

B37289

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

ANNUAL FINANCIAL REPORT

2009

CITY OF GREENSBURG

DECATUR COUNTY, INDIANA



FILED
08/02/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	L. June Ryle	01-01-08 to 12-31-11
Mayor	Gary L. Herbert	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Gary L. Herbert	01-01-08 to 12-31-11
President of the Common Council	Darrell Poling William Wenning	01-01-09 to 12-31-09 01-01-10 to 12-31-10
President of the Water Board	Charles Storie	01-01-09 to 12-31-10
Superintendent of Water Utility	Richard Denney	01-01-09 to 12-31-10
Superintendent of Wastewater Utility	Jeffrey H. Smith	01-01-09 to 12-31-10
Utility Office Manager	Donna M. Lecher	01-01-09 to 12-31-10



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 GREENSBURG, DECATUR 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 Greensburg (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 June 7, 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 integral part of 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 Management's Discussion and Analysis, Budgetary Comparison Schedules, Schedules of Funding Progress or Schedule of Contributions From the Employer and Other Contributing Entities, 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, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt 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 Capital Assets and Schedule of Long-Term Debt have 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 them.

STATE BOARD OF ACCOUNTS

June 7, 2010



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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 GREENSBURG, DECATUR 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 Greensburg (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 June 7, 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. 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 2009-1 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 2009-1 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 sections 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, 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

June 7, 2010

CITY OF GREENSBURG
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		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 2,457,028	\$ 166,553	\$ -	\$ 382,416	\$ (1,908,059)	\$ -	\$ (1,908,059)
Public safety	3,132,086	692,846	27,173	-	(2,412,067)	-	(2,412,067)
Highways and streets	1,513,967	1,800	-	-	(1,512,167)	-	(1,512,167)
Sanitation	544,961	168,054	-	-	(376,907)	-	(376,907)
Economic development	630,518	-	52,575	-	(577,943)	-	(577,943)
Urban redevelopment and housing	40,291	-	45,954	-	5,663	-	5,663
Principal and interest on indebtedness	1,020,901	-	-	-	(1,020,901)	-	(1,020,901)
Total governmental activities	9,339,752	1,029,253	125,702	382,416	(7,802,381)	-	(7,802,381)
Business-type activities:							
Wastewater Utility	3,027,907	2,842,084	-	-	-	(185,823)	(185,823)
Greensburg Water	3,043,267	2,102,869	-	-	-	(940,398)	(940,398)
Aviation Rotary	128,302	148,391	-	-	-	20,089	20,089
Total business-type activities	6,199,476	5,093,344	-	-	-	(1,106,132)	(1,106,132)
Total primary government	\$ 15,539,228	\$ 6,122,597	\$ 125,702	\$ 382,416	(7,802,381)	(1,106,132)	(8,908,513)
General receipts:							
Property taxes					5,982,001	-	5,982,001
Intergovernmental					2,261,694	418,022	2,679,716
Other local sources					535,194	9,556	544,750
Net proceeds from borrowings					700,000	853,280	1,553,280
Investment earnings					71,550	42,721	114,271
Total general receipts					9,550,439	1,323,579	10,874,018
Change in net assets					1,748,058	217,447	1,965,505
Net assets - beginning					4,520,734	6,086,959	10,607,693
Net assets - ending					\$ 6,268,792	\$ 6,304,406	\$ 12,573,198
Assets							
Cash and investments					\$ 4,282,522	\$ 3,229,562	\$ 7,512,084
Restricted assets:							
Cash and investments					1,986,270	3,074,844	5,061,114
Total assets					\$ 6,268,792	\$ 6,304,406	\$ 12,573,198
Net Assets							
Restricted for:							
Public safety					\$ 25,847	\$ -	\$ 25,847
Highways and streets					112,372	-	112,372
Economic development					68,755	-	68,755
Urban redevelopment and housing					5,663	-	5,663
Debt service					306,872	2,683,075	2,989,947
Capital outlay					851,245	-	851,245
Other purposes					615,516	391,769	1,007,285
Unrestricted					4,282,522	3,229,562	7,512,084
Total net assets					\$ 6,268,792	\$ 6,304,406	\$ 12,573,198

