\$ 14,635,136
<b>Cash and Investment Assets - Ending</b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 1,755,335	\$ -	\$ 44,873	\$ 2,456,635	\$ 587,765	\$ 978	\$ 14,635,136
<b>Total cash and investment assets - ending</b>	<b>\$ 1,755,335</b>	<b>\$ -</b>	<b>\$ 44,873</b>	<b>\$ 2,456,635</b>	<b>\$ 587,765</b>	<b>\$ 978</b>	<b>\$ 14,635,136</b>
<b>Cash and Investment Fund Balance - Ending</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ 44,873	\$ -	\$ -	\$ -	\$ 1,304,963
Debt service	-	-	-	-	-	-	329,548
Other purposes	1,755,335	-	-	2,456,635	587,765	978	13,000,625
<b>Total cash and investment fund balance - ending</b>	<b>\$ 1,755,335</b>	<b>\$ -</b>	<b>\$ 44,873</b>	<b>\$ 2,456,635</b>	<b>\$ 587,765</b>	<b>\$ 978</b>	<b>\$ 14,635,136</b>

CITY OF GREENWOOD  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2008

	Payroll	City Court	Totals
Additions:			
Agency fund additions	\$ 13,349,093	\$ 1,260,790	\$ 14,609,883
Deductions:			
Agency fund deductions	13,379,784	1,276,605	14,656,389
Excess (deficiency) of total additions over total deductions	(30,691)	(15,815)	(46,506)
Cash and investment fund balance - beginning	200,217	209,285	409,502
Cash and investment fund balance - ending	\$ 169,526	\$ 193,470	\$ 362,996

CITY OF GREENWOOD  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Police Vehicles	\$ 421,648	\$ 204,169
Fire Vehicles	27,544	5,699
Building Corporation Lease of 1992	3,043,415	735,000
LRS Equipment Leases	153,696	60,284
Bonds payable:		
General obligation bonds:		
Eastside Redevelopment District Bonds, 2001	3,945,000	334,234
Park District, 2005	1,760,000	153,854
Fire Truck and Equipment, 2006	1,210,000	169,395
Road Repair and Reconstruction, 2008	3,000,000	226,617
Revenue bonds:		
Fire Station/Graham Road Redevelopment District Bonds, 2005	<u>3,310,000</u>	<u>500,804</u>
<b>Total governmental activities debt</b>	<b><u>\$ 16,871,303</u></b>	<b><u>\$ 2,390,056</u></b>
Business-type activities:		
Wastewater Utility:		
Revenue Bonds		
Series A Sewage Works Refunding, 1997	\$ 1,235,000	\$ 454,670
Series B Sewage Works Refunding, 1997	4,205,000	333,694
Series C Sewage Works, 1998	<u>8,538,500</u>	<u>592,415</u>
<b>Total Wastewater Utility</b>	<b><u>13,978,500</u></b>	<b><u>1,380,779</u></b>
Aviation Commission:		
Revenue bonds:		
Airport Bonds, 1999	610,000	83,619
Airport Bonds, 2003	<u>880,816</u>	<u>77,014</u>
<b>Total Aviation Commission</b>	<b><u>1,490,816</u></b>	<b><u>160,633</u></b>
<b>Total business-type activities debt</b>	<b><u>\$ 15,469,316</u></b>	<b><u>\$ 1,541,412</u></b>

CITY OF GREENWOOD  
AUDIT RESULTS AND COMMENTS

TRUST FUNDS – City Court

All trust fund items that have been held longer than five years should be turned over to the Attorney General's Office.

IC 32-34-1-20(c)(7) states in part: "Property or proceeds held by a court or a court clerk, five years after the property or proceeds become distributable. The property or proceeds must be treated as unclaimed property under IC 32-34-3."

DEPOSITS - City Court

Of the receipts selected for testing we noted that one receipt was deposited eight days after the date of original receipt. The Clerk of the Court stated she was on vacation and deposits were not made until she came back.

