

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

ANNUAL FINANCIAL REPORT

2010

CITY OF GREENWOOD

JOHNSON COUNTY, INDIANA



FILED
08/08/2011

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SCHEDULE OF OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|--|----------------------|----------------------|
| Clerk-Treasurer | Jeannine Myers | 01-01-10 to 12-31-11 |
| Mayor | Charles E. Henderson | 01-01-10 to 12-31-11 |
| President of the Board of Public Works and Safety | Charles E. Henderson | 01-01-10 to 12-31-11 |
| President of the Common Council | Brent Corey | 01-01-10 to 12-31-11 |



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the accompanying financial statement of the City of Greenwood (City), for the year ended December 31, 2010. This financial statement is the responsibility of the City's management. Our responsibility is to express opinions on this financial statement 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2010, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 12, 2011, 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 an opinion on the City's financial statement. 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the financial statement. The Combining Schedule(s) of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, 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 financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management, 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 12, 2011



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statement of the City of Greenwood (City), for the year ended December 31, 2010, and have issued our report thereon dated May 12, 2011. 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 opinion on the financial statement, 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.

A deficiency in internal control 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 and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over financial reporting, which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1 that we consider to be significant deficiencies in internal control over financial reporting. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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 statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled 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, 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 12, 2011

FINANCIAL STATEMENT(S)

CITY OF GREENWOOD
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

| | Cash and Investments 01-01-10 | Receipts | Disbursements | Cash and Investments 12-31-10 |
|--------------------------------------|-------------------------------------|----------------------|----------------------|-------------------------------------|
| General | \$ 4,560,421 | \$ 14,139,337 | \$ 13,803,560 | \$ 4,896,198 |
| Motor Vehicle Highway | 1,230,314 | 2,374,236 | 1,941,904 | 1,662,646 |
| Local Road And Street | 578,948 | 501,243 | 258,884 | 821,307 |
| Aviation | 87,992 | 303,589 | 338,175 | 53,406 |
| Law Enforcement Continuing Ed | 46,904 | 49,688 | 72,831 | 23,761 |
| Clerk's Records Perpetuation | 40,601 | 12,050 | - | 52,651 |
| Parks And Recreation | 594,114 | 1,578,782 | 1,835,116 | 337,780 |
| Adult Probation Services | 204,547 | 738,644 | 749,720 | 193,471 |
| User Fee | 45,490 | 17,743 | 22,338 | 40,895 |
| Firefighting | 575,187 | 5,529,353 | 5,954,601 | 149,939 |
| Fire Prevention | 997 | 10,633 | 2,506 | 9,124 |
| Nonreverting (Special) | 218,614 | 405,165 | 373,293 | 250,486 |
| Rainy Day | 1,605,430 | 1,068,314 | 789,312 | 1,884,432 |
| Dare | 4,323 | 4,208 | 4,333 | 4,198 |
| Levy Excess | - | 29,249 | - | 29,249 |
| Tax Increment Financing #1 | - | - | - | - |