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

CITY OF GREENSBURG
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	Edit	Other Governmental Funds	Totals
Receipts:				
Taxes	\$ 3,931,075	\$ 376,303	\$ 1,620,546	\$ 5,927,924
Licenses and permits	18,411	-	5,301	23,712
Intergovernmental	1,591,771	-	1,179,841	2,771,612
Charges for services	333,224	-	696,029	1,029,253
Fines and forfeits	8,566	-	-	8,566
Other	273,754	14,030	131,936	419,720
	<u>6,156,801</u>	<u>390,333</u>	<u>3,633,653</u>	<u>10,180,787</u>
Total receipts				
Disbursements:				
General government	2,124,665	-	264,776	2,389,441
Public safety	2,715,325	-	402,278	3,117,603
Highways and streets	5,032	-	1,289,453	1,294,485
Sanitation	399,708	-	145,253	544,961
Economic development	-	106,208	524,310	630,518
Urban redevelopment and housing	-	-	40,291	40,291
Debt service:				
Principal	83,441	-	699,517	782,958
Interest	9,679	-	228,264	237,943
Capital outlay:				
General government	-	-	115,264	115,264
Public safety	14,483	-	-	14,483
Highways and streets	-	-	219,482	219,482
	<u>5,352,333</u>	<u>106,208</u>	<u>3,928,888</u>	<u>9,387,429</u>
Total disbursements				
Excess (deficiency) of receipts over disbursements	<u>804,468</u>	<u>284,125</u>	<u>(295,235)</u>	<u>793,358</u>
Other financing sources (uses):				
Net proceeds from borrowings	-	-	700,000	700,000
Transfers in	-	-	25,000	25,000
Transfers out	-	-	(25,000)	(25,000)
Other disbursements	-	-	(950,000)	(950,000)
Other receipts	143,013	-	1,014,009	1,157,022
	<u>143,013</u>	<u>-</u>	<u>764,009</u>	<u>907,022</u>
Total other financing sources (uses)				
Excess of receipts and other financing sources over disbursements and other financing uses	947,481	284,125	468,774	1,700,380
Cash and investment fund balance - beginning	<u>77,340</u>	<u>1,009,036</u>	<u>2,866,520</u>	<u>3,952,896</u>
Cash and investment fund balance - ending	<u>\$ 1,024,821</u>	<u>\$ 1,293,161</u>	<u>\$ 3,335,294</u>	5,653,276
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>615,516</u>
Net assets of governmental activities				<u>\$ 6,268,792</u>
<u>Cash and Investment Assets - Ending</u>				
Cash and investments	\$ 1,024,821	\$ 1,293,161	\$ 1,964,540	\$ 4,282,522
Restricted assets:				
Cash and investments	-	-	1,370,754	1,370,754
Total cash and investment assets - ending	<u>\$ 1,024,821</u>	<u>\$ 1,293,161</u>	<u>\$ 3,335,294</u>	<u>\$ 5,653,276</u>
<u>Cash and Investment Fund Balance - Ending</u>				
Restricted for:				
Public safety	\$ -	\$ -	\$ 25,847	\$ 25,847
Highways and streets	-	-	112,372	112,372
Economic development	-	-	68,755	68,755
Urban redevelopment and housing	-	-	5,663	5,663
Debt service	-	-	306,872	306,872
Capital outlay	-	-	851,245	851,245
Unrestricted	1,024,821	1,293,161	1,964,540	4,282,522
Total cash and investment fund balance - ending	<u>\$ 1,024,821</u>	<u>\$ 1,293,161</u>	<u>\$ 3,335,294</u>	<u>\$ 5,653,276</u>

