

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF CRAWFORDSVILLE

MONTGOMERY COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
09/06/2012



## 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 the Financial Statement Performed in Accordance With Government Auditing Standards .....	5-6
Financial Statement: Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	8
Notes to Financial Statement .....	9-14
Supplementary Information: Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis .....	16-25
Schedule of Leases and Debt .....	26
Schedule of Capital Assets .....	27
Audit Results and Comments: Park Nonreverting Funds .....	28
Annual Report .....	28
Distribution of Net Revenues to the Various Funds - Electric Utility .....	28
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 .....	30-31
Schedule of Expenditures of Federal Awards .....	34
Note to Schedule of Expenditures of Federal Awards .....	35
Schedule of Findings and Questioned Costs .....	36
Auditee Prepared Schedule: Summary Schedule of Prior Audit Findings .....	37
Exit Conference .....	38

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri J. Gadd	01-01-08 to 12-31-15
Mayor	Charles E. Coons Todd D. Barton	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Common Council	Ray Kirtley Heather Perkins	01-01-11 to 12-31-11 01-01-12 to 12-31-12
Superintendent of Wastewater Utility	Thomas W. Mitchell Larry Kadinger (Interim)	01-01-11 to 03-15-12 03-16-12 to 12-31-12
Superintendent of Electric Utility	Phillip R. Goode	01-01-11 to 12-31-12
Controller of Electric Utility	Ronald L. Gable	01-01-11 to 12-31-12
Superintendent of Storm Water Utility	Gary Weliver	01-01-11 to 12-31-12



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

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

We have audited the accompanying financial statement of the City of Crawfordsville (City), for the year ended December 31, 2011. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the 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.

The accompanying financial statements have been prepared assuming that the Telecom Division of the Electric Light and Power Utility will continue as a going concern. As discussed in Note 7 to the financial statement, Accelplus, the Telecom Division of Crawfordsville Electric Light & Power has suffered recurring losses from operations and has not been able to meet its debt service funding requirements for 2011 and 2012. Due to the underfunded debt service requirements, the Utility defaulted on the \$300,000 and the \$425,000 principal amounts and the \$481,910 interest amount due July 1, 2011 and January 1, 2012, respectively. These defaults raise substantial doubt about its ability to continue as a going concern. Management's plans in regard to these matters are also described in Note 7. The financial statement does not include any adjustments that might result from the outcome of this uncertainty.

In accordance with Government Auditing Standards, we have also issued a report dated July 25, 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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.

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 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.

This report is intended solely for the information and use of the City's management, City 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 25, 2012



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

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

We have audited the financial statement of the City of Crawfordsville (City), for the year ended December 31, 2011, and have issued our report thereon dated July 25, 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 THE FINANCIAL STATEMENT  
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.

