

B40537

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF CROWN POINT
LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
06/22/2012

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards	5-6
Financial Statement: Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	8-9
Notes to Financial Statement.....	10-15
Supplementary Information: Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	18-30
Schedule of Payables and Receivables	31
Schedule of Leases and Debt	32
Schedule of Capital Assets.....	33
Other Report	34
Audit Result and Comment: Utility Billings.....	35
Supplemental Audit of Federal Awards: Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	38-39
Schedule of Expenditures of Federal Awards	42
Note to Schedule of Expenditures of Federal Awards.....	43
Schedule of Findings and Questioned Costs	44
Auditee Prepared Schedule: Summary Schedule of Prior Audit Findings	45
Exit Conference.....	46
Official Response	47-48

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patti Olson	01-01-08 to 12-31-15
Mayor	David D. F. Uran	01-01-08 to 12-31-15
City Judge	Kent A. Jeffirs	01-01-08 to 12-31-15
President of the Board of Public Works and Safety	David D. F. Uran	01-01-11 to 12-31-12
President of the Common Council	Carol Drasga Andrew Kyres	01-01-11 to 12-31-11 01-01-12 to 12-31-12
Superintendent of Utilities	Kent Swinehart	01-01-11 to 12-31-12
Director of Public Works	Jay Olson	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF CROWN POINT, LAKE COUNTY, INDIANA

We have audited the accompanying financial statement of the City of Crown Point (City), for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

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.

In accordance with Government Auditing Standards, we have also issued a report dated May 2, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. 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 are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

The City's response to the Audit Result and Comment identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 2, 2012



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF CROWN POINT, LAKE COUNTY, INDIANA

We have audited the financial statement of the City of Crown Point (City), for the year ended December 31, 2011, and have issued our report thereon dated May 2, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

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

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 2, 2012

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 CROWN POINT
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 FUND	\$ 337,228	\$ 24,842,369	\$ 23,095,106	\$ 2,084,491
MOTOR VEHICLE	351,083	3,478,040	3,155,507	673,616
LOCAL ROAD & STREET	26,966	430,238	395,039	62,165
NON REV. PARK FUND	247,205	184,268	269,882	161,591
LOCAL LAW ENF. CONT. EDUC	38,873	23,368	17,315	44,926
DEFERRAL PROGRAM FUND	104,281	45,528	51,029	98,780
RIVERBOAT ADM. TAX FUND	568,817	236,422	564,848	240,391
USER FEE FUND	-	48,012	48,012	-
ESCROW-EXCESS LEVY FD	26,328	-	26,328	-
MAJOR MOVES CONST. FUND	136,117	-	129,004	7,113
PUB.SAFETY-EXCESS WELFARE	177,178	-	19,458	157,720
CREDIT CARD FEES	406	5,481	5,862	25
CUMULATIVE CAPITAL DEV.	294,311	1,186,273	364,582	1,116,002
CP REDEV BOND CAPITAL FD	177,791	1,149,750	1,230,522	97,019
CUM. CAP II (RATE-EMS)	119,431	102,114	1,294	220,251
CUMULATIVE FIRE	17,207	88,872	54,502	51,577
GENERAL IMPROVEMENT FD.	17,392	10,758	13,014	15,136
CUMULATIVE CAPITAL IMP.	126,644	94,334	69,013	151,965
POLICE PENSION	824,148	383,991	468,327	739,812
FIRE PENSION	237,064	68,534	68,264	237,334
COURT SUPPLEMENTAL CTAR-1	355,295	652,637	797,046	210,886
CUMULATIVE SEWER	1,853,289	325,000	1,753,137	425,152
PUBLIC WORKS DONATION FD	-	200	-	200
LAW ENF. LIAISON GRANT	209	-	209	-
NON-REV-ECONOMIC DEV.	42,738	5,600	30,000	18,338
CP REDEV DEBT SERV RES	333,631	260,644	260,644	333,631
ST ANTHONY TIF BOND FUND	97,107	3,730	-	100,837
911 EQUIPMENT FUND	30,095	17,746	47,402	439
LEASE RENTAL ES BLDING.	-	96,111	59,987	36,124
BARRETT LAW	38,374	-	-	38,374
TOURISM FUND	4,190	-	3,505	685
G O BOND DEBT SERVICE	-	230,573	209,679	20,894
C. P. REDEVELOPMENT FUND	655,819	3,176,498	2,737,640	1,094,677
FIREFIGHTER'S GRANT FUND	5,672	44,066	47,386	2,352
RECYCLING & SOLID WASTE	355,878	181,040	358,786	178,132
G.O. BOND PROCEEDS FUND	1,955,265	49,147	1,458,680	545,732
SPORTSPLEX DEV & CONSTR	-	803,350	802,311	1,039
PYWH-PERF	40,605	142,921	145,421	38,105
SAUERMAN WOODS RES. DONA.	1,250	-	-	1,250
PYWH-VOLUNTARY PERF DED.	3,534	5,036	7,754	816
PYWH-SPECIAL INSURANCE	95	-	-	95
MISC. REFUNDS ESCROW	460	7,148	7,438	170
PYWH-FIRE PENSION II	18,092	76,407	73,531	20,968
HIGH MEADOWS ESCROW FUND	17,246	-	1,738	15,508
NON-REV. SPEC. EVENTS FD.	8,051	29,103	23,014	14,140
STATE INCOME TAX	43,102	333,887	336,299	40,690
POL. PEN - IND. GROSS	1,231	17,449	17,226	1,454
SENIOR DISC (HIDTA) FUND	8,699	195,000	93,471	110,228
DON-C.P. BEAUTIFICATION	2,926	-	-	2,926
FIRE PEN. - IND. GROSS	193	2,321	2,321	193
PYWH-POLICE PENSION II	29,425	116,882	116,063	30,244
ADULT PROBATION SERV. FD.	70,954	36,951	28,725	79,180
DOG SUPPLY/MAINT DONATION	1,380	1,550	950	1,980
ESCROW-EDC	1,489	-	-	1,489