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

CITY OF GREENSBURG
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

	Wastewater Utility	Water Utility	Aviation Rotary	Totals	Health Insurance Claims Reserve
Operating receipts:					
Unmetered/flat rate	\$ -	\$ 2,679	\$ -	\$ 2,679	\$ -
Metered/measured	2,456,339	1,617,391	-	4,073,730	-
Aviation Fuel Sales	-	-	148,391	148,391	-
Fire protection receipts	-	270,383	-	270,383	-
Penalties	35,671	11,753	-	47,424	-
Charges for services	152,974	119,031	-	272,005	-
Honda Surcharge	197,098	-	-	197,098	-
Miscellaneous	2	81,632	-	81,634	1,462,191
Total operating receipts	2,842,084	2,102,869	148,391	5,093,344	1,462,191
Operating disbursements:					
Source of supply	-	112,468	-	112,468	-
Water treatment	-	502,124	-	502,124	-
Transmission and distribution	-	359,461	-	359,461	-
Customer accounts	95,938	125,960	-	221,898	-
Administration and general	436,928	474,160	-	911,088	-
Collection system	169,687	-	-	169,687	-
Pumping	2,016	-	-	2,016	-
Treatment and disposal	844,537	-	-	844,537	-
Refunds	-	59,132	-	59,132	-
Equipment and capital improvements	290,205	925,093	-	1,215,298	-
Cost of sales and services	-	-	128,302	128,302	-
Total operating disbursements	1,839,311	2,558,398	128,302	4,526,011	-
Excess (deficiency) of operating receipts over operating disbursements	1,002,773	(455,529)	20,089	567,333	1,462,191
Nonoperating receipts (disbursements):					
Other	900	-	-	900	-
Intergovernmental	194,492	223,530	-	418,022	-
Investment income	17,921	24,800	-	42,721	7,466
Net proceeds from borrowings	-	853,280	-	853,280	-
Fees	(986)	(1,570)	-	(2,556)	-
Debt service of principal	(580,971)	(424,072)	-	(1,005,043)	-
Interest disbursements	(606,639)	(59,227)	-	(665,866)	-
Clearing account receipts	-	5,121,571	-	5,121,571	-
Clearing account disbursements	-	(5,112,915)	-	(5,112,915)	-
Insurance claims and expense	-	-	-	-	(1,421,980)
Total nonoperating receipts (disbursements)	(975,283)	625,397	-	(349,886)	(1,414,514)
Excess of receipts over disbursements and nonoperating receipts (disbursements)	27,490	169,868	20,089	217,447	47,677
Transfers in	1,285,050	589,904	-	1,874,954	-
Transfers out	(1,285,050)	(589,904)	-	(1,874,954)	-
Excess of receipts, contributions and transfers in over disbursements and transfers out	27,490	169,868	20,089	217,447	47,677
Cash and investment fund balance - beginning	<u>3,889,408</u>	<u>2,191,056</u>	<u>6,495</u>	<u>6,086,959</u>	<u>567,839</u>
Cash and investment fund balance - ending	<u>\$ 3,916,898</u>	<u>\$ 2,360,924</u>	<u>\$ 26,584</u>	<u>\$ 6,304,406</u>	<u>\$ 615,516</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ 1,975,291	\$ 1,227,687	\$ 26,584	\$ 3,229,562	\$ -
Restricted assets:					
Cash and investments	<u>1,941,607</u>	<u>1,133,237</u>	<u>-</u>	<u>3,074,844</u>	<u>615,516</u>
Total cash and investment assets - December 31	<u>\$ 3,916,898</u>	<u>\$ 2,360,924</u>	<u>\$ 26,584</u>	<u>\$ 6,304,406</u>	<u>\$ 615,516</u>
Cash and Investment Fund Balance - December 31					
Restricted for:					
Debt service	\$ 1,681,347	\$ 1,001,728	\$ -	\$ 2,683,075	\$ -
Other purposes	260,260	131,509	-	391,769	615,516
Unrestricted	<u>1,975,291</u>	<u>1,227,687</u>	<u>26,584</u>	<u>3,229,562</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 3,916,898</u>	<u>\$ 2,360,924</u>	<u>\$ 26,584</u>	<u>\$ 6,304,406</u>	<u>\$ 615,516</u>

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

CITY OF GREENSBURG
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	\$ 450,943	
State	402,382	
Total contributions	853,325	
Investment earnings:		
Interest	2,186	
Total additions	855,511	
Deductions:		
Benefits	350,758	
Administrative and general	1,751	
Total deductions	352,509	
Excess of total additions over total deductions	503,002	
Cash and investment fund balance - beginning	86,849	
Cash and investment fund balance - ending	\$ 589,851	\$ 16,426

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

CITY OF GREENSBURG
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, public improvements, planning and zoning, economic development, general administrative services, water, wastewater, aviation, and urban redevelopment and housing.

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

Primary Government:	City of Greensburg
Blended Component Unit:	City of Greensburg Redevelopment Authority

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

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City's governing body or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

City of Greensburg Redevelopment Authority: The City appoints a voting majority of the City of Greensburg Redevelopment Authority's board and is able to impose its will. Although it is legally separate from the City, the City of Greensburg Redevelopment Authority is reported as if it were a part of the City because it provides services entirely or almost entirely to the City. At December 31, 2009, the Authority had not issued any redevelopment bonds and therefore no financial activity is included in the financial statements.

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,

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 EDIT (Economic Development Income Tax) fund accounts for the financial resources used for public improvements and economic development.

The City reports the following major enterprise funds:

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

The water utility funds account for the operation of the water filtration, treatment, storage, and distribution systems.

The aviation rotary fund accounts for purchases and sales of aviation fuel at the municipal airport.

Additionally, the City reports the following fund types:

The internal service fund (Health Insurance Claims Reserve) accounts for medical benefits provided to employees and their dependents.

The pension trust funds account for the activities of the Police Pension and Firefighter's Pension, which accumulate resources for pension benefit payments.

The agency fund (Payroll) accounts for assets held by the City as an agent for various taxing entities and benefit providers for payroll withholdings.

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.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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."

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.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 \$13,179,475.

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:

Transfer From	Transfer To	2009
Other governmental funds	Other governmental funds	\$ <u>25,000</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, 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, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

The City has chosen to establish a risk financing fund for risks associated with Medical Benefits for Employees and Dependents. The risk financing fund is accounted for in the Health Insurance Claims Reserve, 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. Amounts are paid into the fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program

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 City of Greensburg Public Safety Facilities 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 \$219,000.

