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

ANNUAL FINANCIAL REPORT

2009

CITY OF ELWOOD

MADISON COUNTY, INDIANA



**FILED**  
06/09/2010



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
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 .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	8
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds.....	9
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	10
Notes to Financial Statements .....	11-19
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	20-24
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Internal Service Funds .....	25
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds .....	26
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	27
Schedule of Long Term Debt.....	28
Audit Results and Comments:	
Ambulance Fee Bad Debts and Uncollectible Accounts .....	29
Capital Asset Records .....	29
Supplemental Audit of Federal Awards:	
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.....	32-33
Schedule of Expenditures of Federal Awards .....	34
Note to Schedule of Expenditures of Federal Awards.....	35
Schedule of Findings and Questioned Costs .....	36
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings .....	37
Exit Conference.....	38

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Sandra R. Brewer	01-01-08 to 12-31-11
Mayor	Honorable W. Merrill Taylor	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Honorable W. Merrill Taylor	01-01-08 to 12-31-11
President of the Common Council	Jack M. Powell John Wright	01-01-09 to 12-31-09 01-01-10 to 12-31-10
Utility Office Manager	Lenora R. Frye	01-01-09 to 12-31-10



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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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 ELWOOD, MADISON 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 Elwood (City), as of and for the year ended December 31, 2009, 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, 2009, 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 May 19, 2010, 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.

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

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 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 City has not presented the Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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 the 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, 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

May 19, 2010



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 ELWOOD, MADISON 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 Elwood (City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 19, 2010. 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.

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.

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.

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. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

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)

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.

This report is intended solely for the information and use of the City's management, the 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

May 19, 2010

CITY OF ELWOOD  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2009

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 5,107,368	\$ 61,043	\$ 38,947	\$ -	\$ (5,007,378)	\$ -	\$ (5,007,378)
Public safety	2,254,798	291,568	-	-	(1,963,230)	-	(1,963,230)
Highways and streets	779,309	2,430	269,104	87,115	(420,660)	-	(420,660)
Sanitation	182,522	670,818	279,157	-	767,453	-	767,453
Health and welfare	24,893	-	-	-	(24,893)	-	(24,893)
Economic development	81,905	-	-	-	(81,905)	-	(81,905)
Culture and recreation	138,131	-	-	-	(138,131)	-	(138,131)
<b>Total governmental activities</b>	<b>8,568,926</b>	<b>1,025,859</b>	<b>587,208</b>	<b>87,115</b>	<b>(6,868,744)</b>	<b>-</b>	<b>(6,868,744)</b>
<b>Business-type activities:</b>							
Wastewater	1,830,783	1,657,012	34,178	40,618	-	(98,975)	(98,975)
Water	2,543,614	1,538,117	-	-	-	(1,005,497)	(1,005,497)
<b>Total business-type activities</b>	<b>4,374,397</b>	<b>3,195,129</b>	<b>34,178</b>	<b>40,618</b>	<b>-</b>	<b>(1,104,472)</b>	<b>(1,104,472)</b>
<b>Total primary government</b>	<b>\$ 12,943,323</b>	<b>\$ 4,220,988</b>	<b>\$ 621,386</b>	<b>\$ 127,733</b>	<b>(6,868,744)</b>	<b>(1,104,472)</b>	<b>(7,973,216)</b>
<b>General receipts:</b>							
Property taxes					2,577,757	-	2,577,757
Intergovernmental					2,204,959	-	2,204,959
Other local sources					215,701	11,786	227,487
Grants and contributions not restricted to specific programs					1,293,587	-	1,293,587
Investment earnings					3,476	3,681	7,157
Interfund loans					1,790,000	830,000	2,620,000
<b>Total general receipts, special items, and transfers</b>					<b>8,085,480</b>	<b>845,467</b>	<b>8,930,947</b>
<b>Change in net assets</b>					<b>1,216,736</b>	<b>(259,005)</b>	<b>957,731</b>
<b>Net assets - beginning</b>					<b>1,061,046</b>	<b>1,434,874</b>	<b>2,495,920</b>
<b>Net assets - ending</b>					<b>\$ 2,277,782</b>	<b>\$ 1,175,869</b>	<b>\$ 3,453,651</b>
<b>Assets</b>							
Cash and investments					\$ 1,512,032	\$ 653,497	\$ 2,165,529
Restricted assets:							
Cash and investments					765,750	522,372	1,288,122
<b>Total assets</b>					<b>\$ 2,277,782</b>	<b>\$ 1,175,869</b>	<b>\$ 3,453,651</b>
<b>Net Assets</b>							
<b>Restricted for:</b>							
General government					\$ 308,408	\$ -	\$ 308,408
Public safety					2,573	-	2,573
Highways and streets					14,954	-	14,954
Economic development					71,742	-	71,742
Debt service					116,670	31,960	148,630
Capital outlay					251,403	490,412	741,815
Unrestricted					1,512,032	653,497	2,165,529
<b>Total net assets</b>					<b>\$ 2,277,782</b>	<b>\$ 1,175,869</b>	<b>\$ 3,453,651</b>

