

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TOWN OF CROMWELL  
NOBLE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**  
08/13/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Robert L. Leamon	01-01-08 to 12-31-15
President of the Town Council	Delbert W. Linn Taylor Watts III	01-01-10 to 12-31-11 01-01-12 to 12-31-12
Superintendent of Utilities	Clark Reed	01-01-10 to 12-31-12



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CROMWELL, NOBLE COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of Cromwell (Town), for the years ended December 31, 2010 and 2011. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town'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 statements. 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 opinions.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 9, 2012, on our consideration of the Town'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 Town's financial statements. 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 statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

Our audit was conducted for the purpose of forming opinions on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis and Schedule of Leases and Debt are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

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

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

July 9, 2012



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

TO: THE OFFICIALS OF THE TOWN OF CROMWELL, NOBLE COUNTY, INDIANA

We have audited the financial statements of the Town of Cromwell (Town), for the years ended December 31, 2010 and 2011, and have issued our report thereon dated July 9, 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 Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town'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 statements 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 Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Town'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 Town's response and, accordingly, we express no opinion on it.

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

July 9, 2012

## FINANCIAL STATEMENTS

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

TOWN OF CROMWELL  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 66,801	\$ 149,752	\$ 175,036	\$ 41,517
Motor Vehicle Highway	27,367	63,085	42,190	48,262
Local Road and Street	3,587	2,404	-	5,991
Donations	355	13,742	14,096	1
Local Law Enforcement Continuing Education	152	90	-	242
Riverboat Money	3,014	2,829	-	5,843
Park and Recreation	10,011	13,035	21,450	1,596
Rainy Day	2,981	7,750	-	10,731
Levy Excess	-	428	-	428
Cromwell Park Dept Gift	130	1,599	1,729	-
Cromwell Police Dept Gift	2,442	250	1,475	1,217
Cumulative Capital Improvement	2,235	1,323	810	2,748
Cedit Infrastructure	15,405	47,993	17,462	45,936
Olive/Orange Storm Water	18,891	679,701	670,922	27,670
Community Center	122,745	4,401	35,880	91,266
Payroll	4,204	172,411	176,615	-
Storm Water Maintenance	7,761	10,197	5,322	12,636
Wastewater Operating	51,435	174,551	193,586	32,400
Wastewater Bond and Interest	6,680	31,000	33,109	4,571
Wastewater Depreciation	271	-	-	271
Wastewater Meter Deposit	7,042	1,632	1,000	7,674
Wastewater Debt Service	52,643	-	-	52,643
Water Operating	26,252	133,623	132,047	27,828
Water Bond and Interest	6,895	19,000	20,685	5,210
Water Depreciation	1,250	-	-	1,250
Water Meter Deposit	7,714	2,036	1,000	8,750
Wastewater Construction In Progress	-	10,023	-	10,023
Water Debt Service	22,610	-	-	22,610
Totals	<u>\$ 470,873</u>	<u>\$ 1,542,855</u>	<u>\$ 1,544,414</u>	<u>\$ 469,314</u>

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

TOWN OF CROMWELL  
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	\$ 41,517	\$ 156,206	\$ 165,762	\$ 31,961
Motor Vehicle Highway	48,262	35,171	41,997	41,436
Local Road and Street	5,991	2,333	-	8,324
Local Law Enforcement Continuing Education	242	95	307	30
Riverboat Money	5,843	2,829	5,000	3,672
Park and Recreation	1,596	11,676	13,262	10
Rainy Day	10,731	-	7,979	2,752
Levy Excess	428	-	-	428
Cumulative Capital Improvement	2,748	1,298	1,940	2,106
Cedit Infrastructure	45,936	16,473	53,785	8,624
Unclaimed Receipts	-	90	-	90
Olive St. Water Project	-	99,994	99,994	-
Storm Water Maintenance	12,636	12,147	7,105	17,678
Donations	1	14,046	13,751	296
Cromwell Park Dept Gift	-	1,908	147	1,761
Cromwell Police Dept Gift	1,217	350	232	1,335
Olive/Orange Storm Water	27,670	279,222	306,892	-
Community Center	91,266	977	69,994	22,249
Payroll	-	176,343	176,343	-
Wastewater Operating	32,400	185,575	177,432	40,543
Wastewater Bond and Interest	4,571	34,246	29,132	9,685
Wastewater Depreciation	271	341	1,029	(417)
Wastewater Meter Deposit	7,674	1,800	1,111	8,363
Wastewater Debt Service	52,643	1,591	-	54,234
Water Operating	27,828	121,122	138,115	10,835
Water Bond and Interest	5,210	16,994	21,195	1,009
Water Depreciation	1,250	-	-	1,250
Water Meter Deposit	8,750	1,800	1,051	9,499
Wastewater Construction In Progress	10,023	20,400	30,000	423
Water Debt Service	22,610	-	-	22,610
Totals	<u>\$ 469,314</u>	<u>\$ 1,195,027</u>	<u>\$ 1,363,555</u>	<u>\$ 300,786</u>