C. Subsequent Events

The 2008 Airport Bond Anticipation Note was refinanced on January 1, 2010, with a new loan that matures on December 12, 2012.

On April 22, 2010, the Greensburg Public Safety Facilities Building Corporation issued First Mortgage Refunding Bonds, Series 2010 to refinance the Capital Lease for the City Police Station. The Refunding Bonds mature December 31, 2022.

D. Rate Structure – Enterprise Funds

Water Utility

On June 30, 1997, the City Council adopted Ordinance 1997-7 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on June 19, 2007.

Wastewater Utility

The current rate structure was approved by the City Council on June 19, 2007.

E. Receipts Pledged

Water Utility Receipts Pledged

The City has pledged future water revenue, net of specified operating expenditures, to repay revenue bonds issued in 1998. Proceeds from the bonds provided financing for refunding of outstanding bonds. The bonds are payable solely from net water revenue and are payable through 2014.

The City has pledged future water revenue, net of specified operating expenditures, to repay revenue bonds issued in 2007. Proceeds from the bonds provided financing for construction, acquisition, and improvement of the Water Utility. The bonds are payable solely from net water revenue and are payable through 2028.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

Wastewater Utility Receipts Pledged

The City has pledged future wastewater revenue, net of specified operating expenditures, to repay revenue bonds issued in 2000. Proceeds from the bonds provided financing for Wastewater expansion. The bonds are payable solely from net wastewater revenue and are payable through 2020.

The City has pledged future wastewater revenue, net of specified operating expenditures, to repay revenue bonds issued in 2007. Proceeds from the bonds provided financing for construction, acquisition, and improvement of the Wastewater Utility. The bonds are payable solely from net wastewater revenue and are payable through 2028.

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

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 \$121,066.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

On-behalf Payments

The 1925 Police Officer's Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11. The State of Indiana has contributed \$236,406 on behalf of the City. On-behalf contributions from the State of Indiana approximates the amount paid out for benefits.

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 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.

On-behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11. The State of Indiana has contributed \$165,976 on behalf of the City. On-behalf contributions from the State of Indiana approximates the amount paid out for benefits.

CITY OF GREENSBURG
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 \$371,854.

CITY OF GREENSBURG
 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

	Motor Vehicle Highway	Local Road And Street	Airport Improvement	Animal Shelter	Police Equitable Sharing	Trash Tipping Fee	FEMA
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	338,655	39,468	382,416	-	-	-	7,605
Charges for services	-	-	-	-	-	168,054	-
Other	1,644	-	-	1	-	-	-
Total receipts	340,299	39,468	382,416	1	-	168,054	7,605
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	7,605
Highways and streets	291,847	40,000	-	-	-	-	-
Sanitation	-	-	-	-	-	145,253	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	9,517	-	300,000	-	-	-	-
Interest	304	-	43,983	-	-	-	-
Capital outlay:							
General government	-	-	74,550	-	-	-	-
Highways and streets	5,000	-	-	-	-	-	-
Total disbursements	306,668	40,000	418,533	-	-	145,253	7,605
Excess (deficiency) of receipts over disbursements	33,631	(532)	(36,117)	1	-	22,801	-
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33,631	(532)	(36,117)	1	-	22,801	-
Cash and investment fund balance - beginning	345,740	91,656	260,907	86	11,726	104,088	492
Cash and investment fund balance - ending	\$ 379,371	\$ 91,124	\$ 224,790	\$ 87	\$ 11,726	\$ 126,889	\$ 492
Cash and Investment Assets - Ending							
Cash and investments	\$ 379,371	\$ -	\$ 224,790	\$ 87	\$ 11,726	\$ 126,889	\$ 492
Restricted assets:							
Cash and investments	-	91,124	-	-	-	-	-
Total cash and investment assets - ending	\$ 379,371	\$ 91,124	\$ 224,790	\$ 87	\$ 11,726	\$ 126,889	\$ 492
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	91,124	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	379,371	-	224,790	87	11,726	126,889	492
Total cash and investment fund balance - ending	\$ 379,371	\$ 91,124	\$ 224,790	\$ 87	\$ 11,726	\$ 126,889	\$ 492

CITY OF GREENSBURG
 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)