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

CITY OF CROWN POINT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
PYWH-COL. LIFE & ACCIDENT	371	276	276	371
GREENVIEW RECOVERY AGREE.	9,600	-	-	9,600
CEMETERY NON-REV. FUND	41,791	8,375	17,652	32,514
PYWH-MUNICIPAL INS.	487	372	361	498
PARKS/PLAYGROUNDS ESCROW	42,800	-	-	42,800
MISC. SALES TAX	242	7,431	7,673	-
COUNTY COURT COSTS ESC.	911	26,309	20,819	6,401
PRINC & INTEREST-TIF BOND	-	389,994	66,416	323,578
NON-REV VEH/EQUIP PURCH	186,027	109,489	179,025	116,491
COURT RECORD PERPETUATION	83,923	10,581	65,671	28,833
PREPAID LEGAL ESCROW	407	2,105	2,355	157
NON REV. PARK GIFT FUND	1,889	500	-	2,389
DARE FUND DONATIONS	17,599	29,604	20,572	26,631
FIRE DEPT. DONATIONS	3,592	32,782	31,066	5,308
NON REV. POLICE FED SEIZ.	13,531	42,794	23,769	32,556
MAYOR'S ROUNDTABLE ESCROW	1	-	-	1
POLICE DONATIONS ESCROW	16,397	6,656	12,397	10,656
NON REV POL. STATE SEIZ.	15	866	865	16
GREAT PROGRAM DONATIONS	-	-	-	-
NON REV. HAZ MATERIALS	8,743	-	990	7,753
TANK IMP. ESCROW	144	-	-	144
PYWH-VISION INS.	1,734	9,425	9,413	1,746
PYWH-AFLAC	7,948	77,286	76,736	8,498
PYWH-AMER. BANKERS INS.	158	-	-	158
UNUM/CIGNA VOL INS ESCROW	1,691	15,920	15,594	2,017
EMP/RETIREE NON-REV INS.	217,228	2,727,707	2,929,030	15,905
CIVIL DEFENSE DONATIONS	20,989	5,703	7,816	18,876
L.C.DRUG FREE ALLIANCE GR	1,110	-	1,110	-
4TH FRIDAY ARTS GRANT	2,477	3,284	2,439	3,322
LAKE CO. HIDTA PROGRAM	15,779	3,094,755	3,096,544	13,990
ESCROW-PERPET.BLDG.IMP.FD	189,620	72,950	88,500	174,070
GRANT-L.C.DRUNK DRIV.TASK	186	-	-	186
HOMESTEAD RESTOR. DON.	100	-	-	100
CASH - STORMWATER O & M	344,709	1,261,875	1,123,064	483,520
CASH-STORMWATER DEBT SER	-	238,020	238,020	-
CASH-O & M FUND	637,357	6,809,157	6,846,514	600,000
CASH-IMPROVE OTHER FUND	628,422	1,839,140	839,907	1,627,655
CASH ON HAND-PETTY CASH	800	-	-	800
CASH-B & I SINKING FUND	-	1,059,589	1,059,589	-
CASH-IMPROVE REPLACE FND	352	-	-	352
CASH-DEBT SERV RES ACCT	1,287,245	506,854	500,000	1,294,099
CASH-UTILITY CONSTR ACCT	3,100,386	553,051	3,294,178	359,259
CASH-O & M FUND	602,738	14,245,757	14,122,495	726,000
CASH-HYDRANT DEPOSITS	2,178	1,000	1,015	2,163
CASH-DEPREC/IMPROVEMT FD	3,060,357	8,443,665	5,000,000	6,504,022
CASH-NEW CONS DEPOSITS	23,502	550	1,585	22,467
CASH ON HAND-PETTY CASH	600	-	-	600
CASH-B & I SINKING FUND	317,769	692,988	692,639	318,118
CASH-2007 WTR CONST FUND	67	-	-	67
Totals	\$ 20,698,736	\$ 81,516,159	\$ 79,863,366	\$ 22,351,529

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

CITY OF CROWN POINT
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.