| Tif #71 Eastside Surplus Cash | 4,203,275 | 8,781,517 | 6,695,800 | 6,288,992 |
| Tif #72 Fry Road Cash Acct | 1,485,033 | 1,027,627 | 597,693 | 1,914,967 |
| Tif #73 Eastside Debt Res/Inv | 981,296 | 245,139 | 535,216 | 691,219 |
| Tif #74 Airport Blvd Cash Acct | 1,805 | 411 | - | 2,216 |
| Tif #75 Eastside Alloc Cash | 4,114,993 | 5,793,253 | 9,514,222 | 394,024 |
| Grnwd Trails/Greenways | 5,083 | 10 | 4,688 | 405 |
| And Seizure | 12,472 | 3,528 | - | 16,000 |
| Police Equipment And Training | 14,949 | 4,481 | 7,456 | 11,974 |
| Police Pension #1 | 187,642 | 322,317 | 322,135 | 187,824 |
| Aip 18 Grant | 2,186 | - | 2,186 | - |
| Administrative Fee | 19,012 | 97 | 48 | 19,061 |
| Aip 20 Grant | (7,734) | 13,766 | 1,000 | 5,032 |
| Aip 21 | (371) | 371 | - | - |
| Aip 22 | 602 | 10,462 | 11,191 | (127) |
| Aip 23 | 190,910 | 38,931 | 229,841 | - |
| Alpine | 51,061 | 250 | 119 | 51,192 |
| Brownfield Grant | 6,103 | 30 | 14 | 6,119 |
| Byrne Grant 2002-Db509 | 3,825 | 8 | - | 3,833 |
| Cds Independent Engineering | 864 | 20,860 | 18,438 | 3,286 |
| City Limits Signs | 922 | 2 | - | 924 |
| Edc Donation | 5,485 | 187 | 13 | 5,659 |
| Employee Christmas | 218 | - | - | 218 |
| Fire Dept Application Fees | 158 | 6 | - | 164 |
| Fire Safety | 8,489 | 18,814 | 13,548 | 13,755 |
| Fire Prevention Public Ed | 4,004 | - | 4,000 | 4 |
| Fire Station Graham Rd | - | - | - | - |
| Gpd Property Room | 120,298 | 1,669 | 2,720 | 119,247 |
| Greenwood Flags | 336 | 1 | - | 337 |
| History Book | 12,678 | 238 | - | 12,916 |
| Independent Engineering | 226,308 | - | 2,864 | 223,444 |
| Paid Insurance | 44,635 | 7,080 | 19,568 | 32,147 |
| Police Jag (2007-F3819-Ind) | 204 | - | - | 204 |
| Police Lab Fees | 6,865 | 115 | - | 6,980 |
| Restitution | 68,181 | 349 | 172 | 68,358 |
| Restricted Donation | 250,805 | 1,386 | 252,149 | 42 |
| Sidewalk | 55,666 | 275 | 132 | 55,809 |
| Siren Donations | 882 | 4 | 886 | - |
| Eastside Alloc Cabela's | 1,996 | 2,624 | - | 4,620 |
| Tracy Ditch | 69,159 | 10,178 | 92 | 79,245 |
| Tracy Trails | 48 | - | - | 48 |
| Vin | 76 | - | - | 76 |
| Child Car Seat | - | 2,213 | 541 | 1,672 |
| Aip 24 | - | 138,392 | 97,875 | 40,517 |
| Debt Service - Fire Building Lease | 189,974 | 529,056 | 718,379 | 651 |
| Debt Service - Fire Equipment | 181,826 | 79,604 | 175,664 | 85,766 |
| Debt Service - 2005 Park Bonds | 161,585 | 74,292 | 155,814 | 80,063 |
| Cumulative Capl Imprv Cigarette Tax | 368,604 | 140,818 | 477 | 508,945 |
| Cumulative Capital Development | 1,680,083 | 670,644 | 1,365,327 | 985,400 |
| Cumulative Capital Imprv (Tax Levy) | 1,996,255 | 937,543 | 1,408,788 | 1,525,010 |
| Impact Fee | 414,059 | 281,467 | 92,155 | 603,371 |
| Fire Truck Bond Proceeds | - | - | - | - |
| Park Bond Proceeds | 30,163 | - | 2,000 | 28,163 |
| Snr Worthsville Rd Cap Imp | 589,985 | 1,473 | 590,343 | 1,115 |
| 2008 Go Bonds | 461,234 | 677 | 273,332 | 188,579 |
| City Court (as restated, see note 7) | 197,201 | 1,242,174 | 1,221,839 | 217,536 |
| Self Insurance | 65,429 | 2,384,812 | 2,391,894 | 58,347 |
| Payroll | 169,990 | 15,067,375 | 15,068,777 | 168,588 |
| Trash Utility-Operating | 242,547 | 2,094,818 | 1,442,648 | 894,717 |
| Utilities Fund - First Indiana | 37,257 | - | 30,225 | 7,032 |
| Wastewater Utility-Operating | 1,770,715 | 6,934,183 | 7,440,506 | 1,284,392 |
| Wastewater Util-Bond And Interest | 1,082,560 | 606,730 | 1,386,529 | 302,761 |
| Wastewater Utility-Deprec/Improve | - | - | - | - |
| Bond Proceeds | - | 2,604,555 | 1,910,453 | 694,102 |
| Availability Fees | 1,331,726 | 2,277,783 | 2,067,959 | 1,541,550 |
| Wastewater Utility-Debt Reserve | - | 860,761 | - | 860,761 |
| Totals | <u>\$ 32,915,494</u> | <u>\$ 79,997,590</u> | <u>\$ 82,224,289</u> | <u>\$ 30,688,795</u> |