This report is intended solely for the information and use of the City's management, City 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 25, 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 CRAWFORDSVILLE  
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	\$ 7,100,829	\$ 8,415,097	\$ 8,776,409	\$ 6,739,517
Street	1,003,772	1,237,161	1,369,291	871,642
Local Road And Street	71,689	52,278	-	123,967
Aviation	67,558	121,571	125,502	63,627
Parking Meter	3,165	95	3,260	-
Park Nonreverting Operating	150,377	238,511	255,340	133,548
Civil Defense	183,515	71,354	37,860	217,009
Civil Defense Donations	100	-	-	100
Law Enforcement Continuing Ed	55,535	23,812	12,261	67,086
Riverboat	326,034	95,391	74,970	346,455
Parks And Recreation	611,721	797,100	786,206	622,615
Rainy Day	518,837	-	-	518,837
Police/Drug Seizure Fund	1,721	-	-	1,721
Cumulative Capl Imprv Cigarette Tax	508,995	43,774	36,665	516,104
Cumulative Capital Development	1,225,554	295,821	308,629	1,212,746
Park Nonreverting Capital	5,338	-	-	5,338
Sunshine Van Fund	-	190,518	122,487	68,031
Police Equipment Nonreverting	8,779	1,500	1,667	8,612
Fire Equipment Nonreverting	14,297	3,540	800	17,037
Commerce Park TIF Proceeds	43,185	128	-	43,313
Cumulative Building	150	-	-	150
Cumulative Cap Imprv (Special Fire)	632,898	163,499	496,707	299,690
Police Pension	318,586	489,843	477,082	331,347
Fire Pension	579,100	434,109	449,910	563,299
Mill St INDOT Grant	-	229,102	229,102	-
Ambulance/EMS Nonreverting	440,708	204,793	35,869	609,632
Golf Course Authority	35,945	353,648	380,393	9,200
Civil Defense Copier	29,919	3,200	1,086	32,033
Communication Center	17,451	18,803	17,884	18,370
Park & Rec Muffy	36,518	25,000	27,815	33,703
Park & Rec Title III	(3,527)	17,936	10,558	3,851
Police/Child Victim	1,808	-	-	1,808
Rehabilitation	314,617	3,940	12,680	305,877
Wheel Tax Fund	279,132	129,027	198,484	209,675
UDAG	36,159	9,109	27,815	17,453
Aviation Grant Fund	25,117	291,085	290,969	25,233
Golf Course Improvement Fund	7,182	6,331	8,509	5,004
Commerce Park Operating	1,467	9,934	9,096	2,305
Sugar Creek Nature Park	23	645	-	668
Safer Grant Fund	(61,919)	434,308	407,154	(34,765)
Drainage Permit Fees	15	-	-	15
Commerce Park Bond & Int	258,619	460,217	270,389	448,447
Kroger Pace Dairy Bond & Int	44,421	91,010	-	135,431
Whitlock OCRA Grant	-	917,118	917,118	-
Police Building Debt	22,904	7,096	30,000	-
Cville Historic Dist/Cap Impr	118,594	8,649	30,000	97,243
Aviation Hanger Rent	28,066	83,020	80,128	30,958
Downtown Sidwtk & Streetsc	318	-	-	318
Sidewalk Maint/Improvement	46,597	7,825	5,983	48,439
Aviation Construction	891	22,729	-	23,620
Cville Sq Allocation Fund	2,754,688	1,206,683	484,895	3,476,476
Payroll Fund	172,202	11,403,024	11,406,635	168,591
Excess Tax Levy	17,501	-	17,501	-
CEL&P Electric Inspection Fees	-	350	350	-
CEL&P General Operating	28,708	9,638,626	9,618,753	48,581
CEL&P Gen Money Market	1,693,713	-	380,075	1,313,638
CEL&P Meter Deposit	143,382	96,340	80,537	159,185
CEL&P Flex Benefits	4,844	165,824	166,029	4,639
CEL&P Depreciation Money Market	1,214,615	5,465	317,498	902,582
CEL&P Telecommunications	68,535	2,375,115	2,320,203	123,447
Stormwater Operating	319,646	486,829	401,066	405,409
Wastewater Utility Operating	1,946,769	2,427,678	2,687,670	1,686,777
Wastewater Utility Bond And Interest	770	708,000	708,705	65
Wastewater Utility Construction	10,784	-	-	10,784
Wastewater Utility Debt Reserve	574,785	-	-	574,785
<b>Totals</b>	<b>\$ 24,063,702</b>	<b>\$ 44,523,561</b>	<b>\$ 44,915,995</b>	<b>\$ 23,671,268</b>

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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, wastewater, electric, storm water, trash, aviation, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City.

*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 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 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,

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(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, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

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

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements 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.

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

*F. Interfund Transfers*

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

*G. Fund Accounting*

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement any replacement items purchased.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the 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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

INPRS issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for its participants. That report may be obtained by contacting:

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

*Funding Policy*

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

Note 7. Subsequent Events

During 2011, Accelplus, the Telecom Division of the Electric Light and Power Utility, failed to make the full monthly interest payments and the initial principal payment to U.S. Bank, and, in doing that, violated the bond holder agreement and could possibly face legal action on behalf of the COP holders. There have been ongoing discussions between Accelplus and U.S. Bank.

## 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 approved by management of the City. It is presented as intended by the City.