IC 5-13-6-1(d) states:

"A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

Of the deposits selected for testing, there were two deposits where the classification of the receipt did not agree to the classification on the deposit. For the deposit dated January 18, 2009, the total receipts for that day showed \$2,317.50 cash and \$3,529.00 checks; however, the deposit showed \$2,312.50 cash and \$3,534.00 checks - a \$5.00 difference. For the deposit dated October 20, 2008, total receipts showed \$1,128.50 cash and \$2,690.50 checks; however, the deposit showed \$1,125.50 cash and \$2,693.50 checks - a \$3.00 difference.

Additionally, there were two deposits where more cash was deposited than total receipts for the day. On June 4, 2008, total receipts written totaled \$5,733.50, but total amount deposited was \$5,758.50 - a \$25 difference. On September 3, 2008, receipts written for the day totaled \$6,590.00, but the total amount deposited was \$6,595.00 - a \$5.00 difference.

All funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

Receipts shall be issued and recorded at the time of each receipt transaction (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

TEMPORARY TRANSFER OF FUNDS

As reported in previous audit reports of the City, a temporary loan of \$250,000 was made in 1998 from the Cumulative Capital Improvement Tax Levy Fund to the Fire Fund that has not been repaid. A second loan was made on June 16, 2003, from Cumulative Capital Improvement Tax Levy Fund to the Fire Fund in the amount of \$500,000 per Resolution 03-16. Although the Resolution states that the loan is to be repaid by December 31, 2003, as of the date of this report, this loan is still outstanding.

CITY OF GREENWOOD  
AUDIT RESULTS AND COMMENTS  
(Continued)

IC 36-1-8-4 concerning temporary transfer states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . ."

"(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

#### REPAYMENTS AND TRANSFERS

As previously reported in audit reports of the City, the City collects a Late Payment Fee authorized by IC 33-19-6-20. The total fees for the year ended December 31, 2003, amounting to \$26,997, were deposited to the General Fund as authorized by IC 33-19-7-4. On December 5, 2003, \$20,000 of that amount was transferred to the Adult Probation Fund. On November 17, 2003, an ordinance was established to authorize a transfer of monies from one major budget classification in a department to another major classification within another department. The ordinance specified that \$20,000 be transferred from General Fund to Post Conviction Services Department Fund (Adult Probation). The transfer was made between two different funds and not within a department or major budget classification as stated in the ordinance. No authorization exists to transfer monies between funds. We recommended a reimbursement be made from the Adult Probation Fund to the General Fund in the amount of \$20,000. As of the date of this report, no reimbursement has been made.

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### TRAVEL POLICY

A travel policy was not presented for audit.

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

#### PUBLIC WORKS

The City entered into a Public Works contract for a street and sanitary sewer reconstruction project. Change orders were issued and approved by the Board of Works after the work had already taken place.

CITY OF GREENWOOD  
AUDIT RESULTS AND COMMENTS  
(Continued)

IC 36-1-12-18(c) states:

"A change order may not be issued before commencement of the actual construction, reconstruction, or repairs except in the case of an emergency. In that case, the board must make a declaration, and the board's minutes must show the nature of the emergency."

CAPITAL ASSET RECORDS

As reported in previous reports of the City, Capital asset records were presented; however, they were incomplete.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SEGREGATION OF DUTIES

Control activities should be selected and developed at various levels to reduce risks of error and/or fraud of the financial statements. The City has not separated incompatible activities related to the following areas of the financial statements. The failure to establish these controls could enable material misstatements to be undetected.

All aspects of the payroll cycle are handled by one employee. This employee inputs all payroll information into the computerized payroll system, then initiates bank transfers from City bank accounts to the City payroll bank account to cover payroll for that period. At the end of each month, that same employee then reconciles the balance in the payroll fund to the balance in the payroll bank account. Any adjustments are then made by that employee without supervisory approval.

We recommended the City segregate the duties on inputting information, bank transfers, and monthly bank reconciliations. Additionally, we recommended supervisory approval for any adjustments that are made.