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

TOWN OF CROMWELL  
NOTES TO FINANCIAL STATEMENTS

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council 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, storm water, trash, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

*B. Basis of Accounting*

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include 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, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

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.

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,

TOWN OF CROMWELL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, 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, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees.

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 statements. 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 Town. It includes all expenditures for the reduction of the principal and interest of the Town'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.

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.

TOWN OF CROMWELL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

*F. Interfund Transfers*

The Town 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 Town. 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 Town. 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 Town 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 Town 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 Town 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.

State statutes authorize the Town 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.

TOWN OF CROMWELL  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

**Note 5. Risk Management**

The Town 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 Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement any replacement items purchased.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

For additional financial information, the Town'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 statements contained in this report and the financial information presented in the Annual Reports of the Town which are 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 approved by management of the Town. It is presented as intended by the Town.

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

	General	Motor Vehicle Highway	Local Road and Street	Donations	Local Law Enforcement Continuing Education	Riverboat Money	Park and Recreation	Rainy Day
Cash and investments - beginning	\$ 66,801	\$ 27,367	\$ 3,587	\$ 355	\$ 152	\$ 3,014	\$ 10,011	\$ 2,981
Receipts:								
Taxes	79,301	45,511	-	-	-	-	7,523	-
Licenses and permits	610	-	-	-	-	-	-	-
Intergovernmental	52,671	17,565	2,404	-	-	2,829	491	7,750
Charges for services	8,549	-	-	-	10	-	-	-
Fines and forfeits	305	-	-	-	80	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	8,316	9	-	13,742	-	-	5,021	-
Total receipts	<u>149,752</u>	<u>63,085</u>	<u>2,404</u>	<u>13,742</u>	<u>90</u>	<u>2,829</u>	<u>13,035</u>	<u>7,750</u>
Disbursements:								
Personal services	49,385	9,031	-	378	-	-	8,703	-
Supplies	8,868	8,352	-	567	-	-	8,860	-
Other services and charges	92,400	23,809	-	13,151	-	-	3,674	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	8,704	799	-	-	-	-	213	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	15,679	199	-	-	-	-	-	-
Total disbursements	<u>175,036</u>	<u>42,190</u>	<u>-</u>	<u>14,096</u>	<u>-</u>	<u>-</u>	<u>21,450</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(25,284)</u>	<u>20,895</u>	<u>2,404</u>	<u>(354)</u>	<u>90</u>	<u>2,829</u>	<u>(8,415)</u>	<u>7,750</u>
Cash and investments - ending	<u>\$ 41,517</u>	<u>\$ 48,262</u>	<u>\$ 5,991</u>	<u>\$ 1</u>	<u>\$ 242</u>	<u>\$ 5,843</u>	<u>\$ 1,596</u>	<u>\$ 10,731</u>