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

	General	Street	Local Road And Street	Aviation	Parking Meter	Park Nonreverting Operating	Civil Defense
Cash and investments - beginning	\$ 7,100,829	\$ 1,003,772	\$ 71,689	\$ 67,558	\$ 3,165	\$ 150,377	\$ 183,515
Receipts:							
Taxes	4,021,612	1,090,747	52,278	85,153	-	-	53,683
Licenses and permits	45,873	800	-	-	-	-	-
Intergovernmental	2,791,537	46,047	-	5,660	-	-	15,978
Charges for services	1,377,045	5,670	-	5,344	95	238,511	-
Fines and forfeits	912	6,523	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	178,118	87,374	-	25,414	-	-	1,693
Total receipts	<u>8,415,097</u>	<u>1,237,161</u>	<u>52,278</u>	<u>121,571</u>	<u>95</u>	<u>238,511</u>	<u>71,354</u>
Disbursements:							
Personal services	6,623,781	882,455	-	-	-	109,876	-
Supplies	284,306	284,498	-	13,350	-	70	5,209
Other services and charges	1,381,057	113,471	-	112,152	-	48,150	32,651
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	300,029	87,800	-	-	-	17,413	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	187,236	1,067	-	-	3,260	79,831	-
Total disbursements	<u>8,776,409</u>	<u>1,369,291</u>	<u>-</u>	<u>125,502</u>	<u>3,260</u>	<u>255,340</u>	<u>37,860</u>
Excess (deficiency) of receipts over disbursements	<u>(361,312)</u>	<u>(132,130)</u>	<u>52,278</u>	<u>(3,931)</u>	<u>(3,165)</u>	<u>(16,829)</u>	<u>33,494</u>
Cash and investments - ending	<u>\$ 6,739,517</u>	<u>\$ 871,642</u>	<u>\$ 123,967</u>	<u>\$ 63,627</u>	<u>\$ -</u>	<u>\$ 133,548</u>	<u>\$ 217,009</u>

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

	Civil Defense Donations	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation	Rainy Day	Police/Drug Seizure Fund	Cumulative Capl Imprv Cigarette Tax
Cash and investments - beginning	\$ 100	\$ 55,535	\$ 326,034	\$ 611,721	\$ 518,837	\$ 1,721	\$ 508,995
Receipts:							
Taxes	-	-	-	602,548	-	-	-
Licenses and permits	-	4,123	-	-	-	-	-
Intergovernmental	-	-	95,391	107,831	-	-	43,774
Charges for services	-	3,329	-	10,338	-	-	-
Fines and forfeits	-	14,401	-	37,885	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	1,959	-	38,498	-	-	-
Total receipts	-	23,812	95,391	797,100	-	-	43,774
Disbursements:							
Personal services	-	6,340	-	459,229	-	-	-
Supplies	-	-	-	63,693	-	-	-
Other services and charges	-	-	74,970	239,902	-	-	13,558
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	5,891	-	23,089	-	-	23,107
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	30	-	293	-	-	-
Total disbursements	-	12,261	74,970	786,206	-	-	36,665
Excess (deficiency) of receipts over disbursements	-	11,551	20,421	10,894	-	-	7,109
Cash and investments - ending	\$ 100	\$ 67,086	\$ 346,455	\$ 622,615	\$ 518,837	\$ 1,721	\$ 516,104

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

	Cumulative Capital Development	Park Nonreverting Capital	Sunshine Van Fund	Police Equipment Nonreverting	Fire Equipment Nonreverting	Commerce Park TIF Proceeds	Cumulative Building
Cash and investments - beginning	\$ 1,225,554	\$ 5,338	\$ -	\$ 8,779	\$ 14,297	\$ 43,185	\$ 150
Receipts:							
Taxes	228,616	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	67,205	-	-	-	-	-	-
Charges for services	-	-	106,169	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	84,349	1,500	3,540	128	-
Total receipts	<u>295,821</u>	<u>-</u>	<u>190,518</u>	<u>1,500</u>	<u>3,540</u>	<u>128</u>	<u>-</u>
Disbursements:							
Personal services	-	-	113,341	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	291,001	-	9,146	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	17,628	-	-	1,667	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	800	-	-
Total disbursements	<u>308,629</u>	<u>-</u>	<u>122,487</u>	<u>1,667</u>	<u>800</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(12,808)</u>	<u>-</u>	<u>68,031</u>	<u>(167)</u>	<u>2,740</u>	<u>128</u>	<u>-</u>
Cash and investments - ending	<u>\$ 1,212,746</u>	<u>\$ 5,338</u>	<u>\$ 68,031</u>	<u>\$ 8,612</u>	<u>\$ 17,037</u>	<u>\$ 43,313</u>	<u>\$ 150</u>

