

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, 2011 to December 31, 2011



FILED
06/01/2012

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Teresa P. Glenn Lynda R. Dunbar	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Mayor	Susan V. Murray	01-01-08 to 12-31-15
President of the Board of Public Works	Susan V. Murray	01-01-11 to 12-31-12
President of the Common Council	Adam Cohen	01-01-11 to 12-31-12
Superintendent of Water and Wastewater Utilities	Richard Hedge	01-01-11 to 12-31-12
Water Utility Office Manager	Barbara J. Hathaway	01-01-11 to 12-31-12
Wastewater Utility Office Manager	Madonna A. Gose	01-01-11 to 12-31-12



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

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

INDEPENDENT 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, 2011 to December 31, 2011. 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.

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, 2011, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, 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 others within the entity 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

April 26, 2012

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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, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 827,684	\$ 3,308,982	\$ 3,475,725	\$ 660,941
Motor Vehicle Highway	266,632	717,443	680,760	303,315
Local Road And Street	22,703	37,207	30,942	28,968
Park Nr Basketball	13,468	8,256	10,515	11,209
Economic Development	19,878	-	-	19,878
State Grant	-	41,431	-	41,431
Law Enforcement Education	23,842	3,725	9,300	18,267
Riverboat Rev Fund	277,750	64,402	26,076	316,076
Park And Recreation	181,610	464,858	446,073	200,395
Rainy Day Fund	399,488	297,781	80,389	616,880
Hazmat Fund	343	3	-	346
Tif Allocation	2,909,105	1,244,882	1,291,926	2,862,061
Cci	190,256	70,951	50,944	210,263
Ccd	218,895	179,514	146,368	252,041
Park Non Revert Capital	63,122	20,041	14,000	69,163
Redev Dist Cap Fund	25,558	1,299,142	1,317,575	7,125
Industrial Development	180,543	77,810	57,100	201,253
Ccf	184,133	120,108	30,242	273,999
City Hall N/R	117,303	1,055	850	117,508
Police Pension Fund	91,198	116,262	109,857	97,603
Fire Pension Fund	106,569	137,216	118,187	125,598
OCRA - CFF Downtown Planning Grant	-	56,620	56,620	-
Contractor Escrow	-	9,048	-	9,048
Park Bond Sinking - Int.	19,389	51	19,440	-
Excess Levy	5,521	-	-	5,521
Cemetery	51,120	261,378	212,357	100,141
Donation Fund	90,129	45,237	32,307	103,059
Fema Fire Grant	1	-	-	1
Fire Dept Serv Chg Acct	12,188	111	2,389	9,910
Peg Access Account	1,422	-	-	1,422
Law Enforcement Fund	4,776	43	-	4,819
Local Grants	6,150	98,850	69,015	35,985
Tree Grant	625	6	-	631
Park Non Reverting Operating Softba	34,162	28,779	25,015	37,926
Economic Dev Income Tax	1,479,212	362,726	289,352	1,552,586
General Obligation Bonds	25,172	61,012	86,185	(1)
Community Rec Center	5,411	49	-	5,460
Cemetery Ground Improvement	52,511	36,782	20,486	68,807
Park Culture Rec	1,117	10	-	1,127
Old Mausoleum Fund	7,920	59	2,000	5,979
Payroll Fund	3,091	-	-	3,091
Cemetery Trustee	40,278	363	215	40,426
Trash Fund	287,410	317,721	279,237	325,894
Trash Deposit	17,561	150	-	17,711
Sewer Operating Fund	1,169,354	2,535,408	3,602,121	102,641
Sewage Bond & Interest	668	950,587	826,869	124,386
Sewage Improvement	9,644	1,230,568	-	1,240,212
Sewage Customer Deposit	37,803	226	-	38,029
Sewage Constr Fund	19,136	144	19,279	1
Sewage Debt Service Resv	1,053,983	698	107,368	947,313
Water Operating	1,038,697	1,678,625	2,430,083	287,239
Water Bond And Interest	1,656	439,598	435,669	5,585
Water Meter Deposit	41,835	497	735	41,597
Water Improvement	18,387	811,393	-	829,780
Water Debt Serv Resv	466,159	-	10,000	456,159
Totals	\$ 12,122,568	\$ 17,137,808	\$ 16,423,571	\$ 12,836,805

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, and trash.

