

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF CRAWFORDSVILLE

MONTGOMERY COUNTY, INDIANA

January 1, 2010 to December 31, 2010



FILED
12/30/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri Gadd	01-01-08 to 12-31-11
Mayor	Charles E. Coons	01-01-08 to 12-31-11
President of the Common Council	Nellie R. Thompson Ray Kirtley	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Wastewater Utility	Thomas W. Mitchell	01-01-10 to 12-31-11
Superintendent of Electric Utility	Roy E. Kaser Phillip R. Goode	01-01-10 to 01-14-10 01-15-10 to 12-31-11
Controller of Electric Utility	Ronald L. Gable	01-01-10 to 12-31-11
Superintendent of Storm Water Utility	Gary Weliver	01-01-10 to 12-31-11



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF CRAWFORDSVILLE, MONTGOMERY COUNTY, INDIANA

We have examined the financial statement of the City of Crawfordsville (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, 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, City Council, and Board of Works 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 13, 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 CRAWFORDSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments		Cash and Investments	
	01-01-10	Receipts	Disbursements	12-31-10
General	\$ 6,755,864	\$ 8,782,256	\$ 8,437,291	\$ 7,100,829
Street	879,021	1,291,621	1,166,871	1,003,771
Local Road And Street	324,543	99,424	352,278	71,689
Aviation	68,089	166,442	166,974	67,557
Parking Meter	31,266	33,871	61,972	3,165
Park Nonreverting Operating	116,702	420,932	387,256	150,378
Donations	100	-	-	100
Civil Defense	140,167	78,225	34,878	183,514
Law Enforcement Continuing Education	48,217	18,430	11,112	55,535
Riverboat	491,975	95,391	261,333	326,033
Parks And Recreation	501,962	1,014,343	904,584	611,721
Ambulance/Ems Nonreverting	564,172	183,320	306,784	440,708
Rainy Day	316,075	202,763	-	518,838
Police/Drug Seizure Fund	1,721	-	-	1,721
Golf Course	33,930	410,555	408,542	35,943
Abatement	347	-	347	-
Civil Defense Copier	27,571	3,200	853	29,918
Communication Center	25,628	20,245	28,421	17,452
Park And Rec Muffy	28,547	26,649	18,678	36,518
Park and Rec/Title III	(1,582)	12,968	14,912	(3,526)
Police/Child Victim	1,820	874	886	1,808
Rehabilitation	314,134	4,297	3,815	314,616
Wheel Tax Fund	197,741	131,351	49,960	279,132
UDAG	158,631	4,801	127,272	36,160
Aviation Grant Fund	35,545	210,772	221,200	25,117
Golf Course Improvement Fund	11,179	5,710	9,707	7,182
Commerce Park Operating	9,567	1,000	9,100	1,467
Sugar Creek Nature Park	11,354	800	12,132	22
Safer Grant Fund	-	8,920	70,839	(61,919)
Commerce Park Bond And Int Fund	245,224	113,784	100,389	258,619
Kroger Pace Dairy Bond And Int	304,455	72,798	332,832	44,421
Police Building Debt	22,840	63	-	22,903
Cumulative Capital Improvement Cigarette Tax	470,535	44,631	6,171	508,995
Cumulative Capital Development	1,282,686	264,367	321,498	1,225,555
Park Nonreverting Capital	5,338	-	-	5,338
Police Equipment Nonreverting	10,943	3,356	5,520	8,779
Fire Equipment Nonreverting	16,028	1,101	2,832	14,297
Commerce Park TIF Proceeds	59,814	155	16,783	43,186
Cumulative Building	150	-	-	150
Cumulative Capital Improvement (Special Fire)	509,164	123,734	-	632,898
Cville Historic Dist/Capital Improvement	99,804	18,790	-	118,594
Aviation Project	15,465	68,790	56,189	28,066
Drainage Permits	15	-	-	15
Downtown Sidewalk And Streets	2,998	-	2,680	318
Sidewalk Maint/Improvement	50,396	2,633	6,432	46,597
Aviation Construction	6,087	891	6,086	892
Cville Sq Allocation Fund	2,265,955	757,864	269,131	2,754,688
Police Pension	374,282	430,196	485,892	318,586
Fire Pension	537,321	477,366	435,586	579,101
Payroll Fund	171,440	10,878,253	10,877,491	172,202
Excess Tax Levy	-	17,501	-	17,501
Yard Waste Fees Trust Fund	1,454	-	1,454	-
CEL&P Electric Inspection Fees	50	300	350	-
CEL&P Gen Operating	1,656,738	13,909,412	13,843,729	1,722,421
CEL&P Depreciation Fund	2,027,062	208,030	1,020,477	1,214,615
CEL&P Meter Deposit	138,790	56,245	51,653	143,382
CEL&P Cash Reserve	466,593	2,219	468,812	-
CEL&P Flex Benefits	4,479	156,035	155,670	4,844
CEL&P Telecommunications	109,862	2,285,119	2,326,446	68,535
Stormwater Operating And Maintenance	-	452,455	132,809	319,646
Wastewater Utility-Operating	2,047,091	2,466,899	2,567,220	1,946,770
Wastewater Utility-Bond And Interest	981	710,400	710,611	770
Wastewater Utility-Construction	10,784	-	-	10,784
Wastewater Utility-Debt Reserve	574,785	-	-	574,785
	<u>\$ 24,583,895</u>	<u>\$ 46,752,547</u>	<u>\$ 47,272,740</u>	<u>\$ 24,063,702</u>

