

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF CONNERSVILLE  
FAYETTE COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
09/20/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Julie A. Greeson	01-01-12 to 12-31-15
Mayor	Leonard E. Urban	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Leonard E. Urban	01-01-12 to 12-31-15
President of the Common Council	Dr. Gary E. Weber	01-01-12 to 12-31-13
Director of Utilities	William H. Ammerman	01-01-12 to 12-31-13
Utility Office Manager	Karen L. Lore	01-01-12 to 12-31-13



**STATE OF INDIANA**  
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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

TO: THE OFFICIALS OF THE CITY OF CONNERSVILLE, FAYETTE COUNTY, INDIANA

***Report on the Financial Statement***

We have audited the accompanying financial statement of the City of Connerville (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2012.

***Opinion on Regulatory Basis of Accounting***

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, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated August 21, 2013, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

***Accompanying Information***

*Supplementary Information*

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.



Bruce Hartman  
State Examiner

August 21, 2013



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INDEPENDENT AUDITOR'S 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 CONNERSVILLE, FAYETTE COUNTY, INDIANA

We have audited, 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, the financial statement of the City of Connersville (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated August 21, 2013, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

***Internal Control Over Financial Reporting***

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

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. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as Findings 2012-1 and 2012-2 to be material weaknesses.

***Compliance and Other Matters***

As part of obtaining reasonable assurance about whether the Town'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

INDEPENDENT AUDITOR'S 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)

provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2012-1 and 2012-2.

***City of Connersville's Response to Findings***

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

***Purpose of This Report***

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman  
State Examiner

August 21, 2013

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## FINANCIAL STATEMENT

The financial statement and accompanying notes were prepared by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF CONNERSVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
GENERAL FUND	\$ 3,409,450	\$ 9,289,921	\$ 9,812,214	\$ 2,887,157
MOTOR VEHICLE HIGHWAY	220,917	1,031,148	1,045,103	206,962
LOCAL ROAD & STREET	221,471	59,698	100,000	181,169
AIRPORT FUND	76,856	172,545	152,122	97,279
PARK NON-REVERTING FUND	25,469	37,849	22,163	41,155
CONTINUING EDUCATION	8,798	10,011	6,587	12,222
PARK FUND	285,440	760,134	782,523	263,051
RAINY DAY FUND	21,656	-	-	21,656
EDIT FUND	-	142,000	141,987	13
CUMULATIVE CAPITAL IMPR.	64,946	37,942	18,751	84,137
CUMULATIVE CAPITAL DEV	433,173	35,628	55,825	412,976
NON-REVERTING INSURANCE	229,684	325	66,408	163,601
POLICE PENSION	614,152	543,792	564,728	593,216
FIRE PENSION	670,753	1,006,909	1,046,671	630,991
RIVERBOAT FUND	223,495	79,860	157,098	146,257
CABLE EDUCATION FUND	198,598	182,597	199,849	181,346
CEMETERY FUND	21,190	4,783	5,550	20,423
UTILITIES F.T. MM INVEST	-	3,039,630	-	3,039,630
INTERMODAL FEASIBILITY STUDY	2,703	-	2,703	-
OPERATION SAFE CHILD	-	3,000	2,892	108
LANDFILL/ENVIRONMENTAL REMEDIATION	642,320	63	600,154	42,229
IEDC 21ST CENTURY GRANT	-	45,000	45,000	-
LAWRENCEBURG GRANT	1,011,912	-	1,000,000	11,912
ENERGY GRANT	-	2,000	-	2,000
FACADE PROGRAM	14,409	1,250	12,328	3,331
PARK RESTRICTED FUND	4,951	42,139	40,058	7,032
PARK POOL DEBT SERVICE	-	116,013	116,013	-
PARK MILLER BLDG DEBT SERVICE	-	69,200	69,200	-
PARK POOL BOND CONSTRUCTION	19,898	-	8,932	10,966
RESTRICTED DONATION	11,178	28,613	17,966	21,825
DRUG COALITION FUND	1,015	-	-	1,015
FIFTH THIRD MM INVESTMENT	-	1,600,622	1,000,000	600,622
RUFF DRUG FUND	639	40,216	39,395	1,460
SEMINAR TRAINING FUND	4,327	-	837	3,490
TAX ABATEMENT FUND	801	-	56	745
JAMES E ROBERTS TRUST	17,761	144	941	16,964
AIRPORT IMPROVEMENT	166,176	136,236	130,102	172,310
PAYROLL	-	2,758,112	2,758,112	-
DIRECT DEPOSIT CLEARING	-	2,921,512	2,921,512	-
FEDERAL TAX	-	910,484	910,484	-
FICA	-	392,780	392,775	5
MEDICARE	-	174,480	174,450	30
IN DEPT OF REVENUE	-	271,344	271,344	-
COUNTY TAX	-	173,447	173,447	-
PERF	232	586,241	575,819	10,654

