

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF GREENCASTLE

PUTNAM COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
12/05/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Teresa P. Glenn	01-01-08 to 12-31-11
Mayor	Susan V. Murray	01-01-08 to 12-31-11
President of the Board of Public Works	Susan V. Murray	01-01-08 to 12-31-11
President of the Common Council	Adam Cohen	01-01-10 to 12-31-11
Superintendent of Water And Wastewater Utilities	Richard Hedge	01-01-10 to 12-31-11
Water Utility Office Manager	Barbara J. Hathaway	01-01-10 to 12-31-11
Wastewater Utility Office Manager	Madonna A. Gose	01-01-10 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF GREENCASTLE, PUTNAM COUNTY, INDIANA

We have examined the financial statement of the City of Greencastle (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination 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 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.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to 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 and City Council and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 27, 2011

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF GREENCASTLE  
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	\$ 383,091	\$ 3,762,506	\$ 3,317,913	\$ 827,684
Excess Levy	131	5,521	131	5,521
Motor Vehicle Highway	219,532	788,960	741,860	266,632
Local Road And Street	329	38,242	15,868	22,703
Cemetery	92,276	168,834	209,989	51,121
Park Nr Basketball	9,842	16,027	12,401	13,468
Donation Fund	66,219	53,126	29,216	90,129
Economic Development	19,878	-	-	19,878
Fema Fire Grant	348	1	348	1
Law Enforcement Education	20,007	3,835	-	23,842
Riverboat Rev Fund	267,182	64,902	54,334	277,750
Park And Recreation	267,441	412,348	498,179	181,610
Fire Dept Serv Chg Acct	13,941	147	1,900	12,188
Peg Access Account	1,421	1	-	1,422
Rainy Day Fund	205,456	301,721	107,689	399,488
Midwest Trenchless Escrow	28	-	28	-
Law Enforcement Fund	4,723	53	-	4,776
Hazmat Fund	339	4	-	343
Local Grants	6	6,150	6	6,150
Tree Grant	618	7	-	625
Tif Allocation	2,305,050	1,059,178	455,123	2,909,105
Park Non Reverting Operating Softba	27,731	34,693	28,262	34,162
Economic Dev Income Tax	1,327,346	515,560	363,694	1,479,212
Wabash Valley Escrow	11	-	11	-
Reed And Sons	2	-	2	-
Redev Bond & Interest	11,514	4	11,518	-
Park Bond Sinking	19,172	217	-	19,389
General Obligation Bonds	39,569	139,971	154,368	25,172
Redev Debt Service Rsr	1,462	1	1,463	-
Cci	284,056	31,276	125,076	190,256
Ccd	184,945	220,114	186,164	218,895
Park Non Revert Capital	11,247	72,257	20,382	63,122
Redev Dist Cap Fund	23,233	458,439	456,114	25,558
Industrial Development	136,226	96,000	51,683	180,543
Ccf	97,440	126,724	40,031	184,133
City Hall N/R	115,986	1,317	-	117,303
Community Rec Center	5,350	61	-	5,411
Cemetery Ground Improvement	40,033	32,079	19,601	52,511
Park Culture Rec	1,104	13	-	1,117
Police Pension Fund	81,857	119,175	109,834	91,198
Fire Pension Fund	87,428	137,306	118,165	106,569
Old Mausoleum Fund	9,861	1,132	3,073	7,920
Payroll Fund	3,091	-	-	3,091
Cemetery Trustee	36,277	4,001	-	40,278
Trash Fund	247,652	319,402	279,645	287,409
Trash Deposit	18,823	-	1,262	17,561
Sewer Operating Fund	1,051,831	2,425,152	2,307,202	1,169,781
Sewage Bond & Interest	118,336	933,589	1,051,257	668
Sewage Improvement	9,275	85	(284)	9,644
Sewage Customer Deposit	39,520	-	1,717	37,803
Sewage Constr Fund	18,921	215	-	19,136
Sewage Debt Service Resv	1,052,934	1,049	-	1,053,983
Water Operating	915,431	2,109,840	1,986,574	1,038,697
Water Bond And Interest	(960)	433,560	430,944	1,656
Water Meter Deposit	47,792	304	6,261	41,835
Water Improvement	18,180	207	-	18,387
Water Debt Serv Resv	466,011	148	-	466,159
<b>Totals</b>	<b>\$ 10,426,545</b>	<b>\$ 14,895,454</b>	<b>\$ 13,199,004</b>	<b>\$ 12,122,995</b>