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

CITY OF ELWOOD  
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, 2009

	General	Motor Vehicle Highway	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 1,913,955	\$ 374,263	\$ 289,539	\$ 2,577,757
Licenses and permits	26,707	-	4,730	31,437
Intergovernmental	1,832,005	466,040	581,237	2,879,282
Charges for services	225,325	2,430	463,776	691,531
Fines and forfeits	73,447	-	180,731	254,178
Interfund loans	1,400,000	-	390,000	1,790,000
Other	<u>53,072</u>	<u>27,982</u>	<u>140,991</u>	<u>222,045</u>
<b>Total receipts</b>	<u>5,524,511</u>	<u>870,715</u>	<u>2,051,004</u>	<u>8,446,230</u>
<b>Disbursements:</b>				
General government	2,814,703	-	1,097,225	3,911,928
Public safety	2,056,467	-	165,704	2,222,171
Highways and streets	-	665,768	108,264	774,032
Sanitation	182,509	-	13	182,522
Health and welfare	24,346	-	-	24,346
Economic development	-	-	81,905	81,905
Culture and recreation	-	-	106,531	106,531
Capital outlay:				
General government	1,755	-	5,764	7,519
Public safety	31,852	-	775	32,627
Highways and streets	-	5,277	-	5,277
Health and welfare	547	-	-	547
Culture and recreation	-	-	31,600	31,600
<b>Total disbursements</b>	<u>5,112,179</u>	<u>671,045</u>	<u>1,597,781</u>	<u>7,381,005</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>412,332</u>	<u>199,670</u>	<u>453,223</u>	<u>1,065,225</u>
<b>Other financing sources (uses):</b>				
Transfers in	29,857	-	-	29,857
Transfers out	-	-	(29,857)	(29,857)
Other receipts	<u>62,142</u>	<u>5,182</u>	<u>14,154</u>	<u>81,478</u>
<b>Total other financing sources (uses)</b>	<u>91,999</u>	<u>5,182</u>	<u>(15,703)</u>	<u>81,478</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>504,331</u>	<u>204,852</u>	<u>437,520</u>	<u>1,146,703</u>
Cash and investment fund balance - beginning	<u>394,606</u>	<u>35,839</u>	<u>493,796</u>	<u>924,241</u>
Cash and investment fund balance - ending	<u>\$ 898,937</u>	<u>\$ 240,691</u>	<u>\$ 931,316</u>	<u>2,070,944</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.				
				<u>206,838</u>
<b>Net assets of governmental activities</b>				<u>\$ 2,277,782</u>
<b><u>Cash and Investment Assets - Ending</u></b>				
Cash and investments	\$ 898,937	\$ 240,691	\$ 372,404	\$ 1,512,032
Restricted assets:				
Cash and investments	-	-	558,912	558,912
<b>Total cash and investment assets - ending</b>	<u>\$ 898,937</u>	<u>\$ 240,691</u>	<u>\$ 931,316</u>	<u>\$ 2,070,944</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>				
Restricted for:				
General government	\$ -	\$ -	\$ 101,570	\$ 101,570
Public safety	-	-	2,573	2,573
Highways and streets	-	-	14,954	14,954
Economic development	-	-	71,742	71,742
Debt service	-	-	116,670	116,670
Capital outlay	-	-	251,403	251,403
Unrestricted	<u>898,937</u>	<u>240,691</u>	<u>372,404</u>	<u>1,512,032</u>
<b>Total cash and investment fund balance - ending</b>	<u>\$ 898,937</u>	<u>\$ 240,691</u>	<u>\$ 931,316</u>	<u>\$ 2,070,944</u>