	Law Enforcement Continuing Education	Unsafe Building	Riverboat	911 Dispatch/County	Honda/Fire	Fire Contribution	City 150th
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	5,301	-	-	-	-	-
Intergovernmental	-	-	64,207	-	-	-	-
Charges for services	-	-	-	45,385	403,548	-	-
Other	10,320	-	-	-	-	13,685	93,283
Total receipts	10,320	5,301	64,207	45,385	403,548	13,685	93,283
Disbursements:							
General government	-	5,874	27,500	-	-	-	128,495
Public safety	15,018	-	-	42,175	318,007	8,364	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	15,018	5,874	27,500	42,175	318,007	8,364	128,495
Excess (deficiency) of receipts over disbursements	(4,698)	(573)	36,707	3,210	85,541	5,321	(35,212)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,698)	(573)	36,707	3,210	85,541	5,321	(35,212)
Cash and investment fund balance - beginning	21,643	42,782	311,586	20,573	87,518	19,115	41,761
Cash and investment fund balance - ending	\$ 16,945	\$ 42,209	\$ 348,293	\$ 23,783	\$ 173,059	\$ 24,436	\$ 6,549
Cash and Investment Assets - Ending							
Cash and investments	\$ 16,945	\$ 42,209	\$ 348,293	\$ -	\$ 173,059	\$ 24,436	\$ 6,549
Restricted assets:							
Cash and investments	-	-	-	23,783	-	-	-
Total cash and investment assets - ending	\$ 16,945	\$ 42,209	\$ 348,293	\$ 23,783	\$ 173,059	\$ 24,436	\$ 6,549
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 23,783	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	16,945	42,209	348,293	-	173,059	24,436	6,549
Total cash and investment fund balance - ending	\$ 16,945	\$ 42,209	\$ 348,293	\$ 23,783	\$ 173,059	\$ 24,436	\$ 6,549

CITY OF GREENSBURG
 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)

	Brownfield Grant	Micro Enterprise Loan	Senior Center Project	Hottcity Downtown Grant	Hazmat Emergency	Rainy Day	Levy Excess
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	46,575	-	6,000	-	121,363	-
Charges for services	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Total receipts	-	46,575	-	6,000	-	121,363	-
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	46,575	-	6,000	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	-	46,575	-	6,000	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	121,363	-
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	(950,000)
Other receipts	-	-	-	-	9,932	-	1,004,077
Total other financing sources (uses)	-	-	-	-	9,932	-	54,077
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	-	9,932	121,363	54,077
Cash and investment fund balance - beginning	5,052	-	2,907	-	13,386	293,169	-
Cash and investment fund balance - ending	<u>\$ 5,052</u>	<u>\$ -</u>	<u>\$ 2,907</u>	<u>\$ -</u>	<u>\$ 23,318</u>	<u>\$ 414,532</u>	<u>\$ 54,077</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 5,052	\$ -	\$ 2,907	\$ -	\$ 23,318	\$ 414,532	\$ 54,077
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 5,052</u>	<u>\$ -</u>	<u>\$ 2,907</u>	<u>\$ -</u>	<u>\$ 23,318</u>	<u>\$ 414,532</u>	<u>\$ 54,077</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	5,052	-	2,907	-	23,318	414,532	54,077
Total cash and investment fund balance - ending	<u>\$ 5,052</u>	<u>\$ -</u>	<u>\$ 2,907</u>	<u>\$ -</u>	<u>\$ 23,318</u>	<u>\$ 414,532</u>	<u>\$ 54,077</u>

CITY OF GREENSBURG
 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)

	Operation Pullover	TIF	Police Donation	Airport Operations	Housing Rehab Loan	EDLP	ILR
Receipts:							
Taxes	\$ -	\$ 940,351	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	3,031	-	-	-	45,954	-	-
Charges for services	-	-	-	79,042	-	-	-
Other	-	2,603	2,852	-	-	3,642	-
Total receipts	3,031	942,954	2,852	79,042	45,954	3,642	-
Disbursements:							
General government	-	-	-	73,339	-	-	-
Public safety	5,068	-	6,041	-	-	-	-
Highways and streets	-	957,606	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	10,000	-
Urban redevelopment and housing	-	-	-	-	40,291	-	-
Debt service:							
Principal	-	200,000	-	-	-	-	-
Interest	-	599	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Total disbursements	5,068	1,158,205	6,041	73,339	40,291	10,000	-
Excess (deficiency) of receipts over disbursements	(2,037)	(215,251)	(3,189)	5,703	5,663	(6,358)	-
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,037)	(215,251)	(3,189)	5,703	5,663	(6,358)	-
Cash and investment fund balance - beginning	4,101	236,499	8,241	99,053	-	75,113	45,354
Cash and investment fund balance - ending	<u>\$ 2,064</u>	<u>\$ 21,248</u>	<u>\$ 5,052</u>	<u>\$ 104,756</u>	<u>\$ 5,663</u>	<u>\$ 68,755</u>	<u>\$ 45,354</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ 5,052	\$ 104,756	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	2,064	21,248	-	-	5,663	68,755	45,354
Total cash and investment assets - ending	<u>\$ 2,064</u>	<u>\$ 21,248</u>	<u>\$ 5,052</u>	<u>\$ 104,756</u>	<u>\$ 5,663</u>	<u>\$ 68,755</u>	<u>\$ 45,354</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ 2,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	21,248	-	-	-	-	-
Economic development	-	-	-	-	-	68,755	-
Urban redevelopment and housing	-	-	-	-	5,663	-	-
Debt service	-	-	-	-	-	-	45,354
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	5,052	104,756	-	-	-
Total cash and investment fund balance - ending	<u>\$ 2,064</u>	<u>\$ 21,248</u>	<u>\$ 5,052</u>	<u>\$ 104,756</u>	<u>\$ 5,663</u>	<u>\$ 68,755</u>	<u>\$ 45,354</u>