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

	Cumulative Cap Imprv (Special Fire)	Police Pension	Fire Pension	Mill St INDOT Grant	Ambulance/EMS Nonreverting	Golf Course Authority	Civil Defense Copier
Cash and investments - beginning	\$ 632,898	\$ 318,586	\$ 579,100	\$ -	\$ 440,708	\$ 35,945	\$ 29,919
Receipts:							
Taxes	143,464	476,892	432,550	-	-	9,303	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	9,535	-	-	229,102	-	-	-
Charges for services	-	-	-	-	16,000	310,727	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	10,500	12,951	1,559	-	188,793	33,618	3,200
Total receipts	163,499	489,843	434,109	229,102	204,793	353,648	3,200
Disbursements:							
Personal services	-	476,701	1,941	-	-	174,855	-
Supplies	-	-	23	-	-	105,539	558
Other services and charges	-	381	447,706	229,102	-	77,569	528
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	496,707	-	-	-	35,704	18,133	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	240	-	165	4,297	-
Total disbursements	496,707	477,082	449,910	229,102	35,869	380,393	1,086
Excess (deficiency) of receipts over disbursements	(333,208)	12,761	(15,801)	-	168,924	(26,745)	2,114
Cash and investments - ending	\$ 299,690	\$ 331,347	\$ 563,299	\$ -	\$ 609,632	\$ 9,200	\$ 32,033

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

	Communication Center	Park & Rec Muffy	Park & Rec Title III	Police/Child Victim	Rehabilitation	Wheel Tax Fund	UDAG
Cash and investments - beginning	\$ 17,451	\$ 36,518	\$ (3,527)	\$ 1,808	\$ 314,617	\$ 279,132	\$ 36,159
Receipts:							
Taxes	-	-	-	-	-	129,027	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	18,803	-	-	-	3,120	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	25,000	17,936	-	820	-	9,109
Total receipts	<u>18,803</u>	<u>25,000</u>	<u>17,936</u>	<u>-</u>	<u>3,940</u>	<u>129,027</u>	<u>9,109</u>
Disbursements:							
Personal services	996	-	-	-	-	-	-
Supplies	-	-	-	-	-	198,484	-
Other services and charges	3,129	-	-	-	12,680	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	13,759	-	-	-	-	-	27,800
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	27,815	10,558	-	-	-	15
Total disbursements	<u>17,884</u>	<u>27,815</u>	<u>10,558</u>	<u>-</u>	<u>12,680</u>	<u>198,484</u>	<u>27,815</u>
Excess (deficiency) of receipts over disbursements	<u>919</u>	<u>(2,815)</u>	<u>7,378</u>	<u>-</u>	<u>(8,740)</u>	<u>(69,457)</u>	<u>(18,706)</u>
Cash and investments - ending	<u>\$ 18,370</u>	<u>\$ 33,703</u>	<u>\$ 3,851</u>	<u>\$ 1,808</u>	<u>\$ 305,877</u>	<u>\$ 209,675</u>	<u>\$ 17,453</u>