The notes to the financial statement(s) are an integral part of this statement.

CITY OF GREENWOOD
NOTES TO FINANCIAL STATEMENT(S)

Note 1. 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 some or all of 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, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement(s) present(s) the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF GREENWOOD
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF GREENWOOD
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF GREENWOOD
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement and replacement items purchased.

Note 6. Pension Plan(s)

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this 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 members' contributions, set by state statute at 3 percent 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. 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

CITY OF GREENWOOD
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

B. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' Pension Plan 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 Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan 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 Indiana Code 5-10.3-11.

CITY OF GREENWOOD
NOTES TO FINANCIAL STATEMENT(S)
(Continued)

Note 7. Restatements

For the year ended December 31, 2010, certain changes have been made to the financial statements to more appropriately reflect financial activity of the City. The beginning balances of the City Court have been restated by a decrease of \$55,778 to reflect the actual balances as reflected in the ledger of \$197,201. Errors were made in the preparation of the previous year's financial statements. Currently, the ending ledger balance reconciles to the bank balance.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Greenwood's Annual Report(s) can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

| | General | Motor Vehicle Highway | Local Road And Street | Aviation | Law Enforcement Continuing Ed | Clerk's Records Perpetuation | Parks And Recreation |
|--|---------------------|-----------------------------|--------------------------------|------------------|--|------------------------------------|----------------------------|
| Cash and investments - beginning | \$ 4,560,421 | \$ 1,230,314 | \$ 578,948 | \$ 87,992 | \$ 46,904 | \$ 40,601 | \$ 594,114 |
| Receipts: | | | | | | | |
| Taxes | 4,800,182 | - | - | - | - | - | 790,712 |
| Licenses and permits | 128,368 | 3,405 | - | - | - | - | - |
| Intergovernmental | 7,130,699 | 2,344,159 | 441,923 | - | - | - | 87,601 |
| Charges for services | - | - | - | - | - | - | 128,668 |
| Fines and forfeits | 527,652 | 6,532 | - | - | - | - | 124,546 |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 1,552,436 | 20,140 | 59,320 | 303,589 | 49,688 | 12,050 | 447,255 |
| Total receipts | <u>14,139,337</u> | <u>2,374,236</u> | <u>501,243</u> | <u>303,589</u> | <u>49,688</u> | <u>12,050</u> | <u>1,578,782</u> |
| Disbursements: | | | | | | | |
| Personal services | 10,191,040 | 1,231,733 | - | 14,228 | - | - | 974,023 |
| Supplies | 344,033 | 479,955 | 93,500 | 35,451 | - | - | 92,616 |
| Other services and charges | 1,694,188 | 28,793 | 152,060 | 284,706 | - | - | 191,887 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | 281,955 | 200,219 | 12,129 | - | - | - | 225,420 |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 1,292,344 | 1,204 | 1,195 | 3,790 | 72,831 | - | 351,170 |
| Total disbursements | <u>13,803,560</u> | <u>1,941,904</u> | <u>258,884</u> | <u>338,175</u> | <u>72,831</u> | <u>-</u> | <u>1,835,116</u> |
| Excess (deficiency) of receipts over disbursements | <u>335,777</u> | <u>432,332</u> | <u>242,359</u> | <u>(34,586)</u> | <u>(23,143)</u> | <u>12,050</u> | <u>(256,334)</u> |
| Cash and investments - ending | <u>\$ 4,896,198</u> | <u>\$ 1,662,646</u> | <u>\$ 821,307</u> | <u>\$ 53,406</u> | <u>\$ 23,761</u> | <u>\$ 52,651</u> | <u>\$ 337,780</u> |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Adult Probation Services | User Fee | Firefighting | Fire Prevention | Nonreverting (Special) | Rainy Day | Dare |
|--|--------------------------------|-------------|--------------|--------------------|---------------------------|--------------|----------|
| Cash and investments - beginning | \$ 204,547 | \$ 45,490 | \$ 575,187 | \$ 997 | \$ 218,614 | \$ 1,605,430 | \$ 4,323 |
| Receipts: | | | | | | | |
| Taxes | - | - | 3,307,324 | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 37,880 | - | 402,535 | - | - | - | - |
| Charges for services | - | - | 6,000 | - | - | - | - |
| Fines and forfeits | 581,362 | 17,536 | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 119,402 | 207 | 1,813,494 | 10,633 | 405,165 | 1,068,314 | 4,208 |
| Total receipts | 738,644 | 17,743 | 5,529,353 | 10,633 | 405,165 | 1,068,314 | 4,208 |
| Disbursements: | | | | | | | |
| Personal services | 489,238 | - | 3,569,385 | - | - | 305 | - |
| Supplies | 57,964 | - | 156,578 | - | - | - | - |
| Other services and charges | 96,819 | - | 309,508 | - | 1,766 | 50,483 | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | 119 | - | 116,869 | - | - | 271,997 | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 105,580 | 22,338 | 1,802,261 | 2,506 | 371,527 | 466,527 | 4,333 |
| Total disbursements | 749,720 | 22,338 | 5,954,601 | 2,506 | 373,293 | 789,312 | 4,333 |
| Excess (deficiency) of receipts over disbursements | (11,076) | (4,595) | (425,248) | 8,127 | 31,872 | 279,002 | (125) |
| Cash and investments - ending | \$ 193,471 | \$ 40,895 | \$ 149,939 | \$ 9,124 | \$ 250,486 | \$ 1,884,432 | \$ 4,198 |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Levy Excess | Tax Increment Financing #1 | Tif #71 Eastside Surplus Cash | Tif #72 Fry Road Cash Acct | Tif #73 Eastside Debt Res/Inv | Tif #74 Airport Blvd Cash Acct | Tif #75 Eastside Alloc Cash |