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

CITY OF CRAWFORDSVILLE
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, wastewater, electric, 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.

Special assessments which includes amounts levied against certain properties to defray all or part of the cost of a specific capital improvement or service deemed to benefit primarily those properties.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

License and permits which includes 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 license and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which includes receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts includes, but is 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 includes 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).

Net proceeds from borrowings which includes receipts from general obligation bonds, notes and loans.

Intergovernmental loan activity which includes amounts received from other funds as loans on a temporary basis.

Transfers in which includes funds authorized by statute, ordinance, resolution or court order to be transferred in from another fund.

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

Internal service receipts which are comprised mostly of fees received for services performed for other funds.

Fiduciary receipts which are comprised mostly of contributions to the pensions funds from state and local sources.

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:

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Personal services which includes 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 includes 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 includes, but is not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principle and interest which includes 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.

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

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

Interfund loan payments and loans made which includes amounts that are owed to a particular fund by another fund.

Transfers out which includes funds authorized by statute, ordinance, resolution or court order to be transferred to another fund.

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.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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% 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.

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 were 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 statute (IC 5-13-9) authorizes 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.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 6. Pension Plan

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% 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

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 IC 5-10.3-11.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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 IC 5-10.3-11.

D. 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.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Subsequent Events

In May of 2011, the capacity purchase agreement with the Indiana Municipal Power Agency (IMPA) ended and Crawfordsville Electric Light and Power opened a request for proposal for the possible sale of the Power Plant.

During 2010, Accelplus failed to make the full monthly interest payments and the initial principal payment to U.S. Bank, and, in doing that, violated the bond holder agreement and could possibly face legal action on behalf of the Certificates of Participation holders.

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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/.

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 prepared and/or approved by management of the City. It is presented as intended by the City.

