

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

ANNUAL FINANCIAL REPORT

2010

CITY OF CHARLESTOWN

CLARK COUNTY, INDIANA



**FILED**  
08/22/2011



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Donna Coomer	01-01-08 to 12-31-11
Mayor	G. Robert Hall	01-01-08 to 12-31-11
President of the Board of Public Works	G. Robert Hall	01-01-08 to 12-31-11
President of the Common Council	Scott McKechnie	01-01-10 to 12-31-11
City Court Judge	George Waters	01-01-08 to 12-31-11
Superintendent of Water Utility	Allan Lesnet	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Mike Perry	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 CHARLESTOWN, CLARK COUNTY, INDIANA

We have audited the accompanying financial statement(s) of the City of Charlestown (City), for the year ended December 31, 2010. These financial statement(s) are the responsibility of the City's management. Our responsibility is to express opinions on these financial statement(s) 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 statement(s) 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(s). 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(s).

As discussed in Note 1, the City prepares its financial statement(s) 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(s) referred to above present 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 August 4, 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(s). 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(s). Such information has been subjected to the auditing procedures applied in the audit of the financial statement(s) and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement(s) taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement(s). 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(s). 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(s) 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

August 10, 2011



**STATE OF INDIANA**  
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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 CHARLESTOWN, CLARK COUNTY, INDIANA

We have audited the financial statement(s) of the City of Charlestown (City), for the year ended December 31, 2010, and have issued our report thereon dated August 10, 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(s) on the financial statement(s), 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(s) 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.

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

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

August 10, 2011

FINANCIAL STATEMENT(S)

CITY OF CHARLESTOWN  
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 Fund	\$ 134,443	\$ 3,123,740	\$ 3,256,141	\$ 2,042
Motor Vehicle Highway	208,188	346,370	478,079	76,479
Local Road and Street	105,378	73,145	66,522	112,001
Alcohol and Drug Services	-	20,168	18,068	2,100
User Fee	537	11,250	9,265	2,522
Christmas With A Cop	7,137	11,089	7,876	10,350
Economic Development	10	-	-	10
NRF Planning and Zoning Review and Development Fees	28,343	17,752	40,152	5,943
Neighborhood Block Watch	2,685	-	-	2,685
Vehicle Tow-In Fees	1,750	150	1,750	150
Local Law Enforcement Continuing Education	6,743	14,559	4,370	16,932
Clerk's Record Perpetuation	6,803	1,426	-	8,229
Deferral Program	18,330	8,970	1,275	26,025
Riverboat Wagering Revenue	37,504	37,505	37,504	37,505
Parks Department NRF	15,541	16,355	25,410	6,486
Mayor's Christmas Awards Dinner	850	-	-	850
Beautification	33,034	35,073	44,529	23,578
CPD Grant NRF	1,000	70,621	66,614	5,007
CPD SRT NRF	78	-	-	78
Rainy Day	748,237	232,733	335,789	645,181
CPD K-9 NRF	988	81	-	1,069
CPD Misc NRF	576	7,729	693	7,612
Police Payroll Grants	21,513	28,533	46,496	3,550
TIF	745,527	445,449	515,246	675,730
CPD Youth Coalition NRF	543	8,030	7,552	1,021
County Court Cost	82	11,998	10,716	1,364
LOIT Public Safety	-	171,892	-	171,892
City Parks Capital	73,049	16,953	71,606	18,396
Police Equipment NRF	4,067	-	32	4,035
Cumulative Capital Improvement	10,068	25,336	35,400	4
EDIT	769,434	204,344	156,951	816,827
NRF Capital Trust	927,872	111,144	49,001	990,015
City Improvement	1,650	12,547	2,261	11,936
Police Pension	100,905	128,930	93,103	136,732
Payroll	30,555	2,148,898	2,139,768	39,685
Wastewater Debt Service Reserve	369,880	60,720	-	430,600
Sanitation	6,274	-	6,274	-
Wastewater Operating	230,464	1,733,881	1,598,992	365,353
Wastewater Bond and Interest	140,065	427,560	422,825	144,800
Water Operating	133,031	852,441	886,223	99,249
Water Bond and Interest	2,485	138,693	141,008	170
Water Guarantee Meter Deposit	56,371	11,545	9,628	58,288
Water Debt Service Reserve	96,875	28,476	-	125,351
Wastewater Construction SRF	-	1,147,939	1,147,939	-
Construction Retainage	-	89,336	-	89,336
City Court	57,417	128,529	180,918	5,028
	<u>\$ 5,136,282</u>	<u>\$ 11,961,890</u>	<u>\$ 11,915,976</u>	<u>\$ 5,182,196</u>