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

	Levy Excess	Cromwell Park Dept Gift	Cromwell Police Dept Gift	Cumulative Capital Improvement	Cedit Infrastructure	Olive/Orange Storm Water	Community Center
Cash and investments - beginning	\$ -	\$ 130	\$ 2,442	\$ 2,235	\$ 15,405	\$ 18,891	\$ 122,745
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	1,323	17,993	679,701	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	428	1,599	250	-	30,000	-	4,401
Total receipts	428	1,599	250	1,323	47,993	679,701	4,401
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	810	17,462	670,922	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	1,729	1,475	-	-	-	35,880
Total disbursements	-	1,729	1,475	810	17,462	670,922	35,880
Excess (deficiency) of receipts over disbursements	428	(130)	(1,225)	513	30,531	8,779	(31,479)
Cash and investments - ending	\$ 428	\$ -	\$ 1,217	\$ 2,748	\$ 45,936	\$ 27,670	\$ 91,266

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

	Payroll	Storm Water Maintenance	Wastewater Operating	Wastewater Bond and Interest	Wastewater Depreciation	Wastewater Meter Deposit	Wastewater Debt Service
Cash and investments - beginning	\$ 4,204	\$ 7,761	\$ 51,435	\$ 6,680	\$ 271	\$ 7,042	\$ 52,643
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	156,753	-	-	-	-
Penalties	-	-	1,239	-	-	-	-
Other receipts	172,411	10,197	16,559	31,000	-	1,632	-
Total receipts	172,411	10,197	174,551	31,000	-	1,632	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	33,109	-	-	-
Capital outlay	-	5,322	10,649	-	-	-	-
Utility operating expenses	-	-	135,836	-	-	1,000	-
Other disbursements	176,615	-	47,101	-	-	-	-
Total disbursements	176,615	5,322	193,586	33,109	-	1,000	-
Excess (deficiency) of receipts over disbursements	(4,204)	4,875	(19,035)	(2,109)	-	632	-
Cash and investments - ending	\$ -	\$ 12,636	\$ 32,400	\$ 4,571	\$ 271	\$ 7,674	\$ 52,643

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

	Water Operating	Water Bond and Interest	Water Depreciation	Water Meter Deposit	Wastewater Construction In Progress	Water Debt Service	Totals
Cash and investments - beginning	\$ 26,252	\$ 6,895	\$ 1,250	\$ 7,714	\$ -	\$ 22,610	\$ 470,873
Receipts:							
Taxes	-	-	-	-	-	-	132,335
Licenses and permits	-	-	-	-	-	-	610
Intergovernmental	-	-	-	-	-	-	782,727
Charges for services	-	-	-	-	-	-	8,559
Fines and forfeits	-	-	-	-	-	-	385
Utility fees	110,904	-	-	-	-	-	267,657
Penalties	6,404	-	-	-	-	-	7,643
Other receipts	16,315	19,000	-	2,036	10,023	-	342,939
Total receipts	133,623	19,000	-	2,036	10,023	-	1,542,855
Disbursements:							
Personal services	-	-	-	-	-	-	67,497
Supplies	-	-	-	-	-	-	26,647
Other services and charges	-	-	-	-	-	-	133,034
Debt service - principal and interest	-	20,685	-	-	-	-	53,794
Capital outlay	2,010	-	-	-	-	-	716,891
Utility operating expenses	102,221	-	-	1,000	-	-	240,057
Other disbursements	27,816	-	-	-	-	-	306,494
Total disbursements	132,047	20,685	-	1,000	-	-	1,544,414
Excess (deficiency) of receipts over disbursements	1,576	(1,685)	-	1,036	10,023	-	(1,559)
Cash and investments - ending	\$ 27,828	\$ 5,210	\$ 1,250	\$ 8,750	\$ 10,023	\$ 22,610	\$ 469,314

TOWN OF CROMWELL  
 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	Local Law Enforcement Continuing Education	Riverboat Money	Park and Recreation	Rainy Day
Cash and investments - beginning	\$ 41,517	\$ 48,262	\$ 5,991	\$ 242	\$ 5,843	\$ 1,596	\$ 10,731
Receipts:							
Taxes	101,738	20,727	-	-	-	10,828	-
Licenses and permits	667	-	-	-	-	-	-
Intergovernmental	38,647	13,452	2,333	-	2,829	513	-
Charges for services	9,334	-	-	95	-	-	-
Fines and forfeits	298	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	5,522	992	-	-	-	335	-
Total receipts	156,206	35,171	2,333	95	2,829	11,676	-
Disbursements:							
Personal services	57,192	10,013	-	-	-	4,065	-
Supplies	6,928	8,687	-	-	-	363	-
Other services and charges	91,040	21,801	-	-	-	7,072	7,979
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	9,612	1,496	-	-	-	1,262	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	990	-	-	307	5,000	500	-
Total disbursements	165,762	41,997	-	307	5,000	13,262	7,979
Excess (deficiency) of receipts over disbursements	(9,556)	(6,826)	2,333	(212)	(2,171)	(1,586)	(7,979)
Cash and investments - ending	\$ 31,961	\$ 41,436	\$ 8,324	\$ 30	\$ 3,672	\$ 10	\$ 2,752