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

CITY OF GREENCASTLE  
NOTES TO FINANCIAL STATEMENT

**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 presents 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 statement is 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 statement. 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 GREENCASTLE  
NOTES TO FINANCIAL STATEMENT  
(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 statement. 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 GREENCASTLE  
NOTES TO FINANCIAL STATEMENT  
(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 GREENCASTLE  
NOTES TO FINANCIAL STATEMENT  
(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 statement. 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 Plans**

*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:

CITY OF GREENCASTLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Funding Policy and Annual Pension Cost*

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

*B. 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

*Funding Policy*

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

**Note 7. Subsequent Event**

On March 7, 2011, the City was awarded a Stellar Communities Program Grant for \$19,000,000. This grant is funded through Indiana Department of Transportation, the Indiana Office of Community and Rural Affairs, the Indiana Housing and Community Development Agency, and the State Revolving Fund to help fund communities' strategic plans.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

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

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

The supplementary information presented was approved by management of the City. It is presented as intended by the City.

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

	General	Excess Levy	Motor Vehicle Highway	Local Road And Street	Cemetery	Park Nr Basketball	Donation Fund
Cash and investments - beginning	\$ 383,091	\$ 131	\$ 219,532	\$ 329	\$ 92,276	\$ 9,842	\$ 66,219
Receipts:							
Taxes	1,935,912	-	381,782	-	109,168	-	-
Licenses and permits	15,855	-	1,900	-	-	-	-
Intergovernmental	1,552,016	-	387,422	38,071	4,780	-	-
Charges for services	107,128	-	-	-	54,210	15,962	-
Fines and forfeits	872	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	150,723	5,521	17,856	171	676	65	53,126
Total receipts	<u>3,762,506</u>	<u>5,521</u>	<u>788,960</u>	<u>38,242</u>	<u>168,834</u>	<u>16,027</u>	<u>53,126</u>
Disbursements:							
Personal services	2,481,373	-	418,279	-	174,643	5,000	-
Supplies	123,858	-	142,796	-	16,672	5,279	-
Other services and charges	702,444	-	166,460	6,614	18,674	2,072	5,974
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	5,355	-	14,325	9,254	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,883	131	-	-	-	50	23,242
Total disbursements	<u>3,317,913</u>	<u>131</u>	<u>741,860</u>	<u>15,868</u>	<u>209,989</u>	<u>12,401</u>	<u>29,216</u>
Excess (deficiency) of receipts over disbursements	<u>444,593</u>	<u>5,390</u>	<u>47,100</u>	<u>22,374</u>	<u>(41,155)</u>	<u>3,626</u>	<u>23,910</u>
Cash and investments - ending	<u>\$ 827,684</u>	<u>\$ 5,521</u>	<u>\$ 266,632</u>	<u>\$ 22,703</u>	<u>\$ 51,121</u>	<u>\$ 13,468</u>	<u>\$ 90,129</u>