One employee during the course of the business day collects all cash receipts either at the counter or through the opening of mail, prepares the daily bank deposit and then subsequently posts the receipts to the general ledger. Prior to preparing the bank deposit, a CR edit report is run. This report is compared to the bank deposit. If errors were found, the same person can make adjustments to the receipts without supervisory approval. After the bank deposit is prepared and agreed to the CR edit report, a computer update is run, which posts the receipts to the accounting system.

We recommended the City segregate the duties of collection, posting, and preparation of the bank deposit. While we understand, the collection and entering of the receipt is done simultaneously on the computer, a compensating control should be in place to verify any adjustments made to the CR edit report prior to updating to the system.

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF GREENWOOD, JOHNSON COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Greenwood (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. 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. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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 OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 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. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2008-2, 2008-3, and 2008-4.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items 2008-2, 2008-3, and 2008-4 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The City's response to the findings identified in our audit is described in the accompanying Official Response and Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Board of Public Works and Safety, Common Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 14, 2009

CITY OF GREENWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant	16.738		
2007-DJ-BX-0018			\$ 67,341
2007-F3819-IN-DJ			13,581
2007-F3934-IN-DJ			<u>15,063</u>
Total for federal grantor agency			<u>95,985</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Johnson County, Indiana			
Highway Safety Cluster			
Safety Incentive Grants for Use of Seatbelts	20.600		
BCC			
PT-08-04-01-44			20,522
PT-09-04-01-41			<u>5,703</u>
Total for program			<u>26,225</u>
State and County Highway Safety Program	20.601		
DUI			
K8-2008-02-03-13			17,147
K8-2009-03-03-15			2,600
Fatality Crash Reduction Effort			
154HE-2008-08-01-11			10,592
K4-2009-08-01-08			<u>2,863</u>
Total for program			<u>33,202</u>
Total for cluster			<u>59,427</u>
Direct Grant			
Airport Improvement Program	20.106		
Hangar/Taxiway Pavement Rehabilitation		3-18-0097-20	33,082
Master Plan Update/Phase 1 Rehabilitate T-Hangar Taxi lanes		3-18-0097-22	<u>138,029</u>
Total for program			<u>171,111</u>
Pass-Through Indianapolis Metropolitan Planning Organization			
Highway Planning and Construction	20.205		
Metropolitan Planning Grants:			
EDS # A249-8-320029			<u>337,063</u>
Total for federal grantor agency			<u>567,601</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant Program - Operation and Safety	97.044		
EMW-2007-FO-05857			<u>92,586</u>
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036		
Flood of 2008		Disaster 1766	<u>166,083</u>
Pass-Through Indiana Department of Homeland Security			
FY 2005 Buffer Zone Protection Program	97.078		
EDS # C44P-7-006			<u>59,993</u>
Total federal awards expended			<u>\$ 982,248</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF GREENWOOD  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Greenwood (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF GREENWOOD  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program
20.205	Highway Planning and Construction
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2008-1, INTERNAL CONTROL

Control activities should be selected and developed at various levels to reduce risks of error and/or fraud of the financial statements. The City has not separated incompatible activities related to the following areas of the financial statements. The failure to establish these controls could enable material misstatements to be undetected.

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

All aspects of the payroll cycle are handled by one employee. This employee inputs all payroll information into the computerized payroll system, then initiates a bank transfer from City bank accounts to the City payroll bank account to cover payroll for that period. At the end of each month, that same employee then reconciles the balance in the payroll fund to the balance in the payroll bank account. Any adjustments are then made by that employee without supervisory approval.

We recommended the City segregate the duties on inputting information, bank transfers and monthly bank reconciliations. Additionally, we recommended supervisory approval for any adjustments that are made.

One employee during the course of the business day collects all cash receipts either at the counter or through the opening of mail, prepares the daily bank deposit and then subsequently posts the receipts to the general ledger. Prior to preparing the bank deposit, a CR edit report is run. This report is compared to the bank deposit. If errors were found, the same person can make adjustments to the receipts without supervisory approval. After the bank deposit is prepared and agreed to the CR edit report, a computer update is run, which posts the receipts to the accounting system.