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 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 non-businesses 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.

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

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

Penalties which include fees received for late payments.

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 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.

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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

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

Funding Policy and Annual Pension Cost

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

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

(This page intentionally left blank.)

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 audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor'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 CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	GENERAL FUND	MOTOR VEHICLE	LOCAL ROAD & STREET	NON REV. PARK FUND	LOCAL LAW ENF. CONT. EDUC	DEFERRAL PROGRAM FUND	RIVERBOAT ADM. TAX FUND	USER FEE FUND
Cash and investments - beginning	\$ 337,228	\$ 351,083	\$ 26,966	\$ 247,205	\$ 38,873	\$ 104,281	\$ 568,817	\$ -
Receipts:								
Taxes	13,825,413	1,843,191	-	-	-	-	-	-
Licenses and permits	649,948	-	-	-	-	-	-	-
Intergovernmental	280,860	559,529	228,942	-	-	-	236,422	-
Charges for services	2,635,444	2,802	-	184,268	-	-	-	-
Fines and forfeits	89,008	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	7,361,696	1,072,518	201,296	-	23,368	45,528	-	48,012
Total receipts	24,842,369	3,478,040	430,238	184,268	23,368	45,528	236,422	48,012
Disbursements:								
Personal services	6,828,999	992,736	-	29,599	-	-	-	-
Supplies	333,448	400,738	-	37,430	7,275	3,154	-	-
Other services and charges	3,295,453	183,261	395,039	79,139	9,990	3,227	564,848	-
Debt service - principal and interest	30,701	-	-	-	-	-	-	-
Capital outlay	220,131	124,312	-	109,590	-	20,648	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	12,386,374	1,454,460	-	14,124	50	24,000	-	48,012
Total disbursements	23,095,106	3,155,507	395,039	269,882	17,315	51,029	564,848	48,012
Excess (deficiency) of receipts over disbursements	1,747,263	322,533	35,199	(85,614)	6,053	(5,501)	(328,426)	-
Cash and investments - ending	\$ 2,084,491	\$ 673,616	\$ 62,165	\$ 161,591	\$ 44,926	\$ 98,780	\$ 240,391	\$ -

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

	ESCROW- EXCESS LEVY FD	MAJOR MOVES CONST. FUND	PUB.SAFETY- EXCESS WELFARE	CREDIT CARD FEES	CUMULATIVE CAPITAL DEV.	CP REDEV BOND CAPITAL FD	CUM. CAP II (RATE-EMS)	CUMULATIVE FIRE
Cash and investments - beginning	\$ 26,328	\$ 136,117	\$ 177,178	\$ 406	\$ 294,311	\$ 177,791	\$ 119,431	\$ 17,207
Receipts:								
Taxes	-	-	-	-	1,084,635	-	42,489	88,383
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	5,290	-	238	489
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	5,481	96,348	1,149,750	59,387	-
Total receipts	-	-	-	5,481	1,186,273	1,149,750	102,114	88,872
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	129,004	-	-	364,582	1,230,522	-	49,079
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	120	-	-	-	1,294	5,423
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	26,328	-	19,338	5,862	-	-	-	-
Total disbursements	26,328	129,004	19,458	5,862	364,582	1,230,522	1,294	54,502
Excess (deficiency) of receipts over disbursements	(26,328)	(129,004)	(19,458)	(381)	821,691	(80,772)	100,820	34,370
Cash and investments - ending	\$ -	\$ 7,113	\$ 157,720	\$ 25	\$ 1,116,002	\$ 97,019	\$ 220,251	\$ 51,577

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

	GENERAL IMPROVEMENT FD.	CUMULATIVE CAPITAL IMP.	POLICE PENSION	FIRE PENSION	COURT SUPPLEMENTAL CTAR-1	CUMULATIVE SEWER	PUBLIC WORKS DONATION FD	LAW ENF. LIAISON GRANT
Cash and investments - beginning	\$ 17,392	\$ 126,644	\$ 824,148	\$ 237,064	\$ 355,295	\$ 1,853,289	\$ -	\$ 209
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	56,878	380,865	68,534	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	652,637	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	10,758	37,456	3,126	-	-	325,000	200	-
Total receipts	10,758	94,334	383,991	68,534	652,637	325,000	200	-
Disbursements:								
Personal services	-	-	350	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	69,013	467,977	68,264	-	1,428,137	-	209
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	13,014	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	797,046	325,000	-	-
Total disbursements	13,014	69,013	468,327	68,264	797,046	1,753,137	-	209
Excess (deficiency) of receipts over disbursements	(2,256)	25,321	(84,336)	270	(144,409)	(1,428,137)	200	(209)
Cash and investments - ending	\$ 15,136	\$ 151,965	\$ 739,812	\$ 237,334	\$ 210,886	\$ 425,152	\$ 200	\$ -