CITY OF GREENSBURG
 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)

	Bond, General Sinking	2005 Renovation	Cumulative Capital Development	Redevelopment Commission Construction	Cumulative Fire	Cumulative Capital Improvement	Totals
Receipts:							
Taxes	\$ 416,304	\$ -	\$ 158,571	\$ -	\$ 105,320	\$ -	\$ 1,620,546
Licenses and permits	-	-	-	-	-	-	5,301
Intergovernmental	56,102	-	22,236	-	14,768	31,461	1,179,841
Charges for services	-	-	-	-	-	-	696,029
Other	1,046	1,952	-	908	-	-	131,936
Total receipts	473,452	1,952	180,807	908	120,088	31,461	3,633,653
Disbursements:							
General government	1,250	28,318	-	-	-	-	264,776
Public safety	-	-	-	-	-	-	402,278
Highways and streets	-	-	-	-	-	-	1,289,453
Sanitation	-	-	-	-	-	-	145,253
Economic development	-	-	-	461,735	-	-	524,310
Urban redevelopment and housing	-	-	-	-	-	-	40,291
Debt service:							
Principal	190,000	-	-	-	-	-	699,517
Interest	183,378	-	-	-	-	-	228,264
Capital outlay:							
General government	-	-	16,456	-	-	24,258	115,264
Highways and streets	-	-	214,482	-	-	-	219,482
Total disbursements	374,628	28,318	230,938	461,735	-	24,258	3,928,888
Excess (deficiency) of receipts over disbursements	98,824	(26,366)	(50,131)	(460,827)	120,088	7,203	(295,235)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	700,000	-	-	700,000
Transfers in	-	-	-	-	-	25,000	25,000
Transfers out	(25,000)	-	-	-	-	-	(25,000)
Other disbursements	-	-	-	-	-	-	(950,000)
Other receipts	-	-	-	-	-	-	1,014,009
Total other financing sources (uses)	(25,000)	-	-	700,000	-	25,000	764,009
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	73,824	(26,366)	(50,131)	239,173	120,088	32,203	468,774
Cash and investment fund balance - beginning	1,752	212,308	178,727	-	298,603	32,582	2,866,520
Cash and investment fund balance - ending	\$ 75,576	\$ 185,942	\$ 128,596	\$ 239,173	\$ 418,691	\$ 64,785	\$ 3,335,294
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,964,540
Restricted assets:							
Cash and investments	75,576	185,942	128,596	239,173	418,691	64,785	1,370,754
Total cash and investment assets - ending	\$ 75,576	\$ 185,942	\$ 128,596	\$ 239,173	\$ 418,691	\$ 64,785	\$ 3,335,294
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,847
Highways and streets	-	-	-	-	-	-	112,372
Economic development	-	-	-	-	-	-	68,755
Urban redevelopment and housing	-	-	-	-	-	-	5,663
Debt service	75,576	185,942	-	-	-	-	306,872
Capital outlay	-	-	128,596	239,173	418,691	64,785	851,245
Unrestricted	-	-	-	-	-	-	1,964,540
Total cash and investment fund balance - ending	\$ 75,576	\$ 185,942	\$ 128,596	\$ 239,173	\$ 418,691	\$ 64,785	\$ 3,335,294

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

	Police Pension	Fire Pension	Totals
Additions:			
Contributions:			
Employer	\$ 234,496	\$ 216,447	\$ 450,943
State	236,406	165,976	402,382
Total contributions	470,902	382,423	853,325
Investment receipts:			
Interest	1,174	1,012	2,186
Total additions	472,076	383,435	855,511
Deductions:			
Benefits	184,274	166,484	350,758
Administrative and general	754	997	1,751
Total deductions	185,028	167,481	352,509
Excess of total additions over total deductions	287,048	215,954	503,002
Cash and investment fund balance - beginning	42,488	44,361	86,849
Cash and investment fund balance - ending	\$ 329,536	\$ 260,315	\$ 589,851