We recommended the City segregate the duties of collection, posting, and preparation of the bank deposit. While we understand, the collection and entering of the receipt is done simultaneously on the computer, a compensating control should be in place to verify any adjustments made to the CR edit report prior to updating to the system.

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-2, CASH MANAGEMENT

Federal Agency: U.S. Department of Transportation  
Federal Program: Airport Improvement Program  
CFDA Number: 20.106

The City has not sufficiently minimized the time elapsing between transfer of funds and their disbursement. All invoices are verified of allowable costs and activities and then a request for reimbursement is prepared. The high dollar invoices are generally not paid until the airport receives the federal portion of the reimbursement. We noted instances where invoices were not paid in a timely manner in regards to when the federal reimbursement was received. The period from receipt of federal reimbursement to payment of claims ranged from 14 days 54 days.

The City has not implemented adequate internal accounting controls to minimize the time between transfer of funds and their disbursement. 31 CFR 205 states in part: "(a) A State and Federal Program Agency must minimize the time elapsing between the transfer of funds from the United States Treasury and the State's payout of funds for Federal assistance program purposes, whether the transfer occurs before or after the payout of funds."

We recommended the City follow federal regulations in all future airport projects. The City should adopt internal accounting control procedures to ensure proper payout of funds.

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

FINDING 2008-3, MATCHING

Federal Agency: U.S. Department of Transportation  
Federal Program: Airport Improvement Program  
CFDA Number: 20.106

The City has not transferred in the local matching funds from the aviation operating fund as they prepare each request for reimbursement. As of October 1, 2009, the City has not made the local match for AIP-22. Once the federal portion of each request for reimbursement is received the invoice is paid in total; however, the local match has not been transferred into this fund.

The City has not implemented adequate internal accounting controls to verify that the local match of each airport improvement program request is met. 49 CFR 18.24 states in part: "(6) Records. Costs and third party inkind contributions counting towards satisfying a cost sharing or matching requirement must be verifiable from the records of grantees and subgrantee or cost-type contractors."

We recommended the City follow federal regulations in all future airport projects. The City should adopt internal accounting control procedures to ensure the proper local match has been made.

FINDING 2008-4, ALLOWABLE COSTS/COST PRINCIPLES

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Public Assistance Grants  
CFDA Number: 97.036

The City did not verify employee time entered on the Force Account Labor Records to their respective time sheets for the various pay periods. The Force Account Labor Records were prepared by Waylon Cottles, Project Specialist, and certified by Steve Dhondt, Fire Chief. Project Worksheets were prepared for various projects relating to the flooding of June 7, 2008. Employee time sheets do not indicate what project was worked on in a particular day; they only state the total hours worked and if any PTO, funeral, or other leave was taken. Department heads compiled employee names and hours worked and sent this information to Waylon Cottles so that he could fill out the Force Account Labor Records for FEMA reimbursement. The employee time was given to Waylon Cottles according to FEMA project number and would state the employee name and the total amount of time worked on that day. There were numerous instances where the Force Account Labor Records show an employee charging the entire day to the FEMA project when the time sheet indicated the employee took Paid Time Off or PTO. Also, there were instances where more than one project was worked on in one day by some employees. The Force Account Labor Records for those days show some employees working 16 to 20 hour days. Per inquiry with Steve Dhondt, the employees could not work over 8 hours a day. Since the project worksheets were filled out at different times for different projects the Fire Chief did not think to verify that employee time was being duplicated. The amount reimbursed by FEMA for hours not worked totaled \$4,160.24.