|--|------------------|-------------------------------------|---|--|---|--|---|
| Cash and investments - beginning | \$ - | \$ - | \$ 4,203,275 | \$ 1,485,033 | \$ 981,296 | \$ 1,805 | \$ 4,114,993 |
| Receipts: | | | | | | | |
| Taxes | 29,240 | - | 8,765,352 | 821,039 | - | 391 | 5,657,660 |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 33,139 | - | 16 | 131,062 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 9 | - | 16,165 | 173,449 | 245,139 | 4 | 4,531 |
| Total receipts | <u>29,249</u> | <u>-</u> | <u>8,781,517</u> | <u>1,027,627</u> | <u>245,139</u> | <u>411</u> | <u>5,793,253</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | 857,584 | 190,504 | - | - | 862,616 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | - | 5,838,216 | 407,189 | 535,216 | - | 8,651,606 |
| Total disbursements | <u>-</u> | <u>-</u> | <u>6,695,800</u> | <u>597,693</u> | <u>535,216</u> | <u>-</u> | <u>9,514,222</u> |
| Excess (deficiency) of receipts over disbursements | <u>29,249</u> | <u>-</u> | <u>2,085,717</u> | <u>429,934</u> | <u>(290,077)</u> | <u>411</u> | <u>(3,720,969)</u> |
| Cash and investments - ending | <u>\$ 29,249</u> | <u>\$ -</u> | <u>\$ 6,288,992</u> | <u>\$ 1,914,967</u> | <u>\$ 691,219</u> | <u>\$ 2,216</u> | <u>\$ 394,024</u> |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Grnwd Trails/Greenways | And Seizure | Police Equipment And Training | Police Pension #1 | Aip 18 Grant | Administrative Fee | Aip 20 Grant |
|--|---------------------------|------------------|--|-------------------------|--------------------|-----------------------|--------------------|
| Cash and investments - beginning | \$ 5,083 | \$ 12,472 | \$ 14,949 | \$ 187,642 | \$ 2,186 | \$ 19,012 | \$ (7,734) |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | 306,275 | - | - | 13,766 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 10 | 3,528 | 4,481 | 16,042 | - | 97 | - |
| Total receipts | <u>10</u> | <u>3,528</u> | <u>4,481</u> | <u>322,317</u> | <u>-</u> | <u>97</u> | <u>13,766</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | 321,085 | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | 1,050 | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 4,688 | - | 7,456 | - | 2,186 | 48 | 1,000 |
| Total disbursements | <u>4,688</u> | <u>-</u> | <u>7,456</u> | <u>322,135</u> | <u>2,186</u> | <u>48</u> | <u>1,000</u> |
| Excess (deficiency) of receipts over disbursements | <u>(4,678)</u> | <u>3,528</u> | <u>(2,975)</u> | <u>182</u> | <u>(2,186)</u> | <u>49</u> | <u>12,766</u> |
| Cash and investments - ending | <u>\$ 405</u> | <u>\$ 16,000</u> | <u>\$ 11,974</u> | <u>\$ 187,824</u> | <u>\$ -</u> | <u>\$ 19,061</u> | <u>\$ 5,032</u> |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Aip 21 | Aip 22 | Aip 23 | Alpine | Brownfield Grant | Byrne Grant 2002-Db509 | Cds Independent Engineering |
|--|-------------|-----------------|------------------|------------------|---------------------|------------------------------|-----------------------------------|
| Cash and investments - beginning | \$ (371) | \$ 602 | \$ 190,910 | \$ 51,061 | \$ 6,103 | \$ 3,825 | \$ 864 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | 10,462 | 38,931 | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 371 | - | - | 250 | 30 | 8 | 20,860 |
| Total receipts | <u>371</u> | <u>10,462</u> | <u>38,931</u> | <u>250</u> | <u>30</u> | <u>8</u> | <u>20,860</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | 11,191 | 229,841 | 119 | 14 | - | 18,438 |
| Total disbursements | <u>-</u> | <u>11,191</u> | <u>229,841</u> | <u>119</u> | <u>14</u> | <u>-</u> | <u>18,438</u> |
| Excess (deficiency) of receipts over disbursements | <u>371</u> | <u>(729)</u> | <u>(190,910)</u> | <u>131</u> | <u>16</u> | <u>8</u> | <u>2,422</u> |
| Cash and investments - ending | <u>\$ -</u> | <u>\$ (127)</u> | <u>\$ -</u> | <u>\$ 51,192</u> | <u>\$ 6,119</u> | <u>\$ 3,833</u> | <u>\$ 3,286</u> |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | City Limits Signs | Edc Donation | Employee Christmas | Fire Dept Application Fees | Fire Safety | Fire Prevention Public Ed | Fire Station Graham Rd |
|--|-------------------------|-----------------|-----------------------|-------------------------------------|----------------|------------------------------------|---------------------------------|
| Cash and investments - beginning | \$ 922 | \$ 5,485 | \$ 218 | \$ 158 | \$ 8,489 | \$ 4,004 | \$ - |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 2 | 187 | - | 6 | 18,814 | - | - |
| Total receipts | 2 | 187 | - | 6 | 18,814 | - | - |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | 13 | - | - | 13,548 | 4,000 | - |
| Total disbursements | - | 13 | - | - | 13,548 | 4,000 | - |
| Excess (deficiency) of receipts over disbursements | 2 | 174 | - | 6 | 5,266 | (4,000) | - |
| Cash and investments - ending | \$ 924 | \$ 5,659 | \$ 218 | \$ 164 | \$ 13,755 | \$ 4 | \$ - |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Gpd Property Room | Greenwood Flags | History Book | Independent Engineering | Paid Insurance | Police Jag (2007-F3819-Ind) | Police Lab Fees |
|--|-------------------------|--------------------|-----------------|----------------------------|-------------------|-----------------------------------|-----------------------|
| Cash and investments - beginning | \$ 120,298 | \$ 336 | \$ 12,678 | \$ 226,308 | \$ 44,635 | \$ 204 | \$ 6,865 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 1,669 | 1 | 238 | - | 7,080 | - | 115 |
| Total receipts | 1,669 | 1 | 238 | - | 7,080 | - | 115 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 2,720 | - | - | 2,864 | 19,568 | - | - |
| Total disbursements | 2,720 | - | - | 2,864 | 19,568 | - | - |
| Excess (deficiency) of receipts over disbursements | (1,051) | 1 | 238 | (2,864) | (12,488) | - | 115 |