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

	Economic Development	Fema Fire Grant	Law Enforcement Education	Riverboat Rev Fund	Park And Recreation	Fire Dept Serv Chg Acct	Peg Access Account
Cash and investments - beginning	\$ 19,878	\$ 348	\$ 20,007	\$ 267,182	\$ 267,441	\$ 13,941	\$ 1,421
Receipts:							
Taxes	-	-	-	-	244,536	-	-
Licenses and permits	-	-	2,460	-	250	-	-
Intergovernmental	-	-	-	61,829	10,705	-	-
Charges for services	-	-	1,125	-	104,855	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	1	250	3,073	52,002	147	1
Total receipts	<u>-</u>	<u>1</u>	<u>3,835</u>	<u>64,902</u>	<u>412,348</u>	<u>147</u>	<u>1</u>
Disbursements:							
Personal services	-	-	-	-	241,775	-	-
Supplies	-	-	-	-	83,762	1,900	-
Other services and charges	-	-	-	-	105,756	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	12,518	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	348	-	54,334	54,368	-	-
Total disbursements	<u>-</u>	<u>348</u>	<u>-</u>	<u>54,334</u>	<u>498,179</u>	<u>1,900</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>(347)</u>	<u>3,835</u>	<u>10,568</u>	<u>(85,831)</u>	<u>(1,753)</u>	<u>1</u>
Cash and investments - ending	<u>\$ 19,878</u>	<u>\$ 1</u>	<u>\$ 23,842</u>	<u>\$ 277,750</u>	<u>\$ 181,610</u>	<u>\$ 12,188</u>	<u>\$ 1,422</u>

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

	Rainy Day Fund	Midwest Trenchless Escrow	Law Enforcement Fund	Hazmat Fund	Local Grants	Tree Grant	Tif Allocation
Cash and investments - beginning	\$ 205,456	\$ 28	\$ 4,723	\$ 339	\$ 6	\$ 618	\$ 2,305,050
Receipts:							
Taxes	-	-	-	-	-	-	1,014,972
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	6,150	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	301,721	-	53	4	-	7	44,206
<b>Total receipts</b>	<b>301,721</b>	<b>-</b>	<b>53</b>	<b>4</b>	<b>6,150</b>	<b>7</b>	<b>1,059,178</b>
Disbursements:							
Personal services	14,742	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	91,884	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,063	28	-	-	6	-	455,123
<b>Total disbursements</b>	<b>107,689</b>	<b>28</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>-</b>	<b>455,123</b>
Excess (deficiency) of receipts over disbursements	194,032	(28)	53	4	6,144	7	604,055
Cash and investments - ending	<u>\$ 399,488</u>	<u>\$ -</u>	<u>\$ 4,776</u>	<u>\$ 343</u>	<u>\$ 6,150</u>	<u>\$ 625</u>	<u>\$ 2,909,105</u>

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

	Park Non Reverting Operating Softba	Economic Dev Income Tax	Wabash Valley Escrow	Reed And Sons	Redev Bond & Interest	Park Bond Sinking	General Obligation Bonds
Cash and investments - beginning	\$ 27,731	\$ 1,327,346	\$ 11	\$ 2	\$ 11,514	\$ 19,172	\$ 39,569
Receipts:							
Taxes	-	498,423	-	-	-	-	114,263
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	5,002
Charges for services	31,136	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	3,557	17,137	-	-	4	217	20,706
<b>Total receipts</b>	<b>34,693</b>	<b>515,560</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>217</b>	<b>139,971</b>
Disbursements:							
Personal services	1,500	-	-	-	-	-	-
Supplies	18,593	-	-	-	-	-	-
Other services and charges	8,169	252,142	-	-	-	-	154,368
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	111,552	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	11	2	11,518	-	-
<b>Total disbursements</b>	<b>28,262</b>	<b>363,694</b>	<b>11</b>	<b>2</b>	<b>11,518</b>	<b>-</b>	<b>154,368</b>
Excess (deficiency) of receipts over disbursements	6,431	151,866	(11)	(2)	(11,514)	217	(14,397)
Cash and investments - ending	\$ 34,162	\$ 1,479,212	\$ -	\$ -	\$ -	\$ 19,389	\$ 25,172