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 any 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:

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

CITY OF GREENCASTLE
NOTES TO FINANCIAL STATEMENT
(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 Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

On Behalf Payments

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF GREENCASTLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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 Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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, 2011

	General	Motor Vehicle Highway	Local Road And Street	Park Nr Basketball	Economic Development	State Grant	Law Enforcement Education
Cash and investments - beginning	\$ 827,684	\$ 266,632	\$ 22,703	\$ 13,468	\$ 19,878	\$ -	\$ 23,842
Receipts:							
Taxes	1,883,063	435,599	-	-	-	-	-
Licenses and permits	35,625	1,000	-	-	-	-	-
Intergovernmental	1,203,452	278,281	36,895	-	-	-	-
Charges for services	46,683	-	-	8,174	-	-	3,500
Fines and forfeits	650	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	139,509	2,563	312	82	-	41,431	225
Total receipts	<u>3,308,982</u>	<u>717,443</u>	<u>37,207</u>	<u>8,256</u>	<u>-</u>	<u>41,431</u>	<u>3,725</u>
Disbursements:							
Personal services	2,469,961	375,012	-	5,000	-	-	-
Supplies	129,642	160,081	-	3,215	-	-	-
Other services and charges	669,587	145,295	5,663	2,300	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	5,000	272	25,279	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	201,535	100	-	-	-	-	9,300
Total disbursements	<u>3,475,725</u>	<u>680,760</u>	<u>30,942</u>	<u>10,515</u>	<u>-</u>	<u>-</u>	<u>9,300</u>
Excess (deficiency) of receipts over disbursements	<u>(166,743)</u>	<u>36,683</u>	<u>6,265</u>	<u>(2,259)</u>	<u>-</u>	<u>41,431</u>	<u>(5,575)</u>
Cash and investments - ending	<u>\$ 660,941</u>	<u>\$ 303,315</u>	<u>\$ 28,968</u>	<u>\$ 11,209</u>	<u>\$ 19,878</u>	<u>\$ 41,431</u>	<u>\$ 18,267</u>

CITY OF GREENCASTLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Riverboat Rev Fund	Park And Recreation	Rainy Day Fund	Hazmat Fund	Tif Allocation	Cci	Ccd
Cash and investments - beginning	\$ 277,750	\$ 181,610	\$ 399,488	\$ 343	\$ 2,909,105	\$ 190,256	\$ 218,895
Receipts:							
Taxes	-	216,449	-	-	1,219,158	-	166,202
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	61,829	14,473	-	-	-	28,373	11,113
Charges for services	-	117,566	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,573	116,370	297,781	3	25,724	42,578	2,199
Total receipts	<u>64,402</u>	<u>464,858</u>	<u>297,781</u>	<u>3</u>	<u>1,244,882</u>	<u>70,951</u>	<u>179,514</u>
Disbursements:							
Personal services	-	249,990	54,389	-	-	-	-
Supplies	-	87,421	-	-	-	-	-
Other services and charges	-	98,826	26,000	-	-	-	105,641
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	6,891	-	-	-	50,944	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	26,076	2,945	-	-	1,291,926	-	40,727
Total disbursements	<u>26,076</u>	<u>446,073</u>	<u>80,389</u>	<u>-</u>	<u>1,291,926</u>	<u>50,944</u>	<u>146,368</u>
Excess (deficiency) of receipts over disbursements	<u>38,326</u>	<u>18,785</u>	<u>217,392</u>	<u>3</u>	<u>(47,044)</u>	<u>20,007</u>	<u>33,146</u>
Cash and investments - ending	<u>\$ 316,076</u>	<u>\$ 200,395</u>	<u>\$ 616,880</u>	<u>\$ 346</u>	<u>\$ 2,862,061</u>	<u>\$ 210,263</u>	<u>\$ 252,041</u>