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

	NON-REV- ECONOMIC DEV.	CP REDEV DEBT SERV RES	ST ANTHONY TIF BOND FUND	911 EQUIPMENT FUND	LEASE RENTAL ES BLDING.	BARRETT LAW	TOURISM FUND	G O BOND DEBT SERVICE
Cash and investments - beginning	\$ 42,738	\$ 333,631	\$ 97,107	\$ 30,095	\$ -	\$ 38,374	\$ 4,190	\$ -
Receipts:								
Taxes	-	-	3,730	-	45,798	-	-	228,470
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	2,103
Charges for services	-	-	-	17,746	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	5,600	260,644	-	-	50,313	-	-	-
Total receipts	5,600	260,644	3,730	17,746	96,111	-	-	230,573
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	30,000	260,644	-	-	59,987	-	3,505	209,679
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	47,402	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	30,000	260,644	-	47,402	59,987	-	3,505	209,679
Excess (deficiency) of receipts over disbursements	(24,400)	-	3,730	(29,656)	36,124	-	(3,505)	20,894
Cash and investments - ending	\$ 18,338	\$ 333,631	\$ 100,837	\$ 439	\$ 36,124	\$ 38,374	\$ 685	\$ 20,894

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

	C. P. REDEVELOPMENT FUND	FIREFIGHTER'S GRANT FUND	RECYCLING & SOLID WASTE	G.O. BOND PROCEEDS FUND	SPORTSPLEX DEV & CONSTR	PYWH-PERF	SAUERMAN WOODS RES. DONA.	PYWH- VOLUNTARY PERF DED.
Cash and investments - beginning	\$ 655,819	\$ 5,672	\$ 355,878	\$ 1,955,265	\$ -	\$ 40,605	\$ 1,250	\$ 3,534
Receipts:								
Taxes	1,786,368	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	41,837	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	1,390,130	2,229	181,040	49,147	803,350	142,921	-	5,036
Total receipts	<u>3,176,498</u>	<u>44,066</u>	<u>181,040</u>	<u>49,147</u>	<u>803,350</u>	<u>142,921</u>	<u>-</u>	<u>5,036</u>
Disbursements:								
Personal services	-	900	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	937,252	-	355,786	1,458,680	802,311	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	46,486	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	1,800,388	-	3,000	-	-	145,421	-	7,754
Total disbursements	<u>2,737,640</u>	<u>47,386</u>	<u>358,786</u>	<u>1,458,680</u>	<u>802,311</u>	<u>145,421</u>	<u>-</u>	<u>7,754</u>
Excess (deficiency) of receipts over disbursements	<u>438,858</u>	<u>(3,320)</u>	<u>(177,746)</u>	<u>(1,409,533)</u>	<u>1,039</u>	<u>(2,500)</u>	<u>-</u>	<u>(2,718)</u>
Cash and investments - ending	<u>\$ 1,094,677</u>	<u>\$ 2,352</u>	<u>\$ 178,132</u>	<u>\$ 545,732</u>	<u>\$ 1,039</u>	<u>\$ 38,105</u>	<u>\$ 1,250</u>	<u>\$ 816</u>

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

	PYWH- SPECIAL INSURANCE	MISC. REFUNDS ESCROW	PYWH-FIRE PENSION II	HIGH MEADOWS ESCROW FUND	NON-REV. SPEC. EVENTS FD.	STATE INCOME TAX	POL. PEN - IND. GROSS	SENIOR DISC (HIDTA) FUND
Cash and investments - beginning	\$ 95	\$ 460	\$ 18,092	\$ 17,246	\$ 8,051	\$ 43,102	\$ 1,231	\$ 8,699
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	29,103	-	-	100,000
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	7,148	76,407	-	-	333,887	17,449	95,000
Total receipts	-	7,148	76,407	-	29,103	333,887	17,449	195,000
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	7,438	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	73,531	1,738	23,014	336,299	17,226	93,471
Total disbursements	-	7,438	73,531	1,738	23,014	336,299	17,226	93,471
Excess (deficiency) of receipts over disbursements	-	(290)	2,876	(1,738)	6,089	(2,412)	223	101,529
Cash and investments - ending	\$ 95	\$ 170	\$ 20,968	\$ 15,508	\$ 14,140	\$ 40,690	\$ 1,454	\$ 110,228