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

	Redev Debt Service Rsr	Cci	Ccd	Park Non Revert Capital	Redev Dist Cap Fund	Industrial Development
Cash and investments - beginning	\$ 1,462	\$ 284,056	\$ 184,945	\$ 11,247	\$ 23,233	\$ 136,226
Receipts:						
Taxes	-	-	181,947	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	28,928	7,966	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1	2,348	30,201	72,257	458,439	96,000
Total receipts	<u>1</u>	<u>31,276</u>	<u>220,114</u>	<u>72,257</u>	<u>458,439</u>	<u>96,000</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	35,724	168,918	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	84,320	-	20,382	404,066	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,463	5,032	17,246	-	52,048	51,683
Total disbursements	<u>1,463</u>	<u>125,076</u>	<u>186,164</u>	<u>20,382</u>	<u>456,114</u>	<u>51,683</u>
Excess (deficiency) of receipts over disbursements	<u>(1,462)</u>	<u>(93,800)</u>	<u>33,950</u>	<u>51,875</u>	<u>2,325</u>	<u>44,317</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 190,256</u>	<u>\$ 218,895</u>	<u>\$ 63,122</u>	<u>\$ 25,558</u>	<u>\$ 180,543</u>

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

	Ccf	City Hall N/R	Community Rec Center	Cemetery Ground Improvement	Park Culture Rec	Police Pension Fund
Cash and investments - beginning	\$ 97,440	\$ 115,986	\$ 5,350	\$ 40,033	\$ 1,104	\$ 81,857
Receipts:						
Taxes	120,449	-	-	-	-	9,496
Licenses and permits	-	-	-	-	-	-
Intergovernmental	5,281	-	-	-	-	108,927
Charges for services	-	-	-	15,625	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	994	1,317	61	16,454	13	752
Total receipts	<u>126,724</u>	<u>1,317</u>	<u>61</u>	<u>32,079</u>	<u>13</u>	<u>119,175</u>
Disbursements:						
Personal services	-	-	-	-	-	109,484
Supplies	20,229	-	-	195	-	-
Other services and charges	13,867	-	-	8,213	-	350
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	11,193	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	5,935	-	-	-	-	-
Total disbursements	<u>40,031</u>	<u>-</u>	<u>-</u>	<u>19,601</u>	<u>-</u>	<u>109,834</u>
Excess (deficiency) of receipts over disbursements	<u>86,693</u>	<u>1,317</u>	<u>61</u>	<u>12,478</u>	<u>13</u>	<u>9,341</u>
Cash and investments - ending	<u>\$ 184,133</u>	<u>\$ 117,303</u>	<u>\$ 5,411</u>	<u>\$ 52,511</u>	<u>\$ 1,117</u>	<u>\$ 91,198</u>

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

	Fire Pension Fund	Old Mausoleum Fund	Payroll Fund	Cemetery Trustee	Trash Fund	Trash Deposit
Cash and investments - beginning	\$ 87,428	\$ 9,861	\$ 3,091	\$ 36,277	\$ 247,652	\$ 18,823
Receipts:						
Taxes	18,232	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	118,236	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	308,205	-
Penalties	-	-	-	-	6,173	-
Other receipts	838	1,132	-	4,001	5,024	-
Total receipts	<u>137,306</u>	<u>1,132</u>	<u>-</u>	<u>4,001</u>	<u>319,402</u>	<u>-</u>
Disbursements:						
Personal services	117,815	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	350	3,073	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	279,645	-
Other disbursements	-	-	-	-	-	1,262
Total disbursements	<u>118,165</u>	<u>3,073</u>	<u>-</u>	<u>-</u>	<u>279,645</u>	<u>1,262</u>
Excess (deficiency) of receipts over disbursements	<u>19,141</u>	<u>(1,941)</u>	<u>-</u>	<u>4,001</u>	<u>39,757</u>	<u>(1,262)</u>
Cash and investments - ending	<u>\$ 106,569</u>	<u>\$ 7,920</u>	<u>\$ 3,091</u>	<u>\$ 40,278</u>	<u>\$ 287,409</u>	<u>\$ 17,561</u>