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

CITY OF ELWOOD  
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, 2009

	<u>Wastewater</u>	<u>Water</u>	<u>Totals</u>	<u>Internal Service Funds</u>
Operating receipts:				
Fees	\$ 1,637,511	\$ 1,101,532	\$ 2,739,043	\$ -
Interfund loan proceeds	-	830,000	830,000	-
Miscellaneous	<u>19,501</u>	<u>436,585</u>	<u>456,086</u>	<u>1,257,954</u>
Total operating receipts	<u>1,657,012</u>	<u>2,368,117</u>	<u>4,025,129</u>	<u>1,257,954</u>
Operating disbursements:				
Salaries and wages	482,066	277,321	759,387	-
Employee pensions and benefits	289,782	149,437	439,219	-
Purchased power	126,804	60,857	187,661	-
Chemicals	39,706	23,540	63,246	-
Material and supplies	80,907	58,926	139,833	-
Contractual services	176,627	189,547	366,174	-
Rents	50,000	50,000	100,000	-
Transportation	4,327	2,288	6,615	-
Insurance claims and expense	49,699	42,076	91,775	-
Bad debt	551	294	845	-
Refunds	936	21,821	22,757	-
Equipment and capital improvements	162,847	7,654	170,501	-
Insurance claims and expense	-	-	-	1,187,921
Miscellaneous	<u>249,387</u>	<u>115,421</u>	<u>364,808</u>	<u>-</u>
Total operating disbursements	<u>1,713,639</u>	<u>999,182</u>	<u>2,712,821</u>	<u>1,187,921</u>
Excess (deficiency) of operating receipts over operating disbursements	<u>(56,627)</u>	<u>1,368,935</u>	<u>1,312,308</u>	<u>70,033</u>
Nonoperating receipts (disbursements):				
Rent	3,200	3,200	6,400	-
Investment income	511	3,170	3,681	-
Refunds	2,826	2,560	5,386	-
Grants	34,178	-	34,178	-
Debt service of principal	(70,000)	(1,524,150)	(1,594,150)	-
Interest disbursements	<u>(47,144)</u>	<u>(20,282)</u>	<u>(67,426)</u>	<u>-</u>
Total nonoperating receipts (disbursements)	<u>(76,429)</u>	<u>(1,535,502)</u>	<u>(1,611,931)</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	<u>(133,056)</u>	<u>(166,567)</u>	<u>(299,623)</u>	<u>70,033</u>
Capital contributions	40,618	-	40,618	-
Transfers in	82,484	55,714	138,198	-
Transfers out	<u>(81,203)</u>	<u>(56,995)</u>	<u>(138,198)</u>	<u>-</u>
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	<u>(91,157)</u>	<u>(167,848)</u>	<u>(259,005)</u>	<u>70,033</u>
Cash and investment fund balance - beginning	<u>269,134</u>	<u>1,165,740</u>	<u>1,434,874</u>	<u>136,805</u>
Cash and investment fund balance - ending	<u>\$ 177,977</u>	<u>\$ 997,892</u>	<u>\$ 1,175,869</u>	<u>\$ 206,838</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 40,879	\$ 612,618	\$ 653,497	\$ -
Restricted assets:				
Cash and investments	<u>137,098</u>	<u>385,274</u>	<u>522,372</u>	<u>206,838</u>
Total cash and investment assets - December 31	<u>\$ 177,977</u>	<u>\$ 997,892</u>	<u>\$ 1,175,869</u>	<u>\$ 206,838</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Debt service	\$ 31,960	\$ -	\$ 31,960	\$ -
Other purposes	105,138	385,274	490,412	206,838
Unrestricted	<u>40,879</u>	<u>612,618</u>	<u>653,497</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 177,977</u>	<u>\$ 997,892</u>	<u>\$ 1,175,869</u>	<u>\$ 206,838</u>

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

CITY OF ELWOOD  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2009

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 12,506	
Plan members	<u>624,562</u>	
Total contributions	<u>637,068</u>	
Deductions:		
Benefits	591,327	
Refunds of contributions	200,000	
Administrative and general	<u>192</u>	
Total deductions	<u>791,519</u>	
Excess (deficiency) of total additions over total deductions	(154,451)	
Cash and investment fund balance - beginning	<u>348,065</u>	
Cash and investment fund balance - ending	<u>\$ 193,614</u>	<u>\$ 148,589</u>

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

CITY OF ELWOOD  
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, water, wastewater, and urban redevelopment.

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

Primary Government: City of Elwood

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

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 and major individual enterprise 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 motor vehicle highway fund (MVH) accounts for state and local monies collected for highway and street construction and improvements.

The City reports the following major enterprise funds:

The water utility fund accounts for the operation of the water distribution system.

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

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the City reports the following fund types:

The internal service fund consists of the activities of the self-insurance fund which charges a premium to each fund that has a payroll budget, based on the number of full-time employees paid from that fund as of January 1.

The pension trust funds account for the activities of the 1925 police officers' and 1937 firefighters' pension plans, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for federal and state revenue agencies and serve as control of accounts for cash transactions during the time they are a liability to 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.