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

	DON-C.P. BEAUTIFICATION	FIRE PEN. - IND. GROSS	PYWH-POLICE PENSION II	ADULT PROBATION SERV. FD.	DOG SUPPLY/MAINT DONATION	ESCROW-EDC	PYWH-COL. LIFE & ACCIDENT	GREENVIEW RECOVERY AGREE.
Cash and investments - beginning	\$ 2,926	\$ 193	\$ 29,425	\$ 70,954	\$ 1,380	\$ 1,489	\$ 371	\$ 9,600
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	2,321	116,882	36,951	1,550	-	276	-
Total receipts	-	2,321	116,882	36,951	1,550	-	276	-
Disbursements:								
Personal services	-	-	-	21,388	-	-	-	-
Supplies	-	-	-	4,388	-	-	-	-
Other services and charges	-	2,321	116,063	2,949	950	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	276	-
Total disbursements	-	2,321	116,063	28,725	950	-	276	-
Excess (deficiency) of receipts over disbursements	-	-	819	8,226	600	-	-	-
Cash and investments - ending	\$ 2,926	\$ 193	\$ 30,244	\$ 79,180	\$ 1,980	\$ 1,489	\$ 371	\$ 9,600

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

	CEMETERY NON-REV. FUND	PYWH- MUNICIPAL INS.	PARKS/PLAYGROUNDS ESCROW	MISC. SALES TAX	COUNTY COURT COSTS ESC.	PRINC & INTEREST-TIF BOND	NON-REV VEH/EQUIP PURCH	COURT RECORD PERPETUATION
Cash and investments - beginning	\$ 41,791	\$ 487	\$ 42,800	\$ 242	\$ 911	\$ -	\$ 186,027	\$ 83,923
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	8,375	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	26,309	-	-	10,581
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	372	-	7,431	-	389,994	109,489	-
Total receipts	8,375	372	-	7,431	26,309	389,994	109,489	10,581
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	17,652	-	-	-	-	-	73,350	-
Debt service - principal and interest	-	-	-	-	-	66,416	-	-
Capital outlay	-	-	-	-	-	-	105,675	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	361	-	7,673	20,819	-	-	65,671
Total disbursements	17,652	361	-	7,673	20,819	66,416	179,025	65,671
Excess (deficiency) of receipts over disbursements	(9,277)	11	-	(242)	5,490	323,578	(69,536)	(55,090)
Cash and investments - ending	\$ 32,514	\$ 498	\$ 42,800	\$ -	\$ 6,401	\$ 323,578	\$ 116,491	\$ 28,833

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

	PREPAID LEGAL ESCROW	NON REV. PARK GIFT FUND	DARE FUND DONATIONS	FIRE DEPT. DONATIONS	NON REV. POLICE FED SEIZ.	MAYOR'S ROUNDTABLE ESCROW	POLICE DONATIONS ESCROW	NON REV. POL. STATE SEIZ.
Cash and investments - beginning	\$ 407	\$ 1,889	\$ 17,599	\$ 3,592	\$ 13,531	\$ 1	\$ 16,397	\$ 15
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	42,676	-	-	866
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	2,105	500	29,604	32,782	118	-	6,656	-
Total receipts	2,105	500	29,604	32,782	42,794	-	6,656	866
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	2,355	-	20,572	31,066	23,769	-	12,397	865
Total disbursements	2,355	-	20,572	31,066	23,769	-	12,397	865
Excess (deficiency) of receipts over disbursements	(250)	500	9,032	1,716	19,025	-	(5,741)	1
Cash and investments - ending	\$ 157	\$ 2,389	\$ 26,631	\$ 5,308	\$ 32,556	\$ 1	\$ 10,656	\$ 16

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

	GREAT PROGRAM DONATIONS	NON REV. HAZ MATERIALS	TANK IMP. ESCROW	PYWH-VISION INS.	PYWH-AFLAC	PYWH-AMER. BANKERS INS.	UNUM/CIGNA VOL INS ESCROW	EMP/RETIREE NON-REV INS.
Cash and investments - beginning	\$ -	\$ 8,743	\$ 144	\$ 1,734	\$ 7,948	\$ 158	\$ 1,691	\$ 217,228
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	9,425	77,286	-	15,920	2,727,707
Total receipts	-	-	-	9,425	77,286	-	15,920	2,727,707
Disbursements:								
Personal services	-	-	-	-	-	-	-	2,929,030
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	990	-	9,413	76,736	-	15,594	-
Total disbursements	-	990	-	9,413	76,736	-	15,594	2,929,030
Excess (deficiency) of receipts over disbursements	-	(990)	-	12	550	-	326	(201,323)
Cash and investments - ending	\$ -	\$ 7,753	\$ 144	\$ 1,746	\$ 8,498	\$ 158	\$ 2,017	\$ 15,905