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

	General	Street	Local Road And Street	Aviation	Parking Meter	Park Nonreverting Operating	Donations	Civil Defense
Cash and investments - beginning	\$ 6,755,864	\$ 879,021	\$ 324,543	\$ 68,089	\$ 31,266	\$ 116,702	\$ 100	\$ 140,167
Receipts:								
Taxes	4,144,299	848,320	-	120,609	-	-	-	64,359
Licenses and permits	37,892	900	-	-	-	-	-	-
Intergovernmental	3,203,366	427,346	99,424	7,429	-	-	-	13,832
Charges for services	1,073,179	-	-	3,867	33,871	411,855	-	-
Fines and forfeits	15,430	311	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	308,090	14,744	-	34,537	-	9,077	-	34
Total receipts	<u>8,782,256</u>	<u>1,291,621</u>	<u>99,424</u>	<u>166,442</u>	<u>33,871</u>	<u>420,932</u>	<u>-</u>	<u>78,225</u>
Disbursements:								
Personal services	6,309,602	800,366	-	-	59,730	241,486	-	-
Supplies	266,296	252,276	-	40,943	1,156	76,482	-	4,346
Other services and charges	1,502,589	105,218	28,855	114,031	663	-	-	30,532
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	169,477	8,158	323,423	-	-	20,800	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	189,327	853	-	12,000	423	48,488	-	-
Total disbursements	<u>8,437,291</u>	<u>1,166,871</u>	<u>352,278</u>	<u>166,974</u>	<u>61,972</u>	<u>387,256</u>	<u>-</u>	<u>34,878</u>
Excess (deficiency) of receipts over disbursements	<u>344,965</u>	<u>124,750</u>	<u>(252,854)</u>	<u>(532)</u>	<u>(28,101)</u>	<u>33,676</u>	<u>-</u>	<u>43,347</u>
Cash and investments - ending	<u>\$ 7,100,829</u>	<u>\$ 1,003,771</u>	<u>\$ 71,689</u>	<u>\$ 67,557</u>	<u>\$ 3,165</u>	<u>\$ 150,378</u>	<u>\$ 100</u>	<u>\$ 183,514</u>

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

	Law Enforcement Continuing Education	Riverboat	Parks And Recreation	Ambulance/Ems Nonreverting	Rainy Day	Police/Drug Seizure Fund	Golf Course	Abatement
Cash and investments - beginning	\$ 48,217	\$ 491,975	\$ 501,962	\$ 564,172	\$ 316,075	\$ 1,721	\$ 33,930	\$ 347
Receipts:								
Taxes	-	-	851,867	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	95,391	52,471	16,000	202,763	-	-	-
Charges for services	8,753	-	44,597	-	-	-	367,926	-
Fines and forfeits	9,677	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	65,408	167,320	-	-	42,629	-
Total receipts	18,430	95,391	1,014,343	183,320	202,763	-	410,555	-
Disbursements:								
Personal services	4,168	-	625,838	-	-	-	187,157	-
Supplies	472	-	65,028	-	-	-	120,317	-
Other services and charges	-	261,333	182,672	-	-	-	62,358	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	6,472	-	30,846	306,784	-	-	38,362	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	200	-	-	-	348	347
Total disbursements	11,112	261,333	904,584	306,784	-	-	408,542	347
Excess (deficiency) of receipts over disbursements	7,318	(165,942)	109,759	(123,464)	202,763	-	2,013	(347)
Cash and investments - ending	\$ 55,535	\$ 326,033	\$ 611,721	\$ 440,708	\$ 518,838	\$ 1,721	\$ 35,943	\$ -

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

	Civil Defense Copier	Communication Center	Park And Rec Muffy	Park And Rec/Title III	Police/Child Victim	Rehabilitation	Wheel Tax Fund
Cash and investments - beginning	\$ 27,571	\$ 25,628	\$ 28,547	\$ (1,582)	\$ 1,820	\$ 314,134	\$ 197,741
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	12,968	-	-	131,351
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	3,200	20,245	26,649	-	874	4,297	-
Total receipts	3,200	20,245	26,649	12,968	874	4,297	131,351
Disbursements:							
Personal services	-	4,769	-	-	-	-	-
Supplies	325	-	-	-	-	-	49,960
Other services and charges	528	2,621	-	-	-	1,015	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	21,031	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	18,678	14,912	886	2,800	-
Total disbursements	853	28,421	18,678	14,912	886	3,815	49,960
Excess (deficiency) of receipts over disbursements	2,347	(8,176)	7,971	(1,944)	(12)	482	81,391
Cash and investments - ending	\$ 29,918	\$ 17,452	\$ 36,518	\$ (3,526)	\$ 1,808	\$ 314,616	\$ 279,132