CITY OF GREENCASTLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Park Non Revert Capital	Redev Dist Cap Fund	Industrial Development	Ccf	City Hall N/R	Police Pension Fund	Fire Pension Fund
Cash and investments - beginning	\$ 63,122	\$ 25,558	\$ 180,543	\$ 184,133	\$ 117,303	\$ 91,198	\$ 106,569
Receipts:							
Taxes	-	-	-	110,684	-	7,707	15,414
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	7,478	-	54,215	61,028
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	20,041	1,299,142	77,810	1,946	1,055	54,340	60,774
Total receipts	20,041	1,299,142	77,810	120,108	1,055	116,262	137,216
Disbursements:							
Personal services	-	-	-	-	-	350	350
Supplies	-	-	-	24,930	240	-	-
Other services and charges	14,000	-	-	5,312	610	109,507	117,837
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	1,308,527	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	9,048	57,100	-	-	-	-
Total disbursements	14,000	1,317,575	57,100	30,242	850	109,857	118,187
Excess (deficiency) of receipts over disbursements	6,041	(18,433)	20,710	89,866	205	6,405	19,029
Cash and investments - ending	\$ 69,163	\$ 7,125	\$ 201,253	\$ 273,999	\$ 117,508	\$ 97,603	\$ 125,598

CITY OF GREENCASTLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	OCRA- CFF Downtown Planning Grant	Contractor Escrow	Park Bond Sinking- Int.	Excess Levy	Cemetery	Donation Fund	Fema Fire Grant
Cash and investments - beginning	\$ -	\$ -	\$ 19,389	\$ 5,521	\$ 51,120	\$ 90,129	\$ 1
Receipts:							
Taxes	46,620	-	-	-	96,629	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	6,461	-	-
Charges for services	-	-	-	-	59,830	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	10,000	9,048	51	-	98,458	45,237	-
Total receipts	<u>56,620</u>	<u>9,048</u>	<u>51</u>	<u>-</u>	<u>261,378</u>	<u>45,237</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	178,175	-	-
Supplies	-	-	-	-	16,070	-	-
Other services and charges	-	-	-	-	18,112	5,310	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	56,620	-	19,440	-	-	26,997	-
Total disbursements	<u>56,620</u>	<u>-</u>	<u>19,440</u>	<u>-</u>	<u>212,357</u>	<u>32,307</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>9,048</u>	<u>(19,389)</u>	<u>-</u>	<u>49,021</u>	<u>12,930</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 9,048</u>	<u>\$ -</u>	<u>\$ 5,521</u>	<u>\$ 100,141</u>	<u>\$ 103,059</u>	<u>\$ 1</u>

CITY OF GREENCASTLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Fire Dept Serv Chg Acct	Peg Access Account	Law Enforcement Fund	Local Grants	Tree Grant	Park Non Reverting Operating Softba	Economic Dev Income Tax
Cash and investments - beginning	\$ 12,188	\$ 1,422	\$ 4,776	\$ 6,150	\$ 625	\$ 34,162	\$ 1,479,212
Receipts:							
Taxes	-	-	-	98,850	-	-	328,364
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	28,166	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	111	-	43	-	6	613	34,362
Total receipts	<u>111</u>	<u>-</u>	<u>43</u>	<u>98,850</u>	<u>6</u>	<u>28,779</u>	<u>362,726</u>
Disbursements:							
Personal services	-	-	-	-	-	1,500	-
Supplies	2,389	-	-	40	-	15,562	-
Other services and charges	-	-	-	-	-	7,763	140,080
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	149,272
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	68,975	-	190	-
Total disbursements	<u>2,389</u>	<u>-</u>	<u>-</u>	<u>69,015</u>	<u>-</u>	<u>25,015</u>	<u>289,352</u>
Excess (deficiency) of receipts over disbursements	<u>(2,278)</u>	<u>-</u>	<u>43</u>	<u>29,835</u>	<u>6</u>	<u>3,764</u>	<u>73,374</u>
Cash and investments - ending	<u>\$ 9,910</u>	<u>\$ 1,422</u>	<u>\$ 4,819</u>	<u>\$ 35,985</u>	<u>\$ 631</u>	<u>\$ 37,926</u>	<u>\$ 1,552,586</u>