The City has not implemented adequate internal controls to eliminate duplicating employee hours worked on FEMA reimbursement requests. 2 CFR Part 225, Appendix B states in part: "8. Compensation for personal services. a. General. Compensation for personnel services includes all remuneration, paid currently or accrued, for services rendered during the period of performance under Federal awards, including but not necessarily limited to wages, salaries, and fringe benefits. The costs of such compensation are allowable to the extent that they satisfy the specific requirements of this and other appendices under 2 CFR Part 225, and that the total compensation for individual employees:

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

- (1) Is reasonable for the services rendered and conforms to the established policy of the governmental unit consistently applied to both Federal and non-Federal activities;
- (2) Follows an appointment made in accordance with a governmental unit's laws and rules and meets merit system or other requirements required by Federal law, where applicable; and
- (3) Is determined and supported as provided in subsection h.

We recommended the City follow federal regulations in all future federal emergency management projects. The City should adopt internal control procedures to ensure the employee time noted on federal reimbursement reports agrees with the actual time charged on time sheets.

CITY OF GREENWOOD  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



## Clerk-Treasurer's Office

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Jeannine Myers  
Clerk-Treasurer

November 24, 2008

RE: CORRECTIVE ACTION PLAN

### **FINDING 2008-1, INTERNAL CONTROLS**

It has come to our attention that there is not a sufficient amount of segregation of duties surrounding collection, posting, and entering of receipts within the Clerk-Treasurer's Office. The following addresses the individual audit comments:

- Payroll Cycle
  - Due to a lack of employee resources, the current payroll process was determined to be the most efficient use of given resources. With the additional employees, we would be able to further train and segregate the payroll duties; however, the current process is the most efficient given the number of employees we have. If time permits, current employees will be trained on the payroll procedures. At a minimum, I or one of my employees will perform the payroll account reconciliation and/or will review the finished reconciliation.
- Input of Information, Bank Transfers, and Monthly Bank Reconciliations
  - Currently, both multiple people in my office as well as an external financial advisory firm (H.J. Umbaugh) perform the monthly bank reconciliations; additionally, I personally approve and sign off on all cash transfers between bank accounts and review completely monthly reconciliations.
- Cash Receipts
  - Due to lack of employee resources, the most efficient way of processing daily receipts and preparing the daily deposit is through one person; since this person does not perform any of the month-end reconciliations, errors or discrepancies would be caught at month's end by other employees, myself, or our external financial advisory firm (H.J. Umbaugh) when reviewing and performing the reconciliations.

We will review the issues outlined above and enact the actions described to ensure compliance with these audit findings.

### **FINDING 2008-2, CASH MANAGEMENT**

Federal Agency: U.S. Department of Transportation  
Federal Program: Airport Improvement Program  
CFDA Number: 20.106

It has come to our attention that time needs to be minimized between the date that Airport Improvement Program federal reimbursements are received and the related costs claimed are paid to the vendor.

We will review our procedures for the payment of vendor's claims for Airport Improvement Program expenditures. An effort will be made to have the invoices approved by the Board of Aviation Commissioners as soon as they are received for engineering and construction costs. Then when the reimbursement is received, we will ensure timely payment ensure timely payment to minimize the time between receipt of the funds and payment to the vendor.

**FINDING 2008-3, MATCHING**

Federal Agency: U.S. Department of Transportation  
Federal Program: Airport Improvement Program  
CFDA Number: 20.106

It has come to our attention that the local matching portions of Airport Improvement Program grants are not being process in a timely manner. In the future, when an AIP grant is received, the local matching portion will be determined and transferred in a timely manner.

**FINDING 2008-4, ALLOWABLE COSTS/COST PRINCIPLES**

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Public Assistance Grants  
CFDA Number: 97.036

It has come to our attention that there were discrepancies on the forms submitted to FEMA for federal reimbursement of employee hours worked in relation to the flooding of 7 June 2008. As the audit states, the data was sent to an external agency and the completion and submission outsourced; in the future, closer attention will be paid to the processes that are completed by an external firm on behalf of the city prior to signing off on the documents.

CITY OF GREENWOOD  
EXIT CONFERENCE

The contents of this report were discussed on December 1, 2009, with Jeannine Myers, Clerk-Treasurer; and Charles E. Henderson Mayor.