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

	UDAG	Aviation Grant Fund	Golf Course Improvement Fund	Commerce Park Operating	Sugar Creek Nature Park	Safer Grant Fund	Commerce Park Bond And Int Fund
Cash and investments - beginning	\$ 158,631	\$ 35,545	\$ 11,179	\$ 9,567	\$ 11,354	\$ -	\$ 245,224
Receipts:							
Taxes	-	-	-	-	-	-	113,784
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	181,893	-	-	-	8,920	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,801	28,879	5,710	1,000	800	-	-
Total receipts	4,801	210,772	5,710	1,000	800	8,920	113,784
Disbursements:							
Personal services	-	-	-	-	-	70,839	-
Supplies	-	-	-	-	-	-	-
Other services and charges	29,573	111,510	-	9,100	35	-	400
Debt service - principal and interest	-	-	-	-	-	-	99,989
Capital outlay	67,600	109,690	6,512	-	12,097	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	30,099	-	3,195	-	-	-	-
Total disbursements	127,272	221,200	9,707	9,100	12,132	70,839	100,389
Excess (deficiency) of receipts over disbursements	(122,471)	(10,428)	(3,997)	(8,100)	(11,332)	(61,919)	13,395
Cash and investments - ending	\$ 36,160	\$ 25,117	\$ 7,182	\$ 1,467	\$ 22	\$ (61,919)	\$ 258,619

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

	Kroger Pace Dairy Bond And Int	Police Building Debt	Cumulative Capital Improvement Cigarette Tax	Cumulative Capital Development	Park Nonreverting Capital	Police Equipment Nonreverting	Fire Equipment Nonreverting
Cash and investments - beginning	\$ 304,455	\$ 22,840	\$ 470,535	\$ 1,282,686	\$ 5,338	\$ 10,943	\$ 16,028
Receipts:							
Taxes	72,798	-	-	241,219	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	44,631	19,999	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	63	-	3,149	-	3,356	1,101
Total receipts	<u>72,798</u>	<u>63</u>	<u>44,631</u>	<u>264,367</u>	<u>-</u>	<u>3,356</u>	<u>1,101</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	6,171	300,452	-	4,008	-
Debt service - principal and interest	52,620	-	-	-	-	-	-
Capital outlay	-	-	-	21,020	-	1,151	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>280,212</u>	<u>-</u>	<u>-</u>	<u>26</u>	<u>-</u>	<u>361</u>	<u>2,832</u>
Total disbursements	<u>332,832</u>	<u>-</u>	<u>6,171</u>	<u>321,498</u>	<u>-</u>	<u>5,520</u>	<u>2,832</u>
Excess (deficiency) of receipts over disbursements	<u>(260,034)</u>	<u>63</u>	<u>38,460</u>	<u>(57,131)</u>	<u>-</u>	<u>(2,164)</u>	<u>(1,731)</u>
Cash and investments - ending	<u>\$ 44,421</u>	<u>\$ 22,903</u>	<u>\$ 508,995</u>	<u>\$ 1,225,555</u>	<u>\$ 5,338</u>	<u>\$ 8,779</u>	<u>\$ 14,297</u>

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

	Commerce Park TIF Proceeds	Cumulative Building	Cumulative Capital Improvement (Special Fire)	Cville Historic Dist/Capital Improvement	Aviation Project	Drainage Permits	Downtown Sidewalk And Streets
Cash and investments - beginning	\$ 59,814	\$ 150	\$ 509,164	\$ 99,804	\$ 15,465	\$ 15	\$ 2,998
Receipts:							
Taxes	-	-	116,555	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	7,179	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	155	-	-	18,790	68,790	-	-
Total receipts	155	-	123,734	18,790	68,790	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	16,783	-	-	-	47,417	-	2,680
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,564	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	7,208	-	-
Total disbursements	16,783	-	-	-	56,189	-	2,680
Excess (deficiency) of receipts over disbursements	(16,628)	-	123,734	18,790	12,601	-	(2,680)
Cash and investments - ending	\$ 43,186	\$ 150	\$ 632,898	\$ 118,594	\$ 28,066	\$ 15	\$ 318