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

	Sewer Operating Fund	Sewage Bond & Interest	Sewage Improvement	Sewage Customer Deposit	Sewage Constr Fund	Sewage Debt Service Resv
Cash and investments - beginning	\$ 1,051,831	\$ 118,336	\$ 9,275	\$ 39,520	\$ 18,921	\$ 1,052,934
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	2,313,930	-	-	-	-	-
Penalties	32,553	-	-	-	-	-
Other receipts	78,669	933,589	85	-	215	1,049
Total receipts	<u>2,425,152</u>	<u>933,589</u>	<u>85</u>	<u>-</u>	<u>215</u>	<u>1,049</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	1,051,257	-	-	-	-
Capital outlay	-	-	(284)	-	-	-
Utility operating expenses	1,109,424	-	-	-	-	-
Other disbursements	1,197,778	-	-	1,717	-	-
Total disbursements	<u>2,307,202</u>	<u>1,051,257</u>	<u>(284)</u>	<u>1,717</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>117,950</u>	<u>(117,668)</u>	<u>369</u>	<u>(1,717)</u>	<u>215</u>	<u>1,049</u>
Cash and investments - ending	<u>\$ 1,169,781</u>	<u>\$ 668</u>	<u>\$ 9,644</u>	<u>\$ 37,803</u>	<u>\$ 19,136</u>	<u>\$ 1,053,983</u>

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

	Water Operating	Water Bond And Interest	Water Meter Deposit	Water Improvement	Water Debt Serv Resv	Totals
Cash and investments - beginning	\$ 915,431	\$ (960)	\$ 47,792	\$ 18,180	\$ 466,011	\$ 10,426,545
Receipts:						
Taxes	-	-	-	-	-	4,629,180
Licenses and permits	-	-	-	-	-	20,465
Intergovernmental	-	-	-	-	-	2,335,313
Charges for services	-	-	-	-	-	330,041
Fines and forfeits	-	-	-	-	-	872
Utility fees	1,426,448	-	-	-	-	4,048,583
Penalties	18,786	-	-	-	-	57,512
Other receipts	664,606	433,560	304	207	148	3,473,488
Total receipts	<u>2,109,840</u>	<u>433,560</u>	<u>304</u>	<u>207</u>	<u>148</u>	<u>14,895,454</u>
Disbursements:						
Personal services	-	-	-	-	-	3,564,611
Supplies	-	-	-	-	-	413,284
Other services and charges	-	-	-	-	-	1,745,052
Debt service - principal and interest	-	431,394	-	-	-	1,482,651
Capital outlay	-	-	-	-	-	672,681
Utility operating expenses	1,376,121	-	-	-	-	2,765,190
Other disbursements	610,453	(450)	6,261	-	-	2,555,535
Total disbursements	<u>1,986,574</u>	<u>430,944</u>	<u>6,261</u>	<u>-</u>	<u>-</u>	<u>13,199,004</u>
Excess (deficiency) of receipts over disbursements	<u>123,266</u>	<u>2,616</u>	<u>(5,957)</u>	<u>207</u>	<u>148</u>	<u>1,696,450</u>
Cash and investments - ending	<u>\$ 1,038,697</u>	<u>\$ 1,656</u>	<u>\$ 41,835</u>	<u>\$ 18,387</u>	<u>\$ 466,159</u>	<u>\$ 12,122,995</u>

CITY OF GREENCASTLE  
 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:	
Infrastructure	\$ 2,437,842
Buildings	3,524,893
Machinery and equipment	<u>4,428,543</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 10,391,278</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 4,156,984
Improvements other than buildings	3,761,277
Machinery and equipment	<u>347,766</u>
 Total Water Utility capital assets	 <u>8,266,027</u>

Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	14,600,000
Improvements other than buildings	3,225,000
Machinery and equipment	<u>734,755</u>
 Total Wastewater Utility capital assets	 <u>18,559,755</u>