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 City and its enterprise funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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 may 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 City on or prior to December 31 of the year collected.

4. 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.

5. Long-Term Debt

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

6. 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.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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. Prior to November 1, 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 and Investments

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. IC 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, 2009, the City had deposit balances in the amount of \$4,153,012.

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, 2009, were as follows:

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Transfer From</u>	<u>Transfer To</u>	<u>2009</u>
Water Utility	Other governmental funds	\$ 90,000
Water Utility	General Fund	600,000
Water Utility	General Fund	800,000
Police Pension	Municipal Complex Lease	100,000
Fire Pension	Municipal Complex Lease	100,000
Other governmental funds	Municipal Complex Lease	<u>100,000</u>
 Total		 <u>\$ 1,790,000</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; 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; medical benefits to employees, retirees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

The City has chosen to establish a risk financing fund for risks associated with Medical benefits for employees, retirees, and dependents. The risk financing fund is accounted for in the Non-reverting Insurance Fund, an internal service fund, where assets are set aside for claim settlements. The City purchases commercial insurance for claims in excess of coverage provided by the fund. 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.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The City has entered into a capital lease with Elwood Public 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 2009 totaled \$598,053.

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

C. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Pensioners Self-Insurance is a single-employer defined benefit healthcare plan administered by Key Benefit Administrative Services. The plan provides Medical to eligible retirees and their spouses. Police and Firefighters Union contracts negotiated with the City Board of Public Works. assigns the authority to establish and amend benefit provisions to the City. The Pensioners Self-Insurance issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Key Benefit Administrative Services  
P O Box 55210  
Indianapolis, IN 46205  
(317) 284-7100

Funding Policy

The contribution requirements of plan members for the Pensioners Self Insurance are established by the City's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2009, the City contributed \$3,984 to the plan for current premiums (approximately 49% of total premiums). Plan members receiving benefits contributed \$4,140, or approximately 51% of the total premiums, through their required contribution of \$345 per month for retiree-only coverage.

D. Rate Structure – Enterprise Funds

Water Utility

On August 7, 2000, the City Council adopted Ordinance 1948 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on February 7, 2005.

Wastewater Utility

The current rate structure was approved by the City Council on February 7, 2005.

E. 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.

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the City during the period were \$107,622.

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.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The city did not make any contributions to this plan during the audit period.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' 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 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan

CITY OF ELWOOD  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. They city did not make any contributions to this plan during the audit period.

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

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.

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

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 during the period were \$227,979.

CITY OF ELWOOD  
 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, 2009

	Local Road And Street	Adult Probation Services Fund	Sanitation User Fee Fund	Law Enforcement Continuing Education	Clerk's Records Perpetuation	Riverboat	Park & Recreation (Pool) Fund
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 35,689
Licenses and permits	-	-	-	4,730	-	-	-
Intergovernmental	87,115	-	-	-	-	60,934	2,315
Charges for services	-	-	161,574	2,202	-	-	-
Fines and forfeits	-	154,098	-	2,106	21,957	-	-
Interfund loans	-	-	-	-	-	-	90,000
Other	-	322	-	-	-	-	5,036
<b>Total receipts</b>	<b>87,115</b>	<b>154,420</b>	<b>161,574</b>	<b>9,038</b>	<b>21,957</b>	<b>60,934</b>	<b>133,040</b>
<b>Disbursements:</b>							
General government	-	-	-	-	8,160	50,000	-
Public safety	-	131,210	-	1,951	-	-	-
Highways and streets	108,264	-	-	-	-	-	-
Sanitation	-	-	13	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	106,505
Capital outlay:							
General government	-	-	-	-	5,764	-	-
Public safety	-	558	-	217	-	-	-
Culture and recreation	-	-	-	-	-	-	31,600
<b>Total disbursements</b>	<b>108,264</b>	<b>131,768</b>	<b>13</b>	<b>2,168</b>	<b>13,924</b>	<b>50,000</b>	<b>138,105</b>
Excess (deficiency) of receipts over disbursements	(21,149)	22,652	161,561	6,870	8,033	10,934	(5,065)
<b>Other financing sources (uses):</b>							
Transfers out	-	-	-	-	-	-	-
Other receipts	14,154	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>14,154</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	(6,995)	22,652	161,561	6,870	8,033	10,934	(5,065)
Cash and investment fund balance - beginning	21,949	7,881	-	16,009	93,537	38,834	46,780
Cash and investment fund balance - ending	<u>\$ 14,954</u>	<u>\$ 30,533</u>	<u>\$ 161,561</u>	<u>\$ 22,879</u>	<u>\$ 101,570</u>	<u>\$ 49,768</u>	<u>\$ 41,715</u>
<b>Cash and Investment Assets - Ending</b>							
Cash and investments	\$ -	\$ 30,533	\$ 161,561	\$ 22,879	\$ -	\$ 49,768	\$ 41,715
Restricted assets:							
Cash and investments	14,954	-	-	-	101,570	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 14,954</u>	<u>\$ 30,533</u>	<u>\$ 161,561</u>	<u>\$ 22,879</u>	<u>\$ 101,570</u>	<u>\$ 49,768</u>	<u>\$ 41,715</u>
<b>Cash and Investment Fund Balance - Ending</b>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ 101,570	\$ -	\$ -
Public safety	-	-	-	-	-	-	-
Highways and streets	14,954	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	30,533	161,561	22,879	-	49,768	41,715
<b>Total cash and investment fund balance - ending</b>	<u>\$ 14,954</u>	<u>\$ 30,533</u>	<u>\$ 161,561</u>	<u>\$ 22,879</u>	<u>\$ 101,570</u>	<u>\$ 49,768</u>	<u>\$ 41,715</u>