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

	Sidewalk Maint/Improvement	Aviation Construction	Cville Sq Allocation Fund	Police Pension	Fire Pension	Payroll Fund	Excess Tax Levy
Cash and investments - beginning	\$ 50,396	\$ 6,087	\$ 2,265,955	\$ 374,282	\$ 537,321	\$ 171,440	\$ -
Receipts:							
Taxes	-	-	749,329	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	428,751	474,899	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,633	891	8,535	1,445	2,467	10,878,253	17,501
Total receipts	<u>2,633</u>	<u>891</u>	<u>757,864</u>	<u>430,196</u>	<u>477,366</u>	<u>10,878,253</u>	<u>17,501</u>
Disbursements:							
Personal services	-	-	-	483,926	433,620	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	6,432	-	269,131	1,966	1,966	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	6,086	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	10,877,491	-
Total disbursements	<u>6,432</u>	<u>6,086</u>	<u>269,131</u>	<u>485,892</u>	<u>435,586</u>	<u>10,877,491</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(3,799)</u>	<u>(5,195)</u>	<u>488,733</u>	<u>(55,696)</u>	<u>41,780</u>	<u>762</u>	<u>17,501</u>
Cash and investments - ending	<u>\$ 46,597</u>	<u>\$ 892</u>	<u>\$ 2,754,688</u>	<u>\$ 318,586</u>	<u>\$ 579,101</u>	<u>\$ 172,202</u>	<u>\$ 17,501</u>

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

	Yard Waste Fees Trust Fund	CEL&P Electric Inspection Fees	CEL&P Gen Operating	CEL&P Depreciation Fund	CEL&P Meter Deposit	CEL&P Cash Reserve	CEL&P Flex Benefits
Cash and investments - beginning	\$ 1,454	\$ 50	\$ 1,656,738	\$ 2,027,062	\$ 138,790	\$ 466,593	\$ 4,479
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	1,766,594	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	300	12,142,818	208,030	56,245	2,219	156,035
Total receipts	-	300	13,909,412	208,030	56,245	2,219	156,035
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	51,653	-	155,670
Other disbursements	1,454	350	13,843,729	1,020,477	-	468,812	-
Total disbursements	1,454	350	13,843,729	1,020,477	51,653	468,812	155,670
Excess (deficiency) of receipts over disbursements	(1,454)	(50)	65,683	(812,447)	4,592	(466,593)	365
Cash and investments - ending	\$ -	\$ -	\$ 1,722,421	\$ 1,214,615	\$ 143,382	\$ -	\$ 4,844