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

	Aviation Grant Fund	Golf Course Improvement Fund	Commerce Park Operating	Sugar Creek Nature Park	Safer Grant Fund	Drainage Permit Fees	Commerce Park Bond & Int
Cash and investments - beginning	\$ 25,117	\$ 7,182	\$ 1,467	\$ 23	\$ (61,919)	\$ 15	\$ 258,619
Receipts:							
Taxes	-	-	-	-	-	-	448,847
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	282,241	-	-	-	434,308	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	8,844	6,331	9,934	645	-	-	11,370
Total receipts	<u>291,085</u>	<u>6,331</u>	<u>9,934</u>	<u>645</u>	<u>434,308</u>	<u>-</u>	<u>460,217</u>
Disbursements:							
Personal services	-	-	-	-	407,154	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	48,126	-	9,096	-	-	-	270,389
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	242,843	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	8,509	-	-	-	-	-
Total disbursements	<u>290,969</u>	<u>8,509</u>	<u>9,096</u>	<u>-</u>	<u>407,154</u>	<u>-</u>	<u>270,389</u>
Excess (deficiency) of receipts over disbursements	<u>116</u>	<u>(2,178)</u>	<u>838</u>	<u>645</u>	<u>27,154</u>	<u>-</u>	<u>189,828</u>
Cash and investments - ending	<u>\$ 25,233</u>	<u>\$ 5,004</u>	<u>\$ 2,305</u>	<u>\$ 668</u>	<u>\$ (34,765)</u>	<u>\$ 15</u>	<u>\$ 448,447</u>

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

	Kroger Pace Dairy Bond & Int	Whitlock OCRA Grant	Police Building Debt	Cville Historic Dist/Cap Impr	Aviation Hanger Rent	Downtown Sidwlc & Streetsc
Cash and investments - beginning	\$ 44,421	\$ -	\$ 22,904	\$ 118,594	\$ 28,066	\$ 318
Receipts:						
Taxes	91,010	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	917,118	7,092	-	-	-
Charges for services	-	-	-	-	83,020	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	4	8,649	-	-
Total receipts	<u>91,010</u>	<u>917,118</u>	<u>7,096</u>	<u>8,649</u>	<u>83,020</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	917,118	-	-	42,223	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,462	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	30,000	30,000	34,443	-
Total disbursements	<u>-</u>	<u>917,118</u>	<u>30,000</u>	<u>30,000</u>	<u>80,128</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>91,010</u>	<u>-</u>	<u>(22,904)</u>	<u>(21,351)</u>	<u>2,892</u>	<u>-</u>
Cash and investments - ending	<u>\$ 135,431</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 97,243</u>	<u>\$ 30,958</u>	<u>\$ 318</u>

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

	Sidewalk Maint/Improvement	Aviation Construction	Cville Sq Allocation Fund	Payroll Fund	Excess Tax Levy	CEL&P Electric Inspection Fees
Cash and investments - beginning	\$ 46,597	\$ 891	\$ 2,754,688	\$ 172,202	\$ 17,501	\$ -
Receipts:						
Taxes	-	-	1,167,745	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	350
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>7,825</u>	<u>22,729</u>	<u>38,938</u>	<u>11,403,024</u>	<u>-</u>	<u>-</u>
Total receipts	<u>7,825</u>	<u>22,729</u>	<u>1,206,683</u>	<u>11,403,024</u>	<u>-</u>	<u>350</u>
Disbursements:						
Personal services	-	-	-	6,615,907	-	-
Supplies	-	-	-	-	-	-
Other services and charges	5,983	-	289,385	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	184,140	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>11,370</u>	<u>4,790,728</u>	<u>17,501</u>	<u>350</u>
Total disbursements	<u>5,983</u>	<u>-</u>	<u>484,895</u>	<u>11,406,635</u>	<u>17,501</u>	<u>350</u>
Excess (deficiency) of receipts over disbursements	<u>1,842</u>	<u>22,729</u>	<u>721,788</u>	<u>(3,611)</u>	<u>(17,501)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 48,439</u>	<u>\$ 23,620</u>	<u>\$ 3,476,476</u>	<u>\$ 168,591</u>	<u>\$ -</u>	<u>\$ -</u>

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

	CEL&P General Operating	CEL&P Gen Money Market	CEL&P Meter Deposit	CEL&P Flex Benefits	CEL&P Depreciation Money Market	CEL&P Telecommunications
Cash and investments - beginning	\$ 28,708	\$ 1,693,713	\$ 143,382	\$ 4,844	\$ 1,214,615	\$ 68,535
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	77,425	-	96,050	-	-	2,375,111
Other receipts	9,561,201	-	290	165,824	5,465	4
Total receipts	<u>9,638,626</u>	<u>-</u>	<u>96,340</u>	<u>165,824</u>	<u>5,465</u>	<u>2,375,115</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	80,537	-	-	2,320,203
Other disbursements	9,618,753	380,075	-	166,029	317,498	-
Total disbursements	<u>9,618,753</u>	<u>380,075</u>	<u>80,537</u>	<u>166,029</u>	<u>317,498</u>	<u>2,320,203</u>
Excess (deficiency) of receipts over disbursements	<u>19,873</u>	<u>(380,075)</u>	<u>15,803</u>	<u>(205)</u>	<u>(312,033)</u>	<u>54,912</u>
Cash and investments - ending	<u>\$ 48,581</u>	<u>\$ 1,313,638</u>	<u>\$ 159,185</u>	<u>\$ 4,639</u>	<u>\$ 902,582</u>	<u>\$ 123,447</u>