CITY OF CHARLESTOWN, CLARK COUNTY  
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 CHARLESTOWN, CLARK COUNTY  
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 CHARLESTOWN, CLARK COUNTY  
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 CHARLESTOWN, CLARK COUNTY  
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 CHARLESTOWN, CLARK COUNTY  
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. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is 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 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. 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

CITY OF CHARLESTOWN, CLARK COUNTY  
NOTES TO FINANCIAL STATEMENT(S)  
(Continued)

*Funding Policy*

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City of Charlestown's Annual Report(s) can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

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

	General Fund	Motor Vehicle Highway	Local Road and Street	Alcohol and Drug Services	User Fee	Christmas With A Cop
Cash and investments - beginning	\$ 134,443	\$ 208,188	\$ 105,378	\$ -	\$ 537	\$ 7,137
Receipts:						
Taxes	1,556,866	-	-	-	-	-
Licenses and permits	32,000	-	-	-	-	-
Intergovernmental	743,141	343,280	73,145	-	-	-
Charges for services	417,378	2,700	-	-	-	-
Fines and forfeits	19,782	-	-	20,168	11,250	-
Utility fees	-	-	-	-	-	-
Other receipts	354,573	390	-	-	-	11,089
Total receipts	<u>3,123,740</u>	<u>346,370</u>	<u>73,145</u>	<u>20,168</u>	<u>11,250</u>	<u>11,089</u>
Disbursements:						
Personal services	2,202,442	109,127	-	-	-	-
Supplies	267,681	13,014	19,622	-	-	7,876
Other services and charges	692,981	113,158	-	18,068	9,265	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	38,987	242,780	46,900	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	54,050	-	-	-	-	-
Total disbursements	<u>3,256,141</u>	<u>478,079</u>	<u>66,522</u>	<u>18,068</u>	<u>9,265</u>	<u>7,876</u>
Excess (deficiency) of receipts over disbursements	<u>(132,401)</u>	<u>(131,709)</u>	<u>6,623</u>	<u>2,100</u>	<u>1,985</u>	<u>3,213</u>
Cash and investments - ending	<u>\$ 2,042</u>	<u>\$ 76,479</u>	<u>\$ 112,001</u>	<u>\$ 2,100</u>	<u>\$ 2,522</u>	<u>\$ 10,350</u>

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

	Economic Development	NRF Planning and Zoning Review Development Fees	Neighborhood Block Watch	Vehicle Tow-In Fees	Local Law Enforcement Continuing Education	Clerk's Record Perpetuation
Cash and investments - beginning	\$ 10	\$ 28,343	\$ 2,685	\$ 1,750	\$ 6,743	\$ 6,803
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	17,752	-	-	3,050	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	1,657	-
Fines and forfeits	-	-	-	150	9,852	1,426
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	17,752	-	150	14,559	1,426
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	40,152	-	1,750	4,370	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	40,152	-	1,750	4,370	-
Excess (deficiency) of receipts over disbursements	-	(22,400)	-	(1,600)	10,189	1,426
Cash and investments - ending	\$ 10	\$ 5,943	\$ 2,685	\$ 150	\$ 16,932	\$ 8,229