CITY OF GREENCASTLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	General Obligation Bonds	Community Rec Center	Cemetery Ground Improvement	Park Culture Rec	Old Mausoleum Fund	Payroll Fund	Cemetery Trustee
Cash and investments - beginning	\$ 25,172	\$ 5,411	\$ 52,511	\$ 1,117	\$ 7,920	\$ 3,091	\$ 40,278
Receipts:							
Taxes	1,757	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	117	-	-	-	-	-	-
Charges for services	-	-	16,925	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	59,138	49	19,857	10	59	-	363
Total receipts	<u>61,012</u>	<u>49</u>	<u>36,782</u>	<u>10</u>	<u>59</u>	<u>-</u>	<u>363</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	215
Other services and charges	86,185	-	5,663	-	2,000	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	14,823	-	-	-	-
Total disbursements	<u>86,185</u>	<u>-</u>	<u>20,486</u>	<u>-</u>	<u>2,000</u>	<u>-</u>	<u>215</u>
Excess (deficiency) of receipts over disbursements	<u>(25,173)</u>	<u>49</u>	<u>16,296</u>	<u>10</u>	<u>(1,941)</u>	<u>-</u>	<u>148</u>
Cash and investments - ending	<u>\$ (1)</u>	<u>\$ 5,460</u>	<u>\$ 68,807</u>	<u>\$ 1,127</u>	<u>\$ 5,979</u>	<u>\$ 3,091</u>	<u>\$ 40,426</u>

CITY OF GREENCASTLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Trash Fund	Trash Deposit	Sewer Operating Fund	Sewage Bond & Interest	Sewage Improvement	Sewage Customer Deposit	Sewage Constr Fund
Cash and investments - beginning	\$ 287,410	\$ 17,561	\$ 1,169,354	\$ 668	\$ 9,644	\$ 37,803	\$ 19,136
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	308,638	-	-	-	-	-	-
Fines and forfeits	6,353	-	-	-	-	-	-
Utility fees	-	-	2,525,929	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,730	150	9,479	950,587	1,230,568	226	144
Total receipts	<u>317,721</u>	<u>150</u>	<u>2,535,408</u>	<u>950,587</u>	<u>1,230,568</u>	<u>226</u>	<u>144</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	2,820	-	-	-	-	-	-
Other services and charges	274,520	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	826,869	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	1,257,906	-	-	-	-
Other disbursements	1,897	-	2,344,215	-	-	-	19,279
Total disbursements	<u>279,237</u>	<u>-</u>	<u>3,602,121</u>	<u>826,869</u>	<u>-</u>	<u>-</u>	<u>19,279</u>
Excess (deficiency) of receipts over disbursements	<u>38,484</u>	<u>150</u>	<u>(1,066,713)</u>	<u>123,718</u>	<u>1,230,568</u>	<u>226</u>	<u>(19,135)</u>
Cash and investments - ending	<u>\$ 325,894</u>	<u>\$ 17,711</u>	<u>\$ 102,641</u>	<u>\$ 124,386</u>	<u>\$ 1,240,212</u>	<u>\$ 38,029</u>	<u>\$ 1</u>