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

	CIVIL DEFENSE DONATIONS	L.C.DRUG FREE ALLIANCE GR	4TH FRIDAY ARTS GRANT	LAKE CO. HIDTA PROGRAM	ESCROW- PERPET. BLDG.IMP.FD	GRANT- LC DRUNK DRIV.TASK	HOMESTEAD RESTOR. DON.	CASH - STORMWATER O & M
Cash and investments - beginning	\$ 20,989	\$ 1,110	\$ 2,477	\$ 15,779	\$ 189,620	\$ 186	\$ 100	\$ 344,709
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	3,284	3,094,679	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	717,095
Penalties	-	-	-	-	-	-	-	11,193
Other receipts	5,703	-	-	76	72,950	-	-	533,587
Total receipts	5,703	-	3,284	3,094,755	72,950	-	-	1,261,875
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	18,191
Utility operating expenses	-	-	-	-	-	-	-	752,686
Other disbursements	7,816	1,110	2,439	3,096,544	88,500	-	-	352,187
Total disbursements	7,816	1,110	2,439	3,096,544	88,500	-	-	1,123,064
Excess (deficiency) of receipts over disbursements	(2,113)	(1,110)	845	(1,789)	(15,550)	-	-	138,811
Cash and investments - ending	\$ 18,876	\$ -	\$ 3,322	\$ 13,990	\$ 174,070	\$ 186	\$ 100	\$ 483,520

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

	CASH- STORMWATER DEBT SER	CASH- O & M FUND	CASH-IMPROVE OTHER FUND	CASH ON HAND-PETTY CASH	CASH-B & I SINKING FUND	CASH-IMPROVE REPLACE FND	CASH-DEBT SERV RES ACCT	CASH-UTILITY CONSTR ACCT
Cash and investments - beginning	\$ -	\$ 637,357	\$ 628,422	\$ 800	\$ -	\$ 352	\$ 1,287,245	\$ 3,100,386
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	5,499,567	-	-	-	-	-	-
Penalties	-	81,247	-	-	-	-	-	-
Other receipts	238,020	1,228,343	1,839,140	-	1,059,589	-	506,854	553,051
Total receipts	238,020	6,809,157	1,839,140	-	1,059,589	-	506,854	553,051
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	238,020	-	-	-	1,059,589	-	-	-
Capital outlay	-	120,636	114,016	-	-	-	-	2,203,541
Utility operating expenses	-	2,746,014	-	-	-	-	-	-
Other disbursements	-	3,979,864	725,891	-	-	-	500,000	1,090,637
Total disbursements	238,020	6,846,514	839,907	-	1,059,589	-	500,000	3,294,178
Excess (deficiency) of receipts over disbursements	-	(37,357)	999,233	-	-	-	6,854	(2,741,127)
Cash and investments - ending	\$ -	\$ 600,000	\$ 1,627,655	\$ 800	\$ -	\$ 352	\$ 1,294,099	\$ 359,259

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

	CASH-O & M FUND	CASH-HYDRANT DEPOSITS	CASH DEPREC/IMPROVEMT FD	CASH-NEW CONS DEPOSITS	CASH ON HAND-PETTY CASH	CASH-B & I SINKING FUND	CASH-2007 WTR CONST FUND	Totals
Cash and investments - beginning	\$ 602,738	\$ 2,178	\$ 3,060,357	\$ 23,502	\$ 600	\$ 317,769	\$ 67	\$ 20,698,736
Receipts:								
Taxes	391,961	-	-	-	-	-	-	19,340,438
Licenses and permits	-	-	-	-	-	-	-	649,948
Intergovernmental	-	-	-	-	-	-	-	4,959,950
Charges for services	-	-	-	-	-	-	-	3,021,280
Fines and forfeits	-	-	-	-	-	-	-	778,535
Utility fees	6,808,712	-	-	-	-	-	-	13,025,374
Penalties	37,711	-	-	-	-	-	-	130,151
Other receipts	7,007,373	1,000	8,443,665	550	-	692,988	-	39,610,483
Total receipts	14,245,757	1,000	8,443,665	550	-	692,988	-	81,516,159
Disbursements:								
Personal services	-	-	-	-	-	-	-	10,803,002
Supplies	-	-	-	-	-	-	-	786,433
Other services and charges	-	-	-	-	-	-	-	12,676,311
Debt service - principal and interest	-	-	-	-	-	692,639	-	2,087,365
Capital outlay	41,470	-	-	-	-	-	-	3,191,949
Utility operating expenses	4,095,332	-	-	-	-	-	-	7,594,032
Other disbursements	9,985,693	1,015	5,000,000	1,585	-	-	-	42,724,274
Total disbursements	14,122,495	1,015	5,000,000	1,585	-	692,639	-	79,863,366
Excess (deficiency) of receipts over disbursements	123,262	(15)	3,443,665	(1,035)	-	349	-	1,652,793
Cash and investments - ending	\$ 726,000	\$ 2,163	\$ 6,504,022	\$ 22,467	\$ 600	\$ 318,118	\$ 67	\$ 22,351,529

CITY OF CROWN POINT
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 384,198	\$ 1,070,846
Storm Water	300	110,388
Wastewater	56,778	490,620
Water	<u>170,301</u>	<u>560,653</u>
Totals	<u>\$ 611,577</u>	<u>\$ 2,232,507</u>