CITY OF ELWOOD  
 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, 2009  
 (Continued)

	Fire Dept Restricted Donations	Park Dept Restricted Donations	Elwood Grant Fund	Dog Pound Restricted Donations	Economic Development Fund	Industrial Developmnt Grant-13
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	867	900	4,000	79	-	-
<b>Total receipts</b>	<u>867</u>	<u>900</u>	<u>4,000</u>	<u>79</u>	<u>-</u>	<u>-</u>
<b>Disbursements:</b>						
General government	-	-	2,000	127	-	-
Public safety	528	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	26	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<u>528</u>	<u>26</u>	<u>2,000</u>	<u>127</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts over disbursements</b>	<u>339</u>	<u>874</u>	<u>2,000</u>	<u>(48)</u>	<u>-</u>	<u>-</u>
<b>Other financing sources (uses):</b>						
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<u>339</u>	<u>874</u>	<u>2,000</u>	<u>(48)</u>	<u>-</u>	<u>-</u>
<b>Cash and investment fund balance - beginning</b>	<u>170</u>	<u>2,388</u>	<u>20</u>	<u>125</u>	<u>455</u>	<u>12</u>
<b>Cash and investment fund balance - ending</b>	<u>\$ 509</u>	<u>\$ 3,262</u>	<u>\$ 2,020</u>	<u>\$ 77</u>	<u>\$ 455</u>	<u>\$ 12</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 509	\$ 3,262	\$ 2,020	\$ 77	\$ 455	\$ 12
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 509</u>	<u>\$ 3,262</u>	<u>\$ 2,020</u>	<u>\$ 77</u>	<u>\$ 455</u>	<u>\$ 12</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	509	3,262	2,020	77	455	12
<b>Total cash and investment fund balance - ending</b>	<u>\$ 509</u>	<u>\$ 3,262</u>	<u>\$ 2,020</u>	<u>\$ 77</u>	<u>\$ 455</u>	<u>\$ 12</u>

CITY OF ELWOOD  
 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, 2009  
 (Continued)

	Grants/Police Department	Community Focus Funds- Grant	Epa Stag Grant	Rainy Day	K-9 Restricted Donation Fund	Fema Disaster Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	245,045	34,112	37,465	-	9,413
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Other	-	-	-	-	175	-
<b>Total receipts</b>	<b>-</b>	<b>245,045</b>	<b>34,112</b>	<b>37,465</b>	<b>175</b>	<b>9,413</b>
Disbursements:						
General government	-	245,045	34,112	-	-	50,228
Public safety	-	-	-	-	870	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>245,045</b>	<b>34,112</b>	<b>-</b>	<b>870</b>	<b>50,228</b>
Excess (deficiency) of receipts over disbursements	-	-	-	37,465	(695)	(40,815)
Other financing sources (uses):						
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</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	-	-	-	37,465	(695)	(40,815)
Cash and investment fund balance - beginning	760	-	-	9,494	2,005	40,815
Cash and investment fund balance - ending	<u>760</u>	<u>-</u>	<u>-</u>	<u>46,959</u>	<u>1,310</u>	<u>-</u>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 760	\$ -	\$ -	\$ 46,959	\$ 1,310	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<u>\$ 760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,959</u>	<u>\$ 1,310</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	760	-	-	46,959	1,310	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 760</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 46,959</u>	<u>\$ 1,310</u>	<u>\$ -</u>