CITY OF GREENCASTLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Sewage Debt Service Resv	Water Operating	Water Bond And Interest	Water Meter Deposit	Water Improvement	Water Debt Serv Resv	Totals
Cash and investments - beginning	\$ 1,053,983	\$ 1,038,697	\$ 1,656	\$ 41,835	\$ 18,387	\$ 466,159	\$ 12,122,568
Receipts:							
Taxes	-	-	-	-	-	-	4,626,496
Licenses and permits	-	-	-	-	-	-	36,625
Intergovernmental	-	-	-	-	-	-	1,763,715
Charges for services	-	-	-	-	-	-	589,482
Fines and forfeits	-	-	-	-	-	-	7,003
Utility fees	-	1,647,275	-	-	-	-	4,173,204
Penalties	-	17,728	-	-	-	-	17,728
Other receipts	698	13,622	439,598	497	811,393	-	5,923,555
Total receipts	698	1,678,625	439,598	497	811,393	-	17,137,808
Disbursements:							
Personal services	-	-	-	-	-	-	3,334,727
Supplies	-	-	-	-	-	-	442,625
Other services and charges	-	-	-	-	-	-	1,840,211
Debt service - principal and interest	-	-	435,669	-	-	-	1,262,538
Capital outlay	-	-	-	-	-	-	1,546,185
Utility operating expenses	-	1,100,266	-	-	-	-	2,358,172
Other disbursements	107,368	1,329,817	-	735	-	10,000	5,639,113
Total disbursements	107,368	2,430,083	435,669	735	-	10,000	16,423,571
Excess (deficiency) of receipts over disbursements	(106,670)	(751,458)	3,929	(238)	811,393	(10,000)	714,237
Cash and investments - ending	\$ 947,313	\$ 287,239	\$ 5,585	\$ 41,597	\$ 829,780	\$ 456,159	\$ 12,836,805

CITY OF GREENCASTLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 12,257	\$ -
Trash	-	30,994
Wastewater	15,011	177,532
Water	<u>24,871</u>	<u>131,614</u>
Totals	<u>\$ 52,139</u>	<u>\$ 340,140</u>

CITY OF GREENCASTLE
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Purchase Police Station	\$ 605,000	\$ 88,135
Revenue bonds	Purchase City Hall	<u>340,000</u>	<u>49,006</u>
Total governmental activities		<u>945,000</u>	<u>1,082,141</u>
Wastewater:			
Revenue bonds	New Waste Water Treatment Plant	7,775,000	798,940
Revenue bonds	Wastewater Improvement	<u>1,025,000</u>	<u>147,295</u>
Total Wastewater		<u>8,800,000</u>	<u>9,746,235</u>
Water:			
Revenue bonds	Water Utilities Improvements	<u>3,255,000</u>	<u>438,696</u>
Totals		<u>\$ 13,000,000</u>	<u>\$ 1,522,072</u>

CITY OF GREENCASTLE
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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.

	Ending Balance
Governmental activities:	
Infrastructure	\$ 2,437,842
Buildings	9,332,509
Improvements other than buildings	1,086,132
Machinery, equipment and vehicles	9,988,739
Total governmental activities	22,845,222
Wastewater:	
Buildings	16,454,950
Improvements other than buildings	61,868
Machinery, equipment and vehicles	4,096,420
Total Wastewater	20,613,238
Water:	
Buildings	6,715,742
Improvements other than buildings	77,461
Machinery, equipment and vehicles	3,239,141
Total Water	10,032,344
Total capital assets	\$ 53,490,804

CITY OF GREENCASTLE
EXAMINATION RESULTS AND COMMENTS

MEETING MINUTES SIGNATURES (Applies to City)

The Common Council meeting minutes presented for examination did not include minutes for September 13, 2011, and September 27, 2011. These minutes were available to view on the City's website; however, there were no signatures of the proper officials and attested to by the Clerk-Treasurer.

In addition, the Board of Works meeting minutes for November 16, 2011, were not presented for examination. The minutes for this meeting were found on the City's website without signatures of the proper officials. Minutes presented for examination indicate that not all meetings were approved.