| Cash and investments - ending | \$ 119,247 | \$ 337 | \$ 12,916 | \$ 223,444 | \$ 32,147 | \$ 204 | \$ 6,980 |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Restitution | Restricted Donation | Sidewalk | Siren Donations | Eastside Alloc Cabela's | Tracy Ditch | Tracy Trails |
|--|------------------|------------------------|------------------|--------------------|-------------------------------|------------------|-----------------|
| Cash and investments - beginning | \$ 68,181 | \$ 250,805 | \$ 55,666 | \$ 882 | \$ 1,996 | \$ 69,159 | \$ 48 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | - | 2,619 | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 349 | 1,386 | 275 | 4 | 5 | 10,178 | - |
| Total receipts | <u>349</u> | <u>1,386</u> | <u>275</u> | <u>4</u> | <u>2,624</u> | <u>10,178</u> | <u>-</u> |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 172 | 252,149 | 132 | 886 | - | 92 | - |
| Total disbursements | <u>172</u> | <u>252,149</u> | <u>132</u> | <u>886</u> | <u>-</u> | <u>92</u> | <u>-</u> |
| Excess (deficiency) of receipts over disbursements | <u>177</u> | <u>(250,763)</u> | <u>143</u> | <u>(882)</u> | <u>2,624</u> | <u>10,086</u> | <u>-</u> |
| Cash and investments - ending | <u>\$ 68,358</u> | <u>\$ 42</u> | <u>\$ 55,809</u> | <u>\$ -</u> | <u>\$ 4,620</u> | <u>\$ 79,245</u> | <u>\$ 48</u> |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Vin | Child Car Seat | Aip 24 | Debt Service - Fire Building Lease | Debt Service - Fire Equipment | Debt Service - 2005 Park Bonds | Cumulative Capl Imprv Cigarette Tax |
|--|-------|----------------------|-----------|--|---|--|---|
| Cash and investments - beginning | \$ 76 | \$ - | \$ - | \$ 189,974 | \$ 181,826 | \$ 161,585 | \$ 368,604 |
| Receipts: | | | | | | | |
| Taxes | - | - | - | 433,464 | 70,616 | 67,572 | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | - | - | 138,392 | 51,586 | 8,819 | 6,720 | 139,433 |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | - | 2,213 | - | 44,006 | 169 | - | 1,385 |
| Total receipts | - | 2,213 | 138,392 | 529,056 | 79,604 | 74,292 | 140,818 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | 718,379 | 175,664 | 155,814 | - |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | - | 541 | 97,875 | - | - | - | 477 |
| Total disbursements | - | 541 | 97,875 | 718,379 | 175,664 | 155,814 | 477 |
| Excess (deficiency) of receipts over disbursements | - | 1,672 | 40,517 | (189,323) | (96,060) | (81,522) | 140,341 |
| Cash and investments - ending | \$ 76 | \$ 1,672 | \$ 40,517 | \$ 651 | \$ 85,766 | \$ 80,063 | \$ 508,945 |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Cumulative Capital Development | Cumulative Capital Imprv (Tax Levy) | Impact Fee | Fire Truck Bond Proceeds | Park Bond Proceeds | Snr Worthsville Rd Cap Imp | 2008 Go Bonds |
|---|--------------------------------------|---|---------------|-----------------------------------|--------------------------|--|---------------------|
| Cash and investments - beginning | \$ 1,680,083 | \$ 1,996,255 | \$ 414,059 | \$ - | \$ 30,163 | \$ 589,985 | \$ 461,234 |
| Receipts: | | | | | | | |
| Taxes | 604,734 | 830,612 | - | - | - | - | - |
| Licenses and permits | - | - | - | - | - | - | - |
| Intergovernmental | 64,102 | 87,380 | - | - | - | - | - |
| Charges for services | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | 278,158 | - | - | - | - |
| Utility fees | - | - | - | - | - | - | - |
| Other receipts | 1,808 | 19,551 | 3,309 | - | - | 1,473 | 677 |
| Total receipts | 670,644 | 937,543 | 281,467 | - | - | 1,473 | 677 |
| Disbursements: | | | | | | | |
| Personal services | - | - | - | - | - | - | - |
| Supplies | - | 14,785 | - | - | - | - | - |
| Other services and charges | 363,823 | 64,955 | 92,125 | - | 2,000 | - | 273,149 |
| Debt service - principal and interest | - | - | - | - | - | - | - |
| Capital outlay | 1,000,000 | 1,328,327 | - | - | - | 589,829 | - |
| Utility operating expenses | - | - | - | - | - | - | - |
| Other disbursements | 1,504 | 721 | 30 | - | - | 514 | 183 |
| Total disbursements | 1,365,327 | 1,408,788 | 92,155 | - | 2,000 | 590,343 | 273,332 |
| Excess (deficiency) of receipts over disbursements | (694,683) | (471,245) | 189,312 | - | (2,000) | (588,870) | (272,655) |
| Cash and investments - ending | \$ 985,400 | \$ 1,525,010 | \$ 603,371 | \$ - | \$ 28,163 | \$ 1,115 | \$ 188,579 |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | City Court | Self Insurance | Payroll | Trash Utility-Operating | Utilities Fund - First Indiana | Wastewater Utility-Operating |
|--|---------------|-------------------|------------|----------------------------|--|---------------------------------|
| Cash and investments - beginning | \$ 197,201 | \$ 65,429 | \$ 169,990 | \$ 242,547 | \$ 37,257 | \$ 1,770,715 |
| Receipts: | | | | | | |
| Taxes | | | - | - | - | - |
| Licenses and permits | | | - | - | - | - |
| Intergovernmental | | | - | - | - | - |
| Charges for services | | | - | - | - | - |
| Fines and forfeits | | | - | - | - | - |
| Utility fees | | | - | 1,374,816 | - | 4,494,401 |
| Other receipts | 1,242,174 | 2,384,812 | 15,067,375 | 720,002 | - | 2,439,782 |
| Total receipts | 1,242,174 | 2,384,812 | 15,067,375 | 2,094,818 | - | 6,934,183 |
| Disbursements: | | | | | | |
| Personal services | | | - | - | - | - |
| Supplies | | | - | - | - | - |
| Other services and charges | | | - | - | - | - |
| Debt service - principal and interest | | | - | - | - | 1,430,000 |
| Capital outlay | | | - | - | - | 10,803 |
| Utility operating expenses | | | - | 1,442,648 | 30,225 | 2,963,960 |
| Other disbursements | 1,221,839 | 2,391,894 | 15,068,777 | - | - | 3,035,743 |
| Total disbursements | 1,221,839 | 2,391,894 | 15,068,777 | 1,442,648 | 30,225 | 7,440,506 |
| Excess (deficiency) of receipts over disbursements | 20,335 | (7,082) | (1,402) | 652,170 | (30,225) | (506,323) |
| Cash and investments - ending | \$ 217,536 | \$ 58,347 | \$ 168,588 | \$ 894,717 | \$ 7,032 | \$ 1,264,392 |