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

	Stormwater Operating	Wastewater Utility Operating	Wastewater Utility Bond And Interest	Wastewater Utility Construction	Wastewater Utility Debt Reserve	Totals
Cash and investments - beginning	\$ 319,646	\$ 1,946,769	\$ 770	\$ 10,784	\$ 574,785	\$ 24,063,702
Receipts:						
Taxes	-	-	-	-	-	9,033,475
Licenses and permits	-	-	-	-	-	50,796
Intergovernmental	-	-	-	-	-	5,052,819
Charges for services	-	-	-	-	-	2,178,521
Fines and forfeits	-	-	-	-	-	59,721
Utility fees	484,695	2,404,523	-	-	-	5,437,804
Other receipts	2,134	23,155	708,000	-	-	22,710,425
<b>Total receipts</b>	<b>486,829</b>	<b>2,427,678</b>	<b>708,000</b>	<b>-</b>	<b>-</b>	<b>44,523,561</b>
Disbursements:						
Personal services	-	-	-	-	-	15,872,576
Supplies	-	-	-	-	-	955,730
Other services and charges	-	-	-	-	-	4,669,473
Debt service - principal and interest	-	-	708,705	-	-	708,705
Capital outlay	37,689	57,511	-	-	-	1,594,372
Utility operating expenses	363,242	1,914,693	-	-	-	4,678,675
Other disbursements	135	715,466	-	-	-	16,436,464
<b>Total disbursements</b>	<b>401,066</b>	<b>2,687,670</b>	<b>708,705</b>	<b>-</b>	<b>-</b>	<b>44,915,995</b>
Excess (deficiency) of receipts over disbursements	85,763	(259,992)	(705)	-	-	(392,434)
Cash and investments - ending	<u>\$ 405,409</u>	<u>\$ 1,686,777</u>	<u>\$ 65</u>	<u>\$ 10,784</u>	<u>\$ 574,785</u>	<u>\$ 23,671,268</u>

CRAWFORDSVILLE CIVIL CITY  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: John Deere	Airport John Deere Mower 2011	\$ 4,652	03-15-11	03-15-14
Total governmental activities		<u>4,652</u>		
Total of annual lease payments		<u>\$ 4,652</u>		

  

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	Commerce Park TIF Bond	\$ 3,795,000	\$ 363,030
Notes and loans payable	Golf Course Cart Loan/Mower combined loan	21,271	4,362
Notes and loans payable	Aviation John Deer Mower	8,695	4,653
Notes and loans payable	UDAG Loan to Golf Course	17,524	9,093
Notes and loans payable	Aviation Terminal Mortgage	<u>627,085</u>	<u>42,276</u>
Total governmental activities		<u>4,469,575</u>	<u>423,414</u>
Electric:			
Notes and loans payable	Acceplus Lease	<u>16,660,000</u>	<u>1,377,983</u>
Wastewater:			
Notes and loans payable	Waste Water Chase Loan	325,000	-
Notes and loans payable	Waste Water SRF Loan	<u>2,320,864</u>	<u>372,305</u>
Total Wastewater		<u>2,645,864</u>	<u>372,305</u>
Totals		<u>\$ 23,775,439</u>	<u>\$ 2,173,702</u>