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

	Levy Excess	Cumulative Capital Improvement	Cedit Infrastructure	Unclaimed Receipts	Olive St. Water Project	Storm Water Maintenance
Cash and investments - beginning	\$ 428	\$ 2,748	\$ 45,936	\$ -	\$ -	\$ 12,636
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,298	15,223	-	-	-
Charges for services	-	-	-	-	-	12,147
Fines and forfeits	-	-	1,250	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	90	99,994	-
Total receipts	-	1,298	16,473	90	99,994	12,147
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	7,105
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	1,940	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	53,785	-	99,994	-
Total disbursements	-	1,940	53,785	-	99,994	7,105
Excess (deficiency) of receipts over disbursements	-	(642)	(37,312)	90	-	5,042
Cash and investments - ending	\$ 428	\$ 2,106	\$ 8,624	\$ 90	\$ -	\$ 17,678

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

	Donations	Cromwell Park Dept Gift	Cromwell Police Dept Gift	Olive/Orange Storm Water	Community Center	Payroll
Cash and investments - beginning	\$ 1	\$ -	\$ 1,217	\$ 27,670	\$ 91,266	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	7,253	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	6,793	1,908	350	279,222	977	176,343
Total receipts	<u>14,046</u>	<u>1,908</u>	<u>350</u>	<u>279,222</u>	<u>977</u>	<u>176,343</u>
Disbursements:						
Personal services	860	-	-	-	-	176,343
Supplies	-	-	-	-	-	-
Other services and charges	12,891	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	306,892	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	147	232	-	69,994	-
Total disbursements	<u>13,751</u>	<u>147</u>	<u>232</u>	<u>306,892</u>	<u>69,994</u>	<u>176,343</u>
Excess (deficiency) of receipts over disbursements	<u>295</u>	<u>1,761</u>	<u>118</u>	<u>(27,670)</u>	<u>(69,017)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 296</u>	<u>\$ 1,761</u>	<u>\$ 1,335</u>	<u>\$ -</u>	<u>\$ 22,249</u>	<u>\$ -</u>

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

	Wastewater Operating	Wastewater Bond and Interest	Wastewater Depreciation	Wastewater Meter Deposit	Wastewater Debt Service	Water Operating
Cash and investments - beginning	\$ 32,400	\$ 4,571	\$ 271	\$ 7,674	\$ 52,643	\$ 27,828
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	183,604	-	-	-	-	98,154
Penalties	1,901	-	-	-	-	710
Other receipts	70	34,246	341	1,800	1,591	22,258
Total receipts	<u>185,575</u>	<u>34,246</u>	<u>341</u>	<u>1,800</u>	<u>1,591</u>	<u>121,122</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	29,132	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	138,945	-	-	-	-	109,436
Other disbursements	38,487	-	1,029	1,111	-	28,679
Total disbursements	<u>177,432</u>	<u>29,132</u>	<u>1,029</u>	<u>1,111</u>	<u>-</u>	<u>138,115</u>
Excess (deficiency) of receipts over disbursements	<u>8,143</u>	<u>5,114</u>	<u>(688)</u>	<u>689</u>	<u>1,591</u>	<u>(16,993)</u>
Cash and investments - ending	<u>\$ 40,543</u>	<u>\$ 9,685</u>	<u>\$ (417)</u>	<u>\$ 8,363</u>	<u>\$ 54,234</u>	<u>\$ 10,835</u>