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

	<u>Federal Withholding/ Pensions</u>	<u>State Withholding/ Pensions</u>	<u>County Withholdings/ Pensions</u>	<u>Federal Withholding</u>	<u>FICA Withholdings</u>	<u>State Withholdings</u>
Additions:						
Agency fund additions	<u>\$ 17,651</u>	<u>\$ 10,286</u>	<u>\$ 1,680</u>	<u>\$ 339,560</u>	<u>\$ 66,078</u>	<u>\$ 107,954</u>
Deductions:						
Agency fund deductions	<u>17,651</u>	<u>9,526</u>	<u>1,562</u>	<u>339,560</u>	<u>66,078</u>	<u>96,677</u>
Excess (deficiency) of total additions over total deductions	-	760	118	-	-	11,277
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u><u>\$ -</u></u>	<u><u>\$ 760</u></u>	<u><u>\$ 118</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 11,277</u></u>

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

	County Withholdings	PERF	Medicare Withholdings	Direct Deposit Clearing	Conseco Insurance	Pre-Paid Legal
Additions:						
Agency fund additions	\$ 39,742	\$ 28,626	\$ 42,725	\$ 1,383,233	\$ 20,234	\$ 1,242
Deductions:						
Agency fund deductions	35,632	28,626	42,725	1,383,233	20,257	1,243
Excess (deficiency) of total additions over total deductions	4,110	-	-	-	(23)	(1)
Cash and investment fund balance - beginning	-	-	-	-	23	1
Cash and investment fund balance - ending	<u>\$ 4,110</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	American General	"77" Police Pension Assessments	"77" Firefighter Pension Assessments	United Fund	Garnishments
Additions:					
Agency fund additions	\$ 1,460	\$ 41,789	\$ 72,790	\$ 622	\$ 8,338
Deductions:					
Agency fund deductions	1,460	41,789	72,790	622	8,338
Excess (deficiency) of total additions over total deductions	-	-	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

	Employee Health Insurance Withholding	Aflac	Worksite Solutions	Brokers National/Vision	Totals
Additions:					
Agency fund additions	\$ 81	\$ 2,154	\$ 708	\$ 1,623	\$ 2,188,576
Deductions:					
Agency fund deductions	-	2,154	709	1,625	2,172,257
Excess (deficiency) of total additions over total deductions	81	-	(1)	(2)	16,319
Cash and investment fund balance - beginning	80	-	1	2	107
Cash and investment fund balance - ending	<u>\$ 161</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,426</u>

CITY OF GREENSBURG
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For the Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 63,572
Infrastructure	33,700,000
Buildings	3,740,180
Improvements other than buildings	748,377
Machinery and equipment	3,352,173
Construction in progress	<u>7,300,000</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 48,904,302</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 1,414,602
Construction in progress	3,397,479
Buildings	7,616,405
Improvements other than buildings	11,298,304
Machinery and equipment	<u>1,553,164</u>
Total Water Utility capital assets	<u>25,279,954</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	246,764
Construction in progress	23,334,534
Buildings	15,730,606
Improvements other than buildings	13,088,013
Machinery and equipment	<u>1,258,574</u>
Total Wastewater Utility capital assets	<u>53,658,491</u>
Total business-type activities capital assets	<u>\$ 78,938,445</u>

CITY OF GREENSBURG
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2009

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 Station	\$ 2,020,000	\$ 219,000
Notes and loans payable	231,717	107,991
Bonds payable:		
General obligation bonds:		
2009 TIF BAN	850,000	850,000
Airport Bond Anticipation Note	994,000	994,000
City Hall Renovation	<u>1,000,000</u>	<u>53,500</u>
Total governmental activities debt	<u>\$ 5,095,717</u>	<u>\$ 2,224,491</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
1998 Water refunding revenue bonds	\$ 1,285,000	\$ 280,757
SRF Bonds, Series 2007 A+	6,960,000	160,000
SRF Bonds, Series 2007 B * +	<u>5,867,279</u>	<u>-</u>
Total Water Utility	<u>14,112,279</u>	<u>440,757</u>
Wastewater Utility:		
Revenue bonds:		
2000 Wastewater expansion bonds	6,313,000	723,527
SRF Bonds, Series 2007 A	8,465,000	406,284
SRF Bonds, Series 2007 B +	<u>9,944,050</u>	<u>61,500</u>
Total Wastewater Utility	<u>24,722,050</u>	<u>1,191,311</u>
Total business-type activities debt	<u>\$ 38,834,329</u>	<u>\$ 1,632,068</u>

CITY OF GREENSBURG
AUDIT RESULT AND COMMENT

SEGREGATION OF DUTIES

The City Clerk-Treasurer's office and the Utility office have a lack of segregation of duties. Incompatible duties are performed by the same individuals.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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 GREENSBURG, DECATUR COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Greensburg (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 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, 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)

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.