CITY OF CRAWFORDSVILLE  
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	\$ 3,547,103
Infrastructure	64,061,895
Buildings	9,282,250
Improvements other than buildings	5,184,126
Machinery, equipment and vehicles	7,837,431
Construction in progress	1,509,691
Total governmental activities	91,422,496
Electric:	
Land	678,847
Infrastructure	49,034,855
Improvements other than buildings	4,350,400
Machinery, equipment and vehicles	14,698,249
Total Electric	68,762,351
Wastewater:	
Land	106,819
Infrastructure	5,976,683
Buildings	13,839,797
Machinery, equipment and vehicles	1,407,736
Books and other	36,290
Total Wastewater	21,367,325
Total capital assets	\$ 181,552,172

CITY OF CRAWFORDSVILLE  
AUDIT RESULTS AND COMMENTS

***PARK NONREVERTING FUNDS***

The Park and Recreation Board established a nonreverting operating fund, by Ordinance 38-1973, from which expenditures were made without appropriation in 2011.

Indiana Code 36-10-3-22 (b) states in part:

". . . The unit's fiscal body may establish by ordinance, upon request of the board: (1) a special nonreverting operating fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit's fiscal body . . ."

***ANNUAL REPORT***

An annual report for 2011 was presented for audit, but did not include all funds and accounts required for proper presentation of financial statements. We recommend the City Clerk-Treasurer include reporting of the Electric Utility money market investment accounts as separate funds on the 2012 annual report.

Indiana Code 5-3-1-3(a) states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year."

***DISTRIBUTION OF NET REVENUES TO THE VARIOUS FUNDS - ELECTRIC UTILITY***

Net revenues from the operations of Accelplus, a division of Crawfordsville Electric Light and Power (CEL&P) were not sufficient to make all payments required by the debt financing. Accelplus operates a telecommunications company providing fiber-optic cable television service and internet communication services to customers within the service territory of CEL&P. The trust agreement required transfers from Accelplus to US Bank, custodian of the Accelplus funds. Transfers made to US Bank in 2011 were \$180,000 compared to the required transfer amount of \$971,320 resulting in a deficiency of \$791,320.

Due to the underfunded debt service requirements in 2011 and 2012, the Utility defaulted on the \$300,000 and the \$425,000 principal amounts and the \$481,910 interest amount due July 1, 2011, and January 1, 2012, respectively. These defaults raise substantial doubt about its ability to continue as a going concern.

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

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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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 CRAWFORDSVILLE, MONTGOMERY COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Crawfordsville (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.

This report is intended solely for the information and use of the City's management, City 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 25, 2012

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#### 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 CRAWFORDSVILLE  
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 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 Whitlock Avenue Improvement Project	14.228	D1B-09-005	\$ 917,118
Pass-Through Indiana Department of Transportation CDBG - State Administered CDBG Cluster Community Development Block Grants\State's Program and Non-Entitlement Grants in Hawaii Mill Street Project	14.228	DES 0500890	<u>229,102</u>
Total for program			<u>1,146,220</u>
Total for federal grantor agency			<u>1,146,220</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Natural Resources Highway Planning and Construction Cluster Recreational Trails Program Sugar Creek Trail Extension	20.219	RT-03-003	<u>82,344</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grant	20.601	OP-10-02-01-57 OP-11-02-01-50	3,502 <u>2,350</u>
Total for cluster			<u>5,852</u>
Direct Grant Airport Improvement Program Rehabilitate Runway 04-22 Phase 2	20.106	03-18-0015-08	157,161
Automated Weather System		03-18-0015-09	113,083
Environmental Assessment Phase II		03-18-0015-11	<u>6,175</u>
Total for program			<u>276,419</u>
Total for federal grantor agency			<u>364,615</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant Staffing for Adequate Fire and Emergency Response	97.083		<u>434,308</u>
Total federal awards expended			<u>\$ 1,945,143</u>

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

CITY OF CRAWFORDSVILLE  
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 Crawfordsville 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 CRAWFORDSVILLE  
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
97.083	CDBG – State Administered CDBG Cluster Staffing for Adequate Fire and Emergency Response

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 CRAWFORDSVILLE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF CRAWFORDSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on July 25, 2012, with Terri J. Gadd, Clerk-Treasurer, and Todd D. Barton, Mayor. The officials concurred with our audit findings.

The contents of this report were discussed on August 1, 2012, with Heather Perkins, President of the Common Council.