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

	CEL&P Telecommunications	Stormwater Operating And Maintenance	Wastewater Utility-Operating	Wastewater Utility-Bond And Interest	Wastewater Utility-Construction	Wastewater Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 109,862	\$ -	\$ 2,047,091	\$ 981	\$ 10,784	\$ 574,785	\$ 24,583,895
Receipts:							
Taxes	-	-	-	-	-	-	7,323,139
Licenses and permits	-	-	-	-	-	-	38,792
Intergovernmental	-	-	-	-	-	-	5,428,613
Charges for services	-	-	-	-	-	-	1,944,048
Fines and forfeits	-	-	-	-	-	-	25,418
Utility fees	2,284,972	-	2,298,204	-	-	-	6,349,770
Penalties	-	-	5,984	-	-	-	5,984
Other receipts	147	452,455	162,711	710,400	-	-	25,636,783
Total receipts	<u>2,285,119</u>	<u>452,455</u>	<u>2,466,899</u>	<u>710,400</u>	<u>-</u>	<u>-</u>	<u>46,752,547</u>
Disbursements:							
Personal services	-	-	-	-	-	-	9,221,501
Supplies	-	-	-	-	-	-	877,601
Other services and charges	-	-	-	-	-	-	3,100,039
Debt service - principal and interest	-	-	-	710,611	-	-	863,220
Capital outlay	-	2,402	198,072	-	-	-	1,351,547
Utility operating expenses	-	130,375	1,256,013	-	-	-	1,593,711
Other disbursements	2,326,446	32	1,113,135	-	-	-	30,265,121
Total disbursements	<u>2,326,446</u>	<u>132,809</u>	<u>2,567,220</u>	<u>710,611</u>	<u>-</u>	<u>-</u>	<u>47,272,740</u>
Excess (deficiency) of receipts over disbursements	<u>(41,327)</u>	<u>319,646</u>	<u>(100,321)</u>	<u>(211)</u>	<u>-</u>	<u>-</u>	<u>(520,193)</u>
Cash and investments - ending	<u>\$ 68,535</u>	<u>\$ 319,646</u>	<u>\$ 1,946,770</u>	<u>\$ 770</u>	<u>\$ 10,784</u>	<u>\$ 574,785</u>	<u>\$ 24,063,702</u>

CITY OF CRAWFORDSVILLE
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:		
Golf Course John Deere Mower	\$ 10,955	\$ 6,474
Notes and loans payable:		
Golf Course Pole Barn	13,431	8,422
Airport 2009 Terminal Mortgage	637,290	42,223
Bonds payable:		
Revenue bonds:		
Commerce Park TIF	<u>3,965,000</u>	<u>366,034</u>
Total governmental activities debt	<u>\$ 4,626,676</u>	<u>\$ 423,153</u>
Business-type activities:		
Wastewater Utility:		
Revenue bonds:		
\$2,000,000 Sewage Works Revenue Bonds	\$ 325,000	\$ 337,838
State Revolving Loan	<u>2,615,864</u>	<u>370,860</u>
Total Water Utility	<u>2,940,864</u>	<u>708,698</u>
Electric Utility:		
Capital leases:		
Accelplus	<u>16,660,000</u>	<u>1,276,500</u>
Total Electric Utility	<u>16,660,000</u>	<u>1,276,500</u>
Total business-type activities debt	<u>\$ 19,600,864</u>	<u>\$ 1,985,198</u>

CITY OF CRAWFORDSVILLE
EXAMINATION RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The cash balances of the Park and Recreation Title III Fund and the Safer Grant Fund were overdrawn in 2010.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PARK NONREVERTING FUND EXPENDITURES

The Park and Recreation Board established a nonreverting operating fund by Ordinance 38-1973 from which expenditures were made without appropriation in 2010.

Indiana Code 36-10-3-22 (b) states in part: ". . . The unit's fiscal body may establish by ordinance, upon request of the board: (1) a special nonreverting operating fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit's fiscal body . . ."

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)

DISTRIBUTION OF NET REVENUES TO THE VARIOUS FUNDS – ELECTRIC UTILITY

Net revenues from the operations of Accelplus, a division of Crawfordsville Electric Light and Power (CEL&P), were not sufficient to make all payments required by the debt financing. Accelplus operates a telecommunications company providing fiber-optic cable television service and internet communication services to customers within the service territory of CEL&P. The trust agreement required transfers from Accelplus to US Bank, custodian of the Accelplus funds. Transfers made to US Bank in 2010 were \$446,585, compared to the required transfer amount of \$978,660, resulting in a deficiency of \$532,075.

Due to the underfunded debt service requirements in 2010 and 2011, the Utility defaulted on the \$300,000 principal amount and the \$481,910 interest amount due January 1, 2011, and July 1, 2011, respectively. These defaults raise substantial doubt about its ability to continue as a going concern.

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 CRAWFORDSVILLE
EXIT CONFERENCE

The contents of this report were discussed on October 13, 2011, with Ramona McCance, Deputy Clerk-Treasurer, and Charles E. Coons, Mayor. The officials concurred with our findings.