CITY OF GREENWOOD
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

| | Wastewater Util-Bond And Interest | Wastewater Utility-Deprec/Improve | Bond Proceeds | Availability Fees | Wastewater Utility-Debt Reserve | Totals |
|--|--|--------------------------------------|------------------|----------------------|---------------------------------------|---------------|
| Cash and investments - beginning | \$ 1,082,560 | \$ - | \$ - | \$ 1,331,726 | \$ - | \$ 32,915,494 |
| Receipts: | | | | | | |
| Taxes | - | - | - | - | - | 26,181,517 |
| Licenses and permits | - | - | - | - | - | 131,773 |
| Intergovernmental | - | - | - | - | - | 11,474,880 |
| Charges for services | - | - | - | - | - | 134,668 |
| Fines and forfeits | - | - | - | - | - | 1,535,786 |
| Utility fees | - | - | - | - | - | 5,869,217 |
| Other receipts | 606,730 | - | 2,604,555 | 2,277,783 | 860,761 | 34,669,749 |
| Total receipts | 606,730 | - | 2,604,555 | 2,277,783 | 860,761 | 79,997,590 |
| Disbursements: | | | | | | |
| Personal services | - | - | - | - | - | 16,791,037 |
| Supplies | - | - | - | - | - | 1,274,882 |
| Other services and charges | - | - | - | - | - | 6,567,873 |
| Debt service - principal and interest | 1,386,529 | - | - | - | - | 2,816,529 |
| Capital outlay | - | - | 1,910,453 | - | - | 5,948,120 |
| Utility operating expenses | - | - | - | - | - | 4,436,833 |
| Other disbursements | - | - | - | 2,067,959 | - | 44,389,015 |
| Total disbursements | 1,386,529 | - | 1,910,453 | 2,067,959 | - | 82,224,289 |
| Excess (deficiency) of receipts over disbursements | (779,799) | - | 694,102 | 209,824 | 860,761 | (2,226,699) |
| Cash and investments - ending | \$ 302,761 | \$ - | \$ 694,102 | \$ 1,541,550 | \$ 860,761 | \$ 30,688,795 |

CITY OF GREENWOOD
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2010

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

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 | \$ 6,666,278 |
| Infrastructure | 224,371,017 |
| Buildings | 23,117,905 |
| Improvements other than buildings | 16,665,820 |
| Machinery and equipment | <u>11,686,435</u> |
| Total governmental activities, capital assets not being depreciated | <u>\$ 282,507,455</u> |

| <u>Primary Government</u> | <u>Ending Balance</u> |
|--|---------------------------|
| Business-type activities: | |
| Wastewater Utility: | |
| Capital assets, not being depreciated: | |
| Land | \$ 294,579 |
| Construction in progress | 610,493 |
| Buildings | 970,575 |
| Improvements other than buildings | 96,429,715 |
| Machinery and equipment | <u>1,600,707</u> |
| Total Wastewater Utility capital assets | <u>99,906,069</u> |
| Total business-type activities capital assets | <u>\$ 99,906,069</u> |

CITY OF GREENWOOD
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The City has entered into the following debt:

| Description of Debt | Ending Principal Balance | Principal and Interest Due Within One Year |
|--|--------------------------------|---|
| Governmental activities: | | |
| Capital leases: | | |
| Police Vehicles - 10 cruisers, 1 emergency | \$ 45,044 | \$ 12,400 |
| Police Vehicles - 11 Crown Vic, 2 Harleys | 322,291 | 43,575 |
| Fire Vehicles - F350 Cab and Chassis | 16,146 | 5,699 |
| Fire Vehicles - 2 AWD Chevy Traverse | 40,151 | 12,679 |
| Fire Vehicles - 2 Ford F150 Crew Cabs XLT | 43,883 | 13,502 |
| Fire Truck - Pierce 2010 Triple Combo Pumper | 502,605 | 70,217 |
| Building Corporation Lease of 1992 | 1,837,500 | 735,000 |
| LRS Equipment - Model 1100 Tub Grinder | 43,337 | 45,143 |
| LRS Equipment - 3 2010 Sgle Axle Dump Trucks | 263,771 | 73,776 |
| Bonds payable: | | |
| General obligation bonds: | | |
| Park District, 2005 | 1,605,000 | 151,964 |
| Fire Truck and Equipment, 2006 | 960,000 | 169,669 |
| Road Repair and Reconstruction, 2008 | 2,635,000 | 363,896 |
| Tax Exempt bonds: | | |
| Qualified Midwestern Disaster Area Bonds | 6,435,000 | 483,656 |
| Revenue bonds: | | |
| Fire Station/Graham Road Redevelopment District Bonds, 2005 | 2,540,000 | 505,404 |
| Total governmental activities debt | <u>\$ 17,289,728</u> | <u>\$ 2,686,580</u> |
| Business-type activities: | | |
| Wastewater Utility: | | |
| Revenue Bonds | | |
| 2010 Series A Sewage Works Refunding Revenue Bonds | \$ 12,710,000 | \$ 1,217,154 |
| 2010 Series B Sewage Works Revenue Bonds | 2,655,000 | 106,762 |
| Total Wastewater Utility | <u>15,365,000</u> | <u>1,323,916</u> |
| Aviation Commission: | | |
| Revenue bonds: | | |
| Airport Bonds, 1999 | 535,000 | 79,525 |
| Airport Bonds, 2003 | 802,430 | 70,307 |
| Total Aviation Commission | <u>1,337,430</u> | <u>149,832</u> |
| Total business-type activities debt | <u>\$ 33,992,158</u> | <u>\$ 4,160,328</u> |

CITY OF GREENWOOD
AUDIT RESULT(S) AND COMMENT(S)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the City of Greenwood related to financial transactions and reporting. We believe the following deficiencies constitute a significant deficiency:

Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the City's audited financial statements and then determining how those identified risks should be managed. The City has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.

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.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ANNUAL REPORT

The City and Town Annual Report (CTAR) was filed in a timely manner, but it was incomplete and not reflective of the beginning investment balances and the activity of the Payroll Fund. There were a number of posting errors in the records. These errors included deposits not receipted, checks and receipts not recorded in the proper amounts, and bank interest not posted correctly.

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)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

REPAYMENTS AND TRANSFERS

As previously reported in audit reports of the City, the City collects a late payment fee authorized by Indiana Code 33-19-6-20. The total fees for the year ended December 31, 2003, amounting to \$26,997, were deposited to the General Fund as authorized by Indiana Code 33-19-7-4. On December 5, 2003, \$20,000 of that amount was transferred to the Adult Probation Fund. On November 17, 2003, an ordinance was established to authorize a transfer of monies from one major budget classification in a

CITY OF GREENWOOD
AUDIT RESULT(S) AND COMMENT(S)

department to another major classification. The ordinance specified that \$20,000 be transferred from the General Fund to Post Conviction Services Department (Adult Probation). The transfer was made between two different funds and not within a department or major budget classification as stated in the ordinance. No authorization exists to transfer monies between funds. We recommended a reimbursement be made from the Adult Probation Fund to the General Fund in the amount of \$20,000. As of the date of this report, no reimbursement has been made.

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

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

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

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

TEMPORARY TRANSFER OF FUNDS

As reported in previous audit reports of the City, a temporary loan of \$250,000 was made in 1998 from the Cumulative Capital Improvement Tax Levy Fund to the Fire Fund that has not been repaid. A second loan was made on June 13, 2003, from the Cumulative Capital Improvement Tax Levy Fund to the Fire Fund in the amount of \$500,000 per Resolution 03-16. Although the Resolution states that the loan is to be repaid by December 31, 2003, as of the date of this report, this loan is still outstanding.

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

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

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

CITY OF GREENWOOD
AUDIT RESULT(S) AND COMMENT(S)

TRAVEL POLICY

As previously reported in audit reports of the City, a travel policy was not presented for audit.

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

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

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 GREENWOOD, JOHNSON COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Greenwood (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. 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, 2010. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-2.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 deficiency in 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 and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies as described in the accompanying Schedule of Findings and Questioned Costs as item 2010-2. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

The City's response to the findings identified in our audit is described in the accompanying 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, Common Council, others within the entity, 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 12, 2011

CITY OF GREENWOOD
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended June 30, 2010

| Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title | Federal CFDA Number | Pass-Through Entity (or Other) Identifying Number | Total Federal Awards Expended |
|---|---------------------------|--|-------------------------------------|
| <u>U.S. DEPARTMENT OF JUSTICE</u> | | | |
| Indiana Criminal Justice Institute | | | |
| Bullet Proof Vest Partnership Program | 16.607 | none | \$ 1,830 |
| Total for program | | | <u>1,830</u> |
| Edward Byrne Memorial Justice Assistance Grant Program 07-DJ-101 | 16.738 | none | <u>37,880</u> |
| Total for program | | | <u>37,880</u> |
| Total for federal grantor agency | | | <u>39,710</u> |
| <u>U.S. DEPARTMENT OF TRANSPORTATION</u> | | | |
| Indiana Department of Transportation | | | |
| Highway Planning and Construction Cluster | | | |
| Highway Planning and Construction | 20.205 | none | - |
| EDS A249-8-320029 - Graham Rd | | | 112,816 |
| EDS A249-8-320029 - Fry Rd | | | <u>97,232</u> |
| Total for program | | | <u>210,048</u> |
| ARRA Recreational Trail Program | 20.219 | none | |
| EDS A249-10-320 | | | <u>80,936</u> |
| Total for program | | | <u>80,936</u> |
| Total for cluster | | | <u>290,984</u> |
| Direct Grant | 20.106 | | |
| Airport Improvement Program | | none | |
| AIP-20 | | | 17,658 |
| AIP-22 | | | 1,595 |
| AIP-23 | | | 173,860 |
| AIP-24 | | | <u>138,392</u> |
| Total for program | | | <u>331,505</u> |
| Pass-Through Johnson County Treasurer | | | |
| Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants | 20.601 | none | |
| K4-2009-08-01-08 | | | 7,677 |
| K8-2010-03-03-15 | | | 20,215 |
| K8-2009-03-03-15 | | | 9,203 |
| K8-2010-03-03-16 | | | 2,678 |
| K8-2009-03-03-16 | | | 3,523 |
| PT9-0401041 | | | <u>8,724</u> |
| Total for program | | | <u>52,020</u> |
| Total for federal grantor agency | | | <u>674,509</u> |
| <u>U.S. DEPARTMENT OF ENERGY</u> | | | |
| Indiana Department of Transportation | | | |
| ARRA - Energy Efficiency and Conservation Block Grant Program | 81.128 | none | 9,358 |
| Total for program | | | <u>9,358</u> |
| Total for federal grantor agency | | | <u>9,358</u> |
| Total federal awards expended | | | <u>\$ 723,577</u> |

The accompanying note(s) are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF GREENWOOD
NOTE(S) TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Greenwood (City) and is presented in accordance with the 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 GREENWOOD
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement(s):

| | |
|---|-------------|
| Type of auditor's report issued: | Unqualified |
| Internal control over financial reporting: | |
| Material weaknesses identified? | no |
| Significant deficiency identified? | yes |
| Noncompliance material to financial statements noted? | no |

Federal Awards:

| | |
|--|-------------|
| Internal control over major programs: | |
| Material weaknesses identified? | no |
| Significant deficiency identified? | yes |
| Type of auditor's report issued on compliance for major programs: | Unqualified |
| Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? | yes |

Identification of Major Programs:

| CFDA Number | Name of Federal Program or Cluster |
|----------------|--|
| 20.106 | Airport Improvement Program Highway and Planning and Construction Cluster |

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 2010-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the City of Greenwood related to financial transactions and reporting. We believe the following deficiencies constitute a significant deficiency:

Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the City's audited financial statements and then determining how those identified risks should be managed. The City has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.

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

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.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7) (Accounting and Uniform Compliance Guidelines Manual for Counties of Indiana, Chapter 1) (Accounting and Uniform Compliance Guidelines Manual for Indiana Public School Corporations, Chapter 9)

Section III – Federal Award Findings and Questioned Costs

FINDING 2010-2 - CASH MANAGEMENT

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

The City has not sufficiently minimized the time elapsing between transfer of funds and their disbursement. All invoices are verified of allowable costs and activities and then a request for reimbursement is prepared. The high dollar invoices are generally not paid until the airport receives the federal portion of the reimbursement. We noted instances where invoices were not paid in a timely manner in regards to when the federal reimbursement was received. The period from receipt of federal reimbursement to payment of claims ranged from 48 days to 315 days.

The City has not implemented adequate internal accounting controls to minimize the time between transfer of funds and their disbursement.

49 CFR 18.20(b)(7) states in part:

"Procedures for minimizing the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by grantees and subgrantees must be followed whenever advance payment procedures are used."

49 CFR 18.21 states in part:

"(b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) *Advances.* Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee."

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

Untimely payout of federal funds indicates noncompliance with the cash management requirement as set forth by the grant agreement.

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

CITY OF GREENWOOD
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



Clerk-Treasurer's Office

Jeannine Myers
Clerk-Treasurer

City of Greenwood Corrective Action Plan

Finding No. 2010-1, Internal Controls Over Financial Transaction and Reporting

Auditee Contact Person: Jeannine Myers
Title of Contact Person: Clerk-Treasurer
Phone Number: 317-888-2100
Expected Completion Date: Preparation of 2011 CTAR

Corrective Action:

The CTAR will be reviewed and reconciled to our financial reports to insure the inclusion of all funds, the activity reported within the funds is correct and the investments activity is reported. Personnel within the office will attend the SBOA CTAR report training for a better understanding of the new reporting system.



Clerk-Treasurer's Office

Jeannine Myers
Clerk-Treasurer

City of Greenwood Corrective Action Plan

Finding No. 2010-2, Cash Management

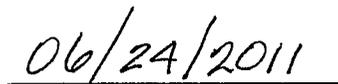
Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Auditee Contact Person: Jeannine Myers
Title of Contact Person: Clerk-Treasurer
Phone Number: 317-888-2100
Expected Completion Date: Corrective Action Implemented

Corrective Action:

Spreadsheets for all AIP's have been set up to record invoices, payments and grant monies received. Invoices for each grant are now being paid upon receipt of grant monies. E-mail notification from the FAA for grant monies received via ACH will be requested.



Jeannine Myers, Clerk-Treasurer



Date

CITY OF GREENWOOD
EXIT CONFERENCE

The contents of this report were discussed on July 7, 2011, with Charles E. Henderson, Mayor, and Jeannine Meyers, Clerk-Treasurer. The officials concurred with our audit findings.