This department does not prescribe a Minute Record. However, this is one of the most important records that will be kept by the Clerk-Treasurer. All official action taken by the board at regular or special meetings together with ordinances passed should be entered in the Minute Record. This record should be kept current and we recommend that all minutes be signed by the proper official and attested to by the Clerk-Treasurer. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

PENALTIES, INTEREST, AND OTHER CHARGES (Applies to City)

Records presented for examination show the City submitted Form 941 tax return late for tax periods ending March 31, June 30, and September 30, 2011. In addition, the Internal Revenue Service has notified the City that required filings were not submitted as required. As of April 26, 2012, the City has yet to receive notice that any penalties, interest, and or other charges have been assessed.

An examination of credit card statements shows late payment charges being assessed in 2011. These charges were not paid by the City.

Officials and employees have the duty to pay claims and remit taxes in a timely fashion. Failure to pay claims or remit taxes in a timely manner could be an indicator of serious financial problems which should be investigated by the governmental unit.

Additionally, officials and employees have a responsibility to perform duties in a manner which would not result in any unreasonable fees being assessed against the governmental unit.

Any penalties, interest or other charges paid by the governmental unit may be the personal obligation of the responsible official or employee.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

UNAPPROVED TRANSFERS (Applies to City)

The City transferred Certified Tax Shares in the amount of \$149,010 from the General Fund to the Cemetery Fund and \$102,129 from the General Fund to the Park and Recreation Fund without approval.

When proposing transfers from one department or office to another, in addition to an ordinance of the town council or common council authorizing such transfer, advertising to the taxpayers is required. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CITY OF GREENCASTLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND (Applies to City and Utilities)

The following official bond for 2011 was filed in the office of the County Recorder for \$8,600 instead of the required \$15,000:

Deann Rooker, Bookkeeper

On April 22, 2012, the amount of this bond was increased to \$15,000.

The Greencastle Water and Wastewater Utility Position Bonds were filed in the office of the County Recorder for \$8,500 instead of the required \$15,000.

Indiana Code 5-4-1-18(c) (2) states in part: ". . . The amount of the bond of any other person required to file an individual bond shall be fixed by the fiscal body of the unit at not less than fifteen thousand dollars (\$15,000)."

NOTE: All employees who handle cash should be covered by some type of bond or crime insurance policy. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CREDIT CARDS (Applies to City)

Payments were made for credit card purchases without supporting documentation presented for examination. In addition, personal items were charged to the credit cards and paid for by the employee.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the board.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.

CITY OF GREENCASTLE
EXAMINATION RESULTS AND COMMENTS
(Continued)

7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SERVICE RECORD (Applies to City)

Service records presented for examination show that a City employee was allowed to carry over a negative balance of 4 days vacation leave on January 1, 2011. During 2011, this employee was eligible for 10 vacation days which were applied to the service record in the employment anniversary month. An additional 10 vacation days were applied to the service record which was not in compliance with the Employee Personnel Policy. Time records indicate that 15 days were actually taken during 2011. The actual balance of the employee's vacation leave is negative 9 days at December 31, 2011.

On March 21, 2012, an agreement was signed between the City and employee to rectify this matter.

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)

APPROPRIATIONS (Applies to City)

The records presented for examination indicated the following expenditures in excess of budgeted appropriations:

Fund	Year	Excess Amount Expended
General Fund	2011	\$ 106,161
General Obligation Bonds Fund	2011	349
Fire Pension Fund	2011	18,329
Police Pension Fund	2011	30,669

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

CITY OF GREENCASTLE
EXIT CONFERENCE

The contents of this report were discussed on April 26, 2012, with Lynda R. Dunbar, Clerk-Treasurer; Susan V. Murray, Mayor; and Adam Cohen, President of the Common Council. The officials concurred with our findings.

The contents of this report were discussed on April 26, 2012, with Teresa P. Glenn, former Clerk-Treasurer.