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

	Water Bond and Interest	Water Depreciation	Water Meter Deposit	Wastewater Construction In Progress	Water Debt Service	Totals
Cash and investments - beginning	\$ 5,210	\$ 1,250	\$ 8,750	\$ 10,023	\$ 22,610	\$ 469,314
Receipts:						
Taxes	-	-	-	-	-	133,293
Licenses and permits	-	-	-	-	-	667
Intergovernmental	-	-	-	-	-	74,295
Charges for services	-	-	-	-	-	28,829
Fines and forfeits	-	-	-	-	-	1,548
Utility fees	-	-	1,800	-	-	283,558
Penalties	-	-	-	-	-	2,611
Other receipts	16,994	-	-	20,400	-	670,226
Total receipts	16,994	-	1,800	20,400	-	1,195,027
Disbursements:						
Personal services	-	-	-	-	-	248,473
Supplies	-	-	-	-	-	15,978
Other services and charges	-	-	-	-	-	147,888
Debt service - principal and interest	21,195	-	-	-	-	50,327
Capital outlay	-	-	-	9,600	-	330,802
Utility operating expenses	-	-	-	-	-	248,381
Other disbursements	-	-	1,051	20,400	-	321,706
Total disbursements	21,195	-	1,051	30,000	-	1,363,555
Excess (deficiency) of receipts over disbursements	(4,201)	-	749	(9,600)	-	(168,528)
Cash and investments - ending	\$ 1,009	\$ 1,250	\$ 9,499	\$ 423	\$ 22,610	\$ 300,786

TOWN OF CROMWELL  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LEASES AND DEBT  
 December 31, 2011

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Loan:		
State Revolving Fund Loan	\$ 162,000	\$ 20,670
Wastewater Utility:		
Revenue bonds:		
Refunding Revenue Bonds of 2003	55,000	27,601
<b>Total business-type activities debt</b>	<b>\$ 217,000</b>	<b>\$ 48,271</b>

TOWN OF CROMWELL  
AUDIT RESULTS AND COMMENTS

***GUARANTEE DEPOSIT REGISTER***

The Clerk Treasurer is not reconciling the water or wastewater guarantee deposit registers to the utility meter deposit funds' cash balances. The water guarantee deposit register exceeded the fund balance by \$559.22 and the wastewater guarantee deposit register exceeded the fund balance by \$737.46. A similar comment was mentioned in prior Report B37865.

Town officials should establish internal procedures to provide reasonable assurance that subsidiary ledger reconcile to control accounts.

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***RECEIPT ISSUANCE***

Receipts were not issued for meter deposits paid by check or money order. Meter deposits were posted in total for the month on the receipt ledger.

Town officials should establish procedures that require a receipt to be issued when cash or other monetary assets are received by the Town. Issuing a receipt provides reasonable assurance that permits the preparation of accurate financial statements and safeguards assets against loss.

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***HYDRANT RENTAL RECEIVABLE (PAYABLE)***

The Town of Cromwell owes the Water Utility hydrant rental of \$65,834 for the years 2009, 2010 and 2011, respectively, pursuant to Rate Ordinance Rate Ordinance 2000-3 passed by the Town Council on June 20, 2000 and Rate Ordinance 2010-12-21-2 passed by the Town Council February 15, 2011.

Town officials should establish procedures that provide reasonable assurance that its ordinances, resolutions, and policies are complied with.

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)

***UTILITY RECEIPTS TAX***

The Water Utility did not pay Utility Receipts Tax to the Indiana Department of Revenue for the years of 2008 and 2009. The Utility paid \$1,983 on August 26, 2011, for the 2010 year. The payment included \$70 in interest and \$174 in penalty for late payment. We found no payments for 2011 tax year.

TOWN OF CROMWELL  
AUDIT RESULTS AND COMMENTS  
(Continued)

Generally, retail receipts from all utility services consumed within Indiana are subject to the utility receipts tax regardless of the point of generation or transmission across state lines. Receipts from the provision of mobile telecommunication service are subject to utility receipts tax to the extent that the receipts are sourced to Indiana pursuant to IC 6-8.1-15. However, gross receipts received by a political subdivision for sewage and sewage service are not subject to the tax. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Town officials should establish procedures that provide assurance that Town personal will comply with State guidelines and the Indiana Code.