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

	Deferral Program	Riverboat Wagering Revenue	Parks Department NRF	Mayor's Christmas Awards Dinner	Beautification	CPD Grant NRF
Cash and investments - beginning	\$ 18,330	\$ 37,504	\$ 15,541	\$ 850	\$ 33,034	\$ 1,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	37,505	-	-	-	-
Charges for services	-	-	16,355	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	8,970	-	-	-	35,073	70,621
Total receipts	8,970	37,505	16,355	-	35,073	70,621
Disbursements:						
Personal services	-	-	-	-	-	66,614
Supplies	-	-	-	-	-	-
Other services and charges	1,275	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	25,410	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	37,504	-	-	44,529	-
Total disbursements	1,275	37,504	25,410	-	44,529	66,614
Excess (deficiency) of receipts over disbursements	7,695	1	(9,055)	-	(9,456)	4,007
Cash and investments - ending	\$ 26,025	\$ 37,505	\$ 6,486	\$ 850	\$ 23,578	\$ 5,007

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

	CPD SRT NRF	Rainy Day	CPD K-9 NRF	CPD Misc NRF	Police Payroll Grants	TIF
Cash and investments - beginning	\$ 78	\$ 748,237	\$ 988	\$ 576	\$ 21,513	\$ 745,527
Receipts:						
Taxes	-	232,733	-	-	-	445,449
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	28,533	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	81	7,729	-	-
Total receipts	-	232,733	81	7,729	28,533	445,449
Disbursements:						
Personal services	-	-	-	-	46,496	301,159
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	693	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	214,087
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	335,789	-	-	-	-
Total disbursements	-	335,789	-	693	46,496	515,246
Excess (deficiency) of receipts over disbursements	-	(103,056)	81	7,036	(17,963)	(69,797)
Cash and investments - ending	\$ 78	\$ 645,181	\$ 1,069	\$ 7,612	\$ 3,550	\$ 675,730

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

	CPD Youth Coalition NRF	County Court Cost	LOIT Public Safety	City Parks Capital	Police Equipment NRF	Cumulative Capital Improvement
Cash and investments - beginning	\$ 543	\$ 82	\$ -	\$ 73,049	\$ 4,067	\$ 10,068
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	8,030	-	171,892	16,953	-	25,336
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	11,998	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	<u>8,030</u>	<u>11,998</u>	<u>171,892</u>	<u>16,953</u>	<u>-</u>	<u>25,336</u>
Disbursements:						
Personal services	-	-	-	7,324	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	10,716	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	64,282	32	35,400
Utility operating expenses	-	-	-	-	-	-
Other disbursements	7,552	-	-	-	-	-
Total disbursements	<u>7,552</u>	<u>10,716</u>	<u>-</u>	<u>71,606</u>	<u>32</u>	<u>35,400</u>
Excess (deficiency) of receipts over disbursements	<u>478</u>	<u>1,282</u>	<u>171,892</u>	<u>(54,653)</u>	<u>(32)</u>	<u>(10,064)</u>
Cash and investments - ending	<u>\$ 1,021</u>	<u>\$ 1,364</u>	<u>\$ 171,892</u>	<u>\$ 18,396</u>	<u>\$ 4,035</u>	<u>\$ 4</u>

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

	EDIT	NRF Capital Trust	City Improvement	Police Pension	Payroll	Wastewater Debt Service Reserve
Cash and investments - beginning	\$ 769,434	\$ 927,872	\$ 1,650	\$ 100,905	\$ 30,555	\$ 369,880
Receipts:						
Taxes	-	-	-	30,380	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	204,344	5,000	-	1,779	-	-
Charges for services	-	-	12,547	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	106,144	-	96,771	2,148,898	60,720
Total receipts	<u>204,344</u>	<u>111,144</u>	<u>12,547</u>	<u>128,930</u>	<u>2,148,898</u>	<u>60,720</u>
Disbursements:						
Personal services	-	-	-	91,871	1,435,029	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	1,232	704,739	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	156,951	-	2,261	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	49,001	-	-	-	-
Total disbursements	<u>156,951</u>	<u>49,001</u>	<u>2,261</u>	<u>93,103</u>	<u>2,139,768</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>47,393</u>	<u>62,143</u>	<u>10,286</u>	<u>35,827</u>	<u>9,130</u>	<u>60,720</u>
Cash and investments - ending	<u>\$ 816,827</u>	<u>\$ 990,015</u>	<u>\$ 11,936</u>	<u>\$ 136,732</u>	<u>\$ 39,685</u>	<u>\$ 430,600</u>