The City's response to the finding 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, 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

June 7, 2010

CITY OF GREENSBURG
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 Housing and Community Development Authority Community Development Block Grants/State's Program Homeowner Repair and Improvement	14.228	HD-008-025	\$ 21,015
Total for federal grantor agency			<u>21,015</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety	20.600	OP-08	<u>3,939</u>
Direct Grant Airport Improvement Program	20.106	AIP 3-18-0031-005 AIP 3-18-0031-006	270,693 <u>101,307</u>
Total for program			<u>372,000</u>
Total for federal grantor agency			<u>375,939</u>
<u>U.S. DEPARTMENT OF ENVIRONMENTAL PROTECTION</u>			
Pass-Through Indiana Department of Environmental Management Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW07031603	<u>341,312</u>
Total for federal grantor agency			<u>341,312</u>
Total federal awards expended			<u>\$ 738,266</u>

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

CITY OF GREENSBURG
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 Greensburg (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 GREENSBURG
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?	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
20.106	Airport Improvement Program
66.468	Capitalization Grants for Drinking 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

FINDING 2009-1, SEGREGATION OF DUTIES

The City Clerk-Treasurer's office and the utility office have a lack of segregation of duties. Incompatible duties are performed by the same individuals.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF GREENSBURG
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2008-1, CONDITION OF RECORDS

Original SBA Audit Report Number: B35503
Fiscal Year: 2008
Auditee Contact Person: L. June Ryle
Title of Contact Person: Clerk-Treasurer
Phone Number: (812) 663-8582

Status of Finding: The Utilities' Office Manager is currently posting and providing financial information on the state revolving funds timely. All information was included in our records and annual reports for 2009.

Clerk-Treasurer's Office

L. June Ryle

314 West Washington Street
Greensburg, Indiana 47240

Phone: 812.663.8582

Fax: 812.663.6314

ljryle@cityofgreensburg.com



June 7, 2010

Finding 2009-1: Segregation of Duties

Contact Person: L. June Ryle

The City of Greensburg is aware of the risks associated with a limited staff and has determined the benefits of hiring additional staff in order that all accounting functions are performed by different individuals are not sufficient to justify the increase in cost to the taxpayers.

The City has compensating controls including oversight of the Common Council, Board of Public Works and Safety, and the Water Board. The Utilities Office Manager provides monthly financial statements for review in the board packets. The Mayor receives the Fund Report and Appropriation Report after each month is closed and the funds are reconciled to the depositories. The department heads all receive appropriation reports each month.

A handwritten signature in black ink, appearing to read "L. June Ryle", is written over a horizontal line.

L. June Ryle

Clerk-Treasurer

A handwritten signature in black ink, appearing to read "Gary L. Herbert", is written over a horizontal line.

Gary L. Herbert

Mayor

CITY OF GREENSBURG
EXIT CONFERENCE

The contents of this report were discussed on June 7, 2010, with Gary L. Herbert, Mayor; L. June Ryle, Clerk-Treasurer; Herb Hunter, Member of the Common Council; and Donna M. Lecher, Utility Office Manager. The official response has been made a part of this report and may be found on page 44.

Clerk-Treasurer's Office

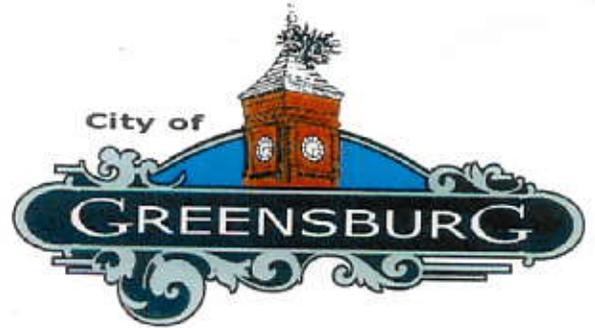
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June 7, 2010

Finding 2009-1: Segregation of Duties

Contact Person: L. June Ryle

The City of Greensburg is aware of the risks associated with a limited staff and has determined the benefits of hiring additional staff in order that all accounting functions are performed by different individuals are not sufficient to justify the increase in cost to the taxpayers.

The City has compensating controls including oversight of the Common Council, Board of Public Works and Safety, and the Water Board. The Utilities Office Manager provides monthly financial statements for review in the board packets. The Mayor receives the Fund Report and Appropriation Report after each month is closed and the funds are reconciled to the depositories. The department heads all receive appropriation reports each month.



L. June Ryle

Clerk-Treasurer



Gary L. Herbert

Mayor