CITY OF ELWOOD  
 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, 2009  
 (Continued)

	Cptf Grant/Police Dept	In Criminal Justice Inst Grant	Voca Grant 2008 In Crim Jus In	Traffic Enforcement Grant	Supplmntal Pub Def Services Fd	Police Dept Restricted Donatio
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,500	-	24,034	3,831	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	2,570	-
Interfund loans	-	-	-	-	-	-
Other	-	-	2,000	-	-	923
<b>Total receipts</b>	<b>5,500</b>	<b>-</b>	<b>26,034</b>	<b>3,831</b>	<b>2,570</b>	<b>923</b>
<b>Disbursements:</b>						
General government	5,500	-	-	-	4,000	-
Public safety	-	-	27,034	3,507	-	604
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>5,500</b>	<b>-</b>	<b>27,034</b>	<b>3,507</b>	<b>4,000</b>	<b>604</b>
Excess (deficiency) of receipts over disbursements	-	-	(1,000)	324	(1,430)	319
<b>Other financing sources (uses):</b>						
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</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	-	-	(1,000)	324	(1,430)	319
Cash and investment fund balance - beginning	-	45	1,000	2,249	10,397	1,253
Cash and investment fund balance - ending	\$ -	\$ 45	\$ -	\$ 2,573	\$ 8,967	\$ 1,572
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ 45	\$ -	\$ -	\$ 8,967	\$ 1,572
Restricted assets:						
Cash and investments	-	-	-	2,573	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 45</b>	<b>\$ -</b>	<b>\$ 2,573</b>	<b>\$ 8,967</b>	<b>\$ 1,572</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	2,573	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	45	-	-	8,967	1,572
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 45</b>	<b>\$ -</b>	<b>\$ 2,573</b>	<b>\$ 8,967</b>	<b>\$ 1,572</b>

CITY OF ELWOOD  
 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, 2009  
 (Continued)

	Economic Development Project	Municipal Complex Lease Fund	Cumulative Capital Improvement	Cumulative Capital Development	Economic Development Income Tax Fund	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ 223,380	\$ -	\$ 30,470	\$ -	\$ 289,539
Licenses and permits	-	-	-	-	-	4,730
Intergovernmental	-	35,999	29,857	3,860	1,757	581,237
Charges for services	-	-	-	300,000	-	463,776
Fines and forfeits	-	-	-	-	-	180,731
Interfund loans	-	300,000	-	-	-	390,000
Other	26,689	100,000	-	-	-	140,991
<b>Total receipts</b>	<b>26,689</b>	<b>659,379</b>	<b>29,857</b>	<b>334,330</b>	<b>1,757</b>	<b>2,051,004</b>
<b>Disbursements:</b>						
General government	-	598,053	-	100,000	-	1,097,225
Public safety	-	-	-	-	-	165,704
Highways and streets	-	-	-	-	-	108,264
Sanitation	-	-	-	-	-	13
Economic development	81,905	-	-	-	-	81,905
Culture and recreation	-	-	-	-	-	106,531
Capital outlay:						
General government	-	-	-	-	-	5,764
Public safety	-	-	-	-	-	775
Culture and recreation	-	-	-	-	-	31,600
<b>Total disbursements</b>	<b>81,905</b>	<b>598,053</b>	<b>-</b>	<b>100,000</b>	<b>-</b>	<b>1,597,781</b>
Excess (deficiency) of receipts over disbursements	(55,216)	61,326	29,857	234,330	1,757	453,223
<b>Other financing sources (uses):</b>						
Transfers out	-	-	(29,857)	-	-	(29,857)
Other receipts	-	-	-	-	-	14,154
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>(29,857)</b>	<b>-</b>	<b>-</b>	<b>(15,703)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(55,216)	61,326	-	234,330	1,757	437,520
Cash and investment fund balance - beginning	126,958	55,344	-	6,102	9,214	493,796
Cash and investment fund balance - ending	\$ 71,742	\$ 116,670	\$ -	\$ 240,432	\$ 10,971	\$ 931,316
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 372,404
Restricted assets:						
Cash and investments	71,742	116,670	-	240,432	10,971	558,912
<b>Total cash and investment assets - ending</b>	<b>\$ 71,742</b>	<b>\$ 116,670</b>	<b>\$ -</b>	<b>\$ 240,432</b>	<b>\$ 10,971</b>	<b>\$ 931,316</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 101,570
Public safety	-	-	-	-	-	2,573
Highways and streets	-	-	-	-	-	14,954
Economic development	71,742	-	-	-	-	71,742
Debt service	-	116,670	-	-	-	116,670
Capital outlay	-	-	-	240,432	10,971	251,403
Unrestricted	-	-	-	-	-	372,404
<b>Total cash and investment fund balance - ending</b>	<b>\$ 71,742</b>	<b>\$ 116,670</b>	<b>\$ -</b>	<b>\$ 240,432</b>	<b>\$ 10,971</b>	<b>\$ 931,316</b>