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

	Sanitation	Wastewater Operating	Wastewater Bond and Interest	Water Operating	Water Bond and Interest	Water Guarantee Meter Deposit
Cash and investments - beginning	\$ 6,274	\$ 230,464	\$ 140,065	\$ 133,031	\$ 2,485	\$ 56,371
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	24,000	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	1,273,809	-	805,963	-	-
Other receipts	-	436,072	427,560	46,478	138,693	11,545
Total receipts	<u>-</u>	<u>1,733,881</u>	<u>427,560</u>	<u>852,441</u>	<u>138,693</u>	<u>11,545</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	150,000	422,825	48,116	-	-
Capital outlay	-	123,780	-	38,827	-	-
Utility operating expenses	-	799,414	-	606,369	-	9,591
Other disbursements	6,274	525,798	-	192,911	141,008	37
Total disbursements	<u>6,274</u>	<u>1,598,992</u>	<u>422,825</u>	<u>886,223</u>	<u>141,008</u>	<u>9,628</u>
Excess (deficiency) of receipts over disbursements	<u>(6,274)</u>	<u>134,889</u>	<u>4,735</u>	<u>(33,782)</u>	<u>(2,315)</u>	<u>1,917</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 365,353</u>	<u>\$ 144,800</u>	<u>\$ 99,249</u>	<u>\$ 170</u>	<u>\$ 58,288</u>

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

	Water Debt Service Reserve	Wastewater Construction SRF	Construction Retainage	City Court	Totals
Cash and investments - beginning	\$ 96,875	\$ -	\$ -	\$ 57,417	\$ 5,136,282
Receipts:					
Taxes	-	-	-	-	2,265,428
Licenses and permits	-	-	-	-	52,802
Intergovernmental	-	-	-	-	1,682,938
Charges for services	-	-	-	-	450,637
Fines and forfeits	-	-	-	-	74,626
Utility fees	-	-	-	-	2,079,772
Other receipts	<u>28,476</u>	<u>1,147,939</u>	<u>89,336</u>	<u>128,529</u>	<u>5,355,687</u>
Total receipts	<u>28,476</u>	<u>1,147,939</u>	<u>89,336</u>	<u>128,529</u>	<u>11,961,890</u>
Disbursements:					
Personal services	-	-	-	-	4,260,062
Supplies	-	-	-	-	308,193
Other services and charges	-	-	-	-	1,598,399
Debt service - principal and interest	-	-	-	-	620,941
Capital outlay	-	1,147,939	-	-	2,137,636
Utility operating expenses	-	-	-	-	1,415,374
Other disbursements	-	-	-	180,918	1,575,371
Total disbursements	<u>-</u>	<u>1,147,939</u>	<u>-</u>	<u>180,918</u>	<u>11,915,976</u>
Excess (deficiency) of receipts over disbursements	<u>28,476</u>	<u>-</u>	<u>89,336</u>	<u>(52,389)</u>	<u>45,914</u>
Cash and investments - ending	<u>\$ 125,351</u>	<u>\$ -</u>	<u>\$ 89,336</u>	<u>\$ 5,028</u>	<u>\$ 5,182,196</u>

CITY OF CHARLESTOWN  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

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	\$ 223,570
Infrastructure	8,517,576
Buildings	921,164
Improvements other than buildings	34,053
Machinery and equipment	2,927,583
Construction in progress	<u>233,271</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 12,857,217</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets:	
Land	\$ 2,725
Infrastructure	5,681,618
Buildings	8,995
Improvements other than buildings	1,425,124
Machinery and equipment	<u>380,936</u>
Total Water Utility capital assets	<u>7,499,398</u>
Wastewater Utility:	
Capital assets:	
Land	74,559
Infrastructure	6,065,206
Construction in progress	531,367
Buildings	2,928,683
Improvements other than buildings	95,500
Machinery and equipment	<u>2,432,934</u>
Total Wastewater Utility capital assets	<u>12,128,249</u>
Total business-type activities capital assets	<u>\$ 19,627,647</u>