CITY OF CROWN POINT
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Fifth Third Bank	911 Lease - Equipment	\$ 35,492	12-01-08	06-01-15
Regions Bank	Ambulance Equipment Lease 067	<u>73,799</u>	03-06-09	03-06-13
Total governmental activities		<u>109,291</u>		
Wastewater:				
Regions Bank	Sewer Vactor Lease	<u>61,927</u>	05-14-09	05-14-14
Total of annual lease payments		<u>\$ 171,218</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2010 G.O Bond-Building and Land Improvements	\$ 1,840,000	\$ 235,095
General obligation bonds	2008 Gen Obligation Bond-Road Improvements	1,490,000	166,796
Revenue bonds	2007 TIF Redevelopment Bond-Property Purchase	2,985,000	323,494
Notes and loans payable	Fire Truck Loan-2007 \$218,000	<u>47,445</u>	<u>49,099</u>
Total governmental activities		<u>6,362,445</u>	<u>774,484</u>
Storm Water:			
Revenue bonds	2010 Sewage Works Revenue Bond-Sewage & Stormwater Improvements	<u>3,280,000</u>	<u>240,620</u>
Wastewater:			
Revenue bonds	2006 Sewage Works Revenue Bond-Sewage Constr and Improvements	3,095,000	268,800
Revenue bonds	1994 SRF Loan Payable-Wastewater Plant Improvements	2,850,000	774,750
Lines of credit	2011 SRF Loan/Line of Credit-Wastewater & Stormwater Improvements	<u>1,850,000</u>	<u>129,301</u>
Total Wastewater		<u>7,795,000</u>	<u>1,172,851</u>
Water:			
Revenue bonds	2007 Waterworks Revenue Bond-Refund 1998 Bond	2,965,000	485,000
Revenue bonds	2002 Water Utility-Water Improvements and Extensions	<u>1,975,000</u>	<u>209,019</u>
Total Water		<u>4,940,000</u>	<u>694,019</u>
Totals		<u>\$ 22,377,445</u>	<u>\$ 2,881,974</u>

CITY OF CROWN POINT
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:	
Land	\$ 4,770,633
Infrastructure	24,385,420
Buildings	4,871,977
Improvements other than buildings	3,953,914
Machinery, equipment and vehicles	9,272,081
Total governmental activities	47,254,025
Storm Water:	
Infrastructure	16,628
Machinery, equipment and vehicles	6,000
Total Storm Water	22,628
Wastewater:	
Land	6,585,242
Infrastructure	31,436,012
Buildings	70,568
Improvements other than buildings	252,203
Machinery, equipment and vehicles	3,300,646
Construction in progress	281,000
Total Wastewater	41,925,671
Water:	
Land	237,959
Infrastructure	18,508,882
Buildings	2,613,419
Machinery, equipment and vehicles	1,740,691
Construction in progress	5,633
Total Water	23,106,584
Total capital assets	\$ 112,308,908

CITY OF CROWN POINT
OTHER REPORT

The annual report presented herein was prepared in addition to another official report prepared for the individual City office listed below:

City Court

CITY OF CROWN POINT
AUDIT RESULT AND COMMENT

UTILITY BILLINGS

When testing utility billings, we noted that approximately 140 high usage water customers (those using over 50,000 gallons per month) were incorrectly billed due to a programming error. The programming error resulted in customers using over 50,000 gallons per month, but less than 60,000 gallons per month, being over charged for water service. The total amount overcharged was approximately \$6,547 for the period of August 2010 (when the new rate ordinance was effective) to March 2012.

Another programming error affected high usage water customers using over 60,000 gallons per month. These customers were under-billed \$50.09 on each month's bill. Customer accounts were under-billed by \$78,722 for the period of August 2010 to March 2012.

The errors were brought to the officials' attention on April 20, 2012, and the programming errors were immediately corrected for the next month's billing on April 24, 2012, for the March 2012 usage.

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 9)

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF CROWN POINT, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Crown Point (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2011. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT COULD
HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND INTERNAL
CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 2, 2012

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF CROWN POINT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Equitable Sharing Program	16.922		\$ 23,741
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
I-65 and 109th Avenue Interchange		DES No. 1005345	34,400
		DES No. 0500468	142,314
		Wetland Mitigation	96,000
		STP 9945 (111)	3,018
ARRA - Highway Planning and Construction Cluster	20.205		
Recreational Trails Program		DES No. 0101333	96,385
Greenwood Ave		DES No. 0901041	721
Summit Street Flood Relief		DES No. 0901138	18,406
Court Street		DES No. 0901042	19,128
Total for cluster			<u>410,372</u>
Total for federal grantor agency			<u>410,372</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458	WW091144502	<u>86,591</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>			
Direct Grant			
High Intensity Drug Trafficking Areas Program	95.001	I8PLCP502Z	252,945
		G09LC0003A	1,888,760
		G10LC0003A	<u>885,654</u>
Total for federal grantor agency			<u>3,027,359</u>
<u>DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW 2010 FO 07278	<u>41,837</u>
Total federal awards expended			<u>\$ 3,589,900</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF CROWN POINT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Crown Point (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
95.001	Highway Planning and Construction Cluster High Intensity Drug Trafficking Areas Program

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.