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)

**CAPITAL ASSETS**

The Town does not maintain capital asset records for the governmental funds. A similar comment appeared in prior Reports B25884, B21364, B30172, and B37865.

Town officials should establish internal control procedures to provide reasonable assurance that capital assets would be safeguarded against loss, and that reliable data is obtained, recorded, and maintained properly to permit the preparation of accurate financial statements.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the Capital Assets Ledger Form. A complete inventory should be taken at least every two years for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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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](http://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 TOWN OF CROMWELL, NOBLE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Cromwell (Town) 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 its major federal program for the years ended December 31, 2010 and 2011. The Town's major federal program is 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 its major federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town'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 Town'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 Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2010 and 2011.

Internal Control Over Compliance

Management of the Town 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 Town'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 Town'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-13  
(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 Town's response to the findings identified in our audit is described in the accompanying Official Response. We did not audit the Town's response and, accordingly, we express no opinion on the response.

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

July 9, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TOWN OF CROMWELL  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For The Years Ended December 31, 2010 and 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 12-31-10	Total Federal Awards Expended 12-31-11
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Office of Community and Rural Affairs				
CDBG - State Administered CDBG Cluster				
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	DR2-09-010	\$ 661,621	\$ 279,222

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

TOWN OF CROMWELL  
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 Town of Cromwell and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.



TOWN OF CROMWELL  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF CROMWELL  
EXIT CONFERENCE

The contents of this report were discussed on July 9, 2012, with Robert L. Leamon, Clerk-Treasurer, and Taylor Watts III, President of the Town Council. The Official Response has been made a part of this report and may be found on pages 39 and 40.

**TOWN OF CROMWELL – CLERK-TREASURER’S OFFICE**  
**200 WATER STREET, P. O. BOX 574**  
**CROMWELL, INDIANA 46732-0574**  
**PHONE: (260) 856-2108**  
**FAX: (260) 856-3609**  
**EMAIL: CLERKCRO@LIGTEL.COM**

July 11, 2012

Indiana State Board of Accounts  
302 W. Washington Street, Room E418  
Indianapolis, IN 46204-2765

Dear Sir(s),

Enclosed is my reply to the exit conference held with SBOA Auditor and Cromwell Town Council President on July 9, 2012, at 11:00 pm, at the Cromwell Town Hall, Cromwell, Indiana.

**GUARANTEED DEPOSIT REGISTER/RECEIPT ISSUANCE**

Action will immediately start on the reconciliation of the water and wastewater guarantee deposit register to the utility meter deposit funds' cash balances. A procedure is in place but has not been followed.

Receipts will be issued for all receipt transactions whether paid by cash, check or money order. All receipts will be issued and recorded at the time of the transaction and given to the person making payment. A receipt will be mailed to the person not making the payment in person.

**HYDRANT RENTAL**

The Town of Cromwell will pay the Cromwell Water Utility the total of \$65,834.00, for hydrant rental for 2009, 2010 and 2011, by the end of 2012. Additional appropriations may be necessary to accomplish this.

**UTILITY RECEIPTS TAX**

The Water Utility did not pay the Utility Receipts Tax to the Indiana Department of Revenue for the year 2011 tax year. The Utility Receipts Tax will pay the claims and remit taxes in a timely basis. Any interest and penalties accumulated will be paid by the official responsible for the remittance.

**TOWN OF CROMWELL – CLERK-TREASURER’S OFFICE**  
**200 WATER STREET, P. O. BOX 574**  
**CROMWELL, INDIANA 46732-0574**  
**PHONE: (260) 856-2108**  
**FAX: (260) 856-3609**  
**EMAIL: CLERKCRO@LIGTEL.COM**

**CAPITAL ASSETS**

Town officials will investigate options to obtain information to establish capital assets for the governmental unit hopefully by the end of 2012. Capital assets are established for the Water and Sewage Utility.

If you have any other questions, please contact this office.

Sincerely yours'



Robert L. Leamon  
Clerk-Treasurer