CITY OF ELWOOD  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 INTERNAL SERVICE FUNDS  
 As of and for the Year Ended December 31, 2009

	<u>Nonreverting Self-Insurance</u>	<u>Nonreverting Insurance Pensioners</u>	<u>Self- Insurance</u>	<u>Totals</u>
Operating receipts:				
Miscellaneous	\$ 1,257,954	\$ -	\$ -	\$ 1,257,954
Total operating receipts	<u>1,257,954</u>	<u>-</u>	<u>-</u>	<u>1,257,954</u>
Operating disbursements:				
Insurance claims and expense	<u>1,183,937</u>	<u>3,984</u>	<u>-</u>	<u>1,187,921</u>
Total operating disbursements	<u>1,183,937</u>	<u>3,984</u>	<u>-</u>	<u>1,187,921</u>
Excess (deficiency) of receipts over disbursements	<u>74,017</u>	<u>(3,984)</u>	<u>-</u>	<u>70,033</u>
Cash and investment fund balance - beginning	<u>24,047</u>	<u>64,258</u>	<u>48,500</u>	<u>136,805</u>
Cash and investment fund balance - ending	<u>\$ 24,047</u>	<u>\$ 64,258</u>	<u>\$ 48,500</u>	<u>\$ 136,805</u>
<u>Cash and Investment Assets - December 31</u>				
Restricted assets:				
Cash and investments	<u>\$ 98,064</u>	<u>\$ 60,274</u>	<u>\$ 48,500</u>	<u>\$ 206,838</u>
Total cash and investment assets - December 31	<u>\$ 98,064</u>	<u>\$ 60,274</u>	<u>\$ 48,500</u>	<u>\$ 206,838</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Other purposes	<u>\$ 98,064</u>	<u>\$ 60,274</u>	<u>\$ 48,500</u>	<u>\$ 206,838</u>
Total cash and investment fund balance - December 31	<u>\$ 98,064</u>	<u>\$ 60,274</u>	<u>\$ 48,500</u>	<u>\$ 206,838</u>

CITY OF ELWOOD  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2009

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 12,506	\$ -	\$ 12,506
State	<u>318,343</u>	<u>306,219</u>	<u>624,562</u>
 Total contributions	 <u>330,849</u>	 <u>306,219</u>	 <u>637,068</u>
Deductions:			
Benefits	315,416	275,911	591,327
Loan	100,000	100,000	200,000
Administrative and general	<u>100</u>	<u>92</u>	<u>192</u>
 Total deductions	 <u>415,516</u>	 <u>376,003</u>	 <u>791,519</u>
 Excess (deficiency) of total additions over total deductions	 (84,667)	 (69,784)	 (154,451)
 Cash and investment fund balance - beginning	 <u>168,942</u>	 <u>179,123</u>	 <u>348,065</u>
 Cash and investment fund balance - ending	 <u>\$ 84,275</u>	 <u>\$ 109,339</u>	 <u>\$ 193,614</u>

CITY OF ELWOOD  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2009

	Court Costs Due County	Law Enforcement Continuing Ed User Fee	City Court	Payroll	Totals
Additions:					
Agency fund additions	\$ 34,134	\$ 6,823	\$ 567,392	\$ 1,149,734	\$ 1,758,083
Deductions:					
Agency fund deductions	34,134	6,968	573,576	1,154,658	1,769,336
Deficiency of total additions over total deductions	-	(145)	(6,184)	(4,924)	(11,253)
Cash and investment fund balance - beginning	-	5,932	97,217	56,693	159,842
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 5,787</u>	<u>\$ 91,033</u>	<u>\$ 51,769</u>	<u>\$ 148,589</u>

CITY OF ELWOOD  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
January 1, 2009 to December 31, 2009

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Municipal Building	\$ 6,507,964	\$ 602,200
Total governmental activities debt	<u>\$ 6,507,964</u>	<u>\$ 602,200</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Waterworks Utility Revenue Bond	\$ 1,380,000	\$ 92,535
Total Water Utility	<u>1,380,000</u>	<u>92,535</u>
Wastewater Utility:		
Revenue bonds:		
SRF Loan Payable	111,031	15,926
Campbell Family Loan Payable	<u>547,000</u>	<u>56,350</u>
Total Wastewater Utility	<u>658,031</u>	<u>72,276</u>
Total business-type activities debt	<u>\$ 2,038,031</u>	<u>\$ 164,811</u>

CITY OF ELWOOD  
AUDIT RESULTS AND COMMENTS

AMBULANCE FEE BAD DEBTS AND UNCOLLECTIBLE ACCOUNTS

The City does not have a policy concerning the write-off of uncollectible ambulance fees. A similar comment appeared in the prior Report B34921.