CITY OF CROWN POINT

CLERK-TREASURER

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Patti Olson, IAMC, CMC
Clerk-Treasurer

Finding Number 2010-2 – Special Tests and Provisions

Federal Agency: U.S. Department of Transportation
Pass-Through Agency: Indiana Department of Transportation
Cluster: Highway Planning and Construction Cluster
Federal Program: ARRA Highway Planning and Construction – Recreational Trails Program
CFDA Number: 20.205

Original SBA Audit Report Number: B38752
Fiscal Year: 2010
Auditee Contact Person: Patti Olson
Title of Contact Person: Clerk-Treasurer
Phone Number: (219) 662-3235

Status of Finding: 2010-2 Special Tests and Provisions
Program Title: ARRA Recreations Trails
CFDA Number: 20.205

Summary Schedule of Prior Audit Findings to Section III

March 28, 2012

As discussed with the Auditor in 2010 this particular grant did not identify any ARRA funds for the Federal Program ARRA Recreation Trails. The State did not identify the ARRA and Non-ARRA funding in the grant agreement. The Northwest Indiana Regional Planning Commission disbursed the grants to the city. At no time prior to the audit was the city aware that a portion of the actual funding source was recently provided by the ARRA. There was no documentation provided to the city from any agency that would have guided the Clerk/Treasurer in the segregation and special recordation requirements for said funds.

The city no longer has this particular grant titled ARRA Recreation Trails. If in the future the city receives such a grant as this, a separate fund will be established at that time.

Patti Olson, IAMC/CMC
Clerk-Treasurer
City of Crown Point

www.crownpoint.in.gov

014A_FedRequireMemo_Format_SummaryScheduleofPriorAuditFindings_CityofCrownPoint

Main Floor • 101 N. East Street • Crown Point, IN 46307

Office (219) 662-3235

Fax (219) 662-3378

CITY OF CROWN POINT
EXIT CONFERENCE

The contents of this report were discussed on May 2, 2012, with Patti Olson, Clerk-Treasurer; David D. F. Uran, Mayor; Peggy Lurtz, Chief Deputy Clerk-Treasurer; Andrew Kyres, President of the Common Council; Keith Stevens, Chief of Staff; and Alex Kutanovski, Assistant City Attorney. The Official Response has been made a part of this report and may be found on pages 47 and 48.



CITY OF CROWN POINT

CLERK-TREASURER

Patti Olson, IAMC, CMC
Clerk-Treasurer

May 10, 2012

State Board of Accounts
302 West Washington St., Room E 418
Indianapolis, IN 46204-2765

THE CITY OF CROWN POINT'S OFFICIAL RESPONSE TO AUDIT RESULTS AND COMMENTS

To Whom it May Concern,

The City of Crown Point through its Clerk/Treasurer and Mayor has transparency in all matters as one of its ultimate goals. This years audit disclosed that discrepancies were occurring in a small segment of the utility bill calculations. Upon disclosure by the auditors to the Clerk/Treasurer the office's programmer immediately located the programming glitch and made the correction to the program. (See programmer's letter dated May 1, 2012 attached.) On May 9, 2012 the Board of Public Works and Safety granted administrative authority to the Clerk/Treasurer to debit or credit those customer's accounts as necessary. The Clerk/Treasurer will also negotiate, in those cases where required, repayment of under-billed amounts for product provided. The Clerk/Treasurer has taken the appropriate steps to remediate this previously unknown situation and be in compliance in all future audits.

Patti Olson, Clerk/Treasurer

David D.F. Uran, Mayor

www.crownpoint.in.gov

Main Floor • 101 N. East Street • Crown Point, IN 46307

Office (219) 662-3235

-47-

Fax (219) 662-3378

May 1, 2012

Patti Olson, Clerk Treasurer

City of Crown Point

101 North E St

Crown Point, IN 46307

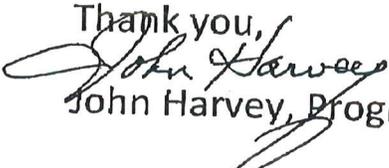
Patti,

As you know this year during the audit, the Auditor's found some of the accounts that used over 50,000 gallons of water was not calculating correctly. In checking the program I found there was a programming glitch in the system. Some accounts were okay and some were not.

I along with the billing staff also conducted an internal audit since the last rate change in 2010. Unfortunately the programming error was not caught since the last rate change ordinance in 2010.

The program has been corrected and consumption amounts match the ordinance. This was checked not only by myself but the billing staff prior to the April, 2012 bills being sent to Lithographics for printing.

Thank you,


John Harvey, Programmer