CITY OF CHARLESTOWN  
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 cars	\$ 63,935	\$ 34,314
Sanitation trucks	298,320	48,607
Bonds payable:		
Revenue bonds:		
2006 TIF bonds industrial park waterworks improvements	<u>500,000</u>	<u>83,108</u>
Total governmental activities debt	<u>\$ 862,255</u>	<u>\$ 166,029</u>
Business-type activities:		
Water Utility:		
Contract payable:		
Purchase of pump station	\$ 50,000	\$ 25,000
Revenue bonds:		
2006 Water construction	<u>1,605,000</u>	<u>34,059</u>
Total Water Utility	<u>1,655,000</u>	<u>59,059</u>
Wastewater Utility:		
Capital leases:		
Vactor truck	227,758	44,301
Excavator	84,826	19,227
Revenue bonds:		
1993 Wastewater refunding	435,000	112,615
2005 Wastewater construction	<u>3,550,000</u>	<u>213,465</u>
Total Wastewater Utility	<u>4,297,584</u>	<u>389,608</u>
Total business-type activities debt	<u>\$ 5,952,584</u>	<u>\$ 448,667</u>

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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ROOM E418  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF CHARLESTOWN, CLARK COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Charlestown (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 program(s) for the year ended December 31, 2010. The City's major federal program(s) 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 program(s) is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether non-compliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal program(s) for the year ended December 31, 2010.

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.

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

August 10, 2011

CITY OF CHARLESTOWN  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 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 AGRICULTURE</u>			
Direct Grant			
Community Connect Grant Program FY 2010	10.863		\$ 42,000
Total for program			42,000
Total for federal grantor agency			42,000
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
ARRA - Edward Byrne Memorial Justice Assistance Grants (JAG) Program/Grants to States and Territories Take Back the Streets	16.803	09-JRA-028	29,726
Total for program			29,726
Total for federal grantor agency			29,726
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Town of Sellersburg			
Highway Safety Cluster			
State and Community Highway Safety Clark County Traffic Safety Partnership	20.600	PT-10-04-04-36	9,175
Pass-Through Indiana Department of Transportation			
Clark County Traffic Safety Partnership		PT-11-04-04-37	6,000
Total for program			15,175
Pass-Through Town of Sellersburg			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I Clark County DUI Taskforce	20.601	K8-2010-03-03-05	7,000
Pass-Through Indiana Department of Transportation			
Clark County DUI Taskforce		K8-2011-03-03-04	5,000
Total for program			12,000
Total for cluster			27,175
Pass-Through Indiana Department of Transportation			
ARRA - Highway Planning and Construction Inner City Multi-Modal Facility	20.205	STP-9999 (042)	72,536
Total for program			72,536
Total for federal grantor agency			99,711
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority			
ARRA - Capitalization Grants for Clean Water State Revolving Funds State Revolving Loan	66.458	WW09021001	1,147,939
Total for program			1,147,939
Total for federal grantor agency			1,147,939
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	DR-1828	1,657
Total for program			1,657
Total for federal grantor agency			1,657
Total federal awards expended			\$ 1,321,033

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF CHARLESTOWN  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Charlestown (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.

II. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2010:

Program Title	Federal CFDA Number	2010
State and Community Highway Safety	20.600	\$ 4,500
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	3,750

CITY OF CHARLESTOWN  
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 deficienc(y)(ies) identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficienc(y)(ies) identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

No matters are reportable.

**Section III – Federal Award Findings and Questioned Costs**

No matters are reportable.

CITY OF CHARLESTOWN  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF CHARLESTOWN  
EXIT CONFERENCE

The contents of this report were discussed on August 10, 2011, with G. Robert Hall, Mayor, and Donna Coomer, Clerk-Treasurer. Our audit disclosed no material items that warrant comment at this time.