Total business-type activities, capital assets not being depreciated	<u>\$ 26,825,782</u>
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CITY OF GREENCASTLE  
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:		
Notes and loans payable:		
MVH equipment	\$ 11,943	\$ 11,943
Cemetery vehicles	3,967	3,967
Water Meters	447,674	41,660
Bonds payable:		
General obligation bonds:		
Swimming pool and facility	-	-
Purchase building/equipment for city hall	365,000	46,801
Purchase building/equipment for police dept	655,000	88,535
Revenue bond:		
Airport/road improvements	-	-
<b>Total governmental activities debt</b>	<b><u>\$ 1,483,585</u></b>	<b><u>\$ 192,906</u></b>
Business-type activities:		
Water Utility:		
Revenue bond:		
Refinancing Bond of 2001	<u>\$ 3,535,000</u>	<u>\$ 430,944</u>
Wastewater Utility:		
Notes and loans payable:		
Vactor	61,289	30,598
Generator	-	-
Revenue bond:		
Refinancing Bond of 2001	1,120,000	139,628
State revolving fund loan -wastewater utility plant	<u>8,010,000</u>	<u>790,265</u>
<b>Total Wastewater Utility</b>	<b><u>9,191,289</u></b>	<b><u>960,490</u></b>
<b>Total business-type activities debt</b>	<b><u>\$ 12,726,289</u></b>	<b><u>\$ 1,391,434</u></b>

CITY OF GREENCASTLE  
EXAMINATION RESULTS AND COMMENTS

***SERVICE RECORDS***

The review of payroll records indicates that prescribed General Payroll Form 99A was being used during 2010. However, vacation and sick leave taken were not always in agreement with the time sheet. There were also instances found where leave balances were not totaled and accounted for.

This form must be kept by each office or department of each employee in order to properly prepare "Payroll Schedule and Voucher, General Form No. 99." It records the hours or days worked, sick leave, vacation and days lost. It may also be used to comply with requirements of IC5-11-9-4 regarding recording hours worked each day by an employee. It is suggested that these be arranged alphabetically in a binder. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

***PARK AND RECREATION FEES***

On March 3, 2010, the Park and Recreation Board approved the annual fees for 2010 as presented to be printed in a brochure. The brochure was then printed and distributed to the public. In comparing the approved fees to the published fees we found in our examination that Learn to Swim Lessons and Water Babies were published incorrectly. The Board approved rates were \$35 per participant and the published fees were \$30 per participant. The Park and Recreation Department charged the published \$30 fee per participant for both Learn to Swim Lessons and Water Babies.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF GREENCASTLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***UTILITY CUSTOMER HISTORY PURGED***

On or about May 1, 2010, the Clerk-Treasurer purged all utility customer accounts that were designated as inactive with a zero balance to date within their system. Once accounts have been purged, the system deletes and removes all data pertaining to those accounts without leaving an audit trail.

City Utility records must be kept until audited and can only be destroyed in accordance with the State's Oversight Committee on Public Records retention policies.

The computerized accounting system must maintain electronic audit trails sufficient to trace all transactions from original source of entry into the system, through all system processing, and to the results produced by the system. The audit trails must also maintain sufficient information to trace all transactions from the final results produced by the system, through all system processing, and to the original source of entry into the system. Audit trails must also identify the user that processed the transaction or updated the information. These audit trails must be protected from modification and deletion. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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

Indiana Code 5-15-6-3(f) concerning destruction of public records, states in part: "Original records may be disposed of only with the approval of the commission according to guidelines established by the commission."

Supporting documentation such as receipts, canceled checks, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF GREENCASTLE  
EXIT CONFERENCE

The contents of this report were discussed on October 27, 2011, with Teresa P. Glenn, Clerk-Treasurer; Susan V. Murray, Mayor; Adam Cohen, President of Common Council; Melanie Welker, Utility Billing Clerk; Pamela Pierce, Deputy Clerk-Treasurer; Rob Weinschenk, Parks and Recreation Director; Madonna A. Gose, Wastewater Utility Office Manager; and Barbara J. Hathaway, Water Utility Office Manager. The officials concurred with our findings.