The governing body of a governmental unit should have a written policy concerning a procedure for the writing off of bad debts, uncollectible accounts receivable, or any adjustments to record balances.

Documentation should exist for all efforts made by the governmental unit to collect amounts owed prior to any write-offs.

Officials or employees authorizing, directing or executing write-offs or adjustments to records which are not documented or warranted may be held personally responsible. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS

The City records capital asset additions and disposals on a capital asset ledger using prescribed City and Town Form 211. Although the City has made an effort to improve the maintenance of capital asset records, deficiencies were found. The City's capital asset ledger is arranged primarily by City departments. Each department completes an inventory at year end and submits to the Clerk Treasurer, but most of the inventories do not have values, tag numbers or other information which could be used to uniquely identify the assets. The City's inventory does not include totals. Also, the inventories received are not used to update the asset records on Form 211. For example, if inventories have disposal information or additions, those items are not taken off or added to the asset records. The city also does not keep an inventory of infrastructure purchased or disposed of as required.

A similar comment has appeared in several prior reports and most recently in Report B34921.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. 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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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 ELWOOD, MADISON COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Elwood (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, 2009. 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 non-compliance 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, 2009.

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.

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.

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.

Our consideration of the internal control over compliance 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. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the City's management, the 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

May 19, 2010

CITY OF ELWOOD  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2009

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs CDBG - Entitlement Grants Cluster Community Development Block Grants/State's Program	14.228	CF-07-226	\$ 265,222
Total for cluster and federal grantor agency			<u>265,222</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Crime Victims Assistance	16.575	06-ST-008 08-ST-008	7,197 <u>13,837</u>
Total for program and federal grantor agency			<u>21,034</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Traffic Enforcement Grant	20.600	OP-09-01-01-10	<u>3,209</u>
Total for program			<u>3,209</u>
Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	K-4-2009-08-01-12	<u>610</u>
Total for program			<u>610</u>
Total for federal grantor agency			<u>3,819</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant Congressionally Mandated Projects	66.202	XP-00E50801-0	<u>17,161</u>
Total for program			<u>17,161</u>
Pass-Through Indiana Finance Authority Capitalization Grants for Clean Water - State Revolving Funds	66.458	2F-00E7-29010-0	185,760
ARRA - Capitalization Grants for Clean Water - State Revolving Funds	66.458	2F-00E7-29010-0	<u>445,606</u>
Total for program			<u>631,366</u>
Total for federal grantor agency			<u>648,527</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through State Emergency Management Agency Disaster Grants - Public Assistance (Presidentially Declared Disasters) Disaster #1766	97.036		<u>59,641</u>
Total for federal grantor agency			<u>59,641</u>
Total federal awards expended			<u>\$ 998,243</u>

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

CITY OF ELWOOD  
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 Elwood (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF ELWOOD  
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? No  
 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? None reported

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? No

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Community Development Block Grant/State's Program Capitalization Grants for Clean Water-State Revolving Funds

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

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

# City of Elwood

Elwood, Indiana 46036

Mayor - (765) 552-5076

Clerk-Treasurer - (765) 552-5078



*"The Heart of Hoosierland"*

## Summary Schedule of Prior Audit Findings

FINDING #.....2008-1

ORIGINAL SBA AUDIT REPORT NUMBER.....B34921

FISCAL YEAR..... 01/01/09 TO 12/31/09

AUDITEE CONTACT PERSON.....SANDRA BREWER

TITLE OF CONTACT PERSON..... CLERK-TREASURER

PHONE NUMBER..... 765-552-5078

### STATUS OF FINDING:

The City has hired a consultant, Government Fixed Asset Services, Inc., to aid the City in compiling fixed asset records as required for both the City and Water and Wastewater Utilities. We are currently in the process of working on the utilities and will follow-up with the City's assets.

Signed

Title Clerk-Treasurer

Date

May 19, 2010

CITY OF ELWOOD  
EXIT CONFERENCE

The contents of this report were discussed on May 19, 2010, with Honorable W. Merrill Taylor, Mayor; Sandra R. Brewer, Clerk-Treasurer; and John Wright, President of the Common Council.