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

CITY OF CONNERSVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2012  
(Continued)

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
POLICE PENSION	-	63,418	62,757	661
FIRE PENSION	-	62,577	62,577	-
COLONIAL INSURANCE	-	618	618	-
FAYETTE COUNTY TREASURER	-	3,452	3,452	-
NATCO CREDIT UNION	-	318,567	318,567	-
DEFERRED COMP HARTFORD	-	80,395	80,395	-
UNION DUES	-	15,720	15,720	-
FIRE UNION DUES	-	15,551	15,551	-
FOP UNION DUES	4,457	4,493	1,000	7,950
HEALTH INSURANCE KEY BENEFIT	11,021	-	-	11,021
PRUDENTIAL INSURANCE IRA	-	1,333	1,333	-
LINCOLN NATIONAL LIFE	-	2,100	2,100	-
RWDSU WELFARE FUND	-	542,427	542,427	-
STANDARD LIFE INSURANCE	-	9,735	9,735	-
PRUDENTIAL INSURANCE	-	503	503	-
LINECO	1,409	360,769	362,900	(722)
POLICE & FIRE INS. ASSOC.	-	19,559	19,559	-
UTILITY UNION DUES	-	9,710	9,710	-
SIHO INSURANCE SERVICES	-	25,050	25,050	-
IBEW COPE	-	250	250	-
INDIANA FIRE FIGHTERS PAC	-	1,508	1,508	-
IACT MEDICAL TRUST	107	2,189,676	2,189,738	45
ASSURANT DENTAL INSURANCE	-	4,977	4,977	-
LINCOLN NATIONAL LIFE INS	-	10,824	10,824	-
GARNISH EMPLOYEE EMS RUNS	-	73	73	-
FAYETTE COUNTY CLERK- G	-	8,365	8,365	-
WAYNE CO CLERK- G	-	5,815	5,815	-
RUSH COUNTY CLERK	-	589	589	-
IN STATE CENTRAL CO	-	660	660	-
EMPLOYEE PAYROLL DEDUCT	-	1,554	1,554	-
GARNISHMENT POLICE EMPLOY	-	68	68	-
IND DEPT OF CHILDREN'S SERVICE	-	75,147	75,147	-
PRUDENTIAL C	-	1,505	1,505	-
REVOLVING LOAN US BANK	132,778	29,769	2,501	160,046
STATE REVOLVING LOAN	-	880,307	880,307	-
AIRPORT ROTARY FUND	44,616	49,266	52,424	41,458
STORM WATER	2,026,870	799,616	1,872,722	953,764
WASTEWATER DEBT RESERVE	621,671	124,584	34,936	711,319
WASTEWATER	2,275,913	3,218,151	4,293,870	1,200,194
WATER	1,252,704	2,553,071	3,201,236	604,539
WATER CONSTRUCTION	1,202,823	233	523,781	679,275
Totals	<u>\$ 16,198,739</u>	<u>\$ 38,199,653</u>	<u>\$ 40,138,903</u>	<u>\$ 14,259,489</u>

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

CITY OF CONNERSVILLE  
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), emergency medical services, highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, 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 establishments 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 CONNERSVILLE  
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 television receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

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

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

Penalties which include fees received for late payments.

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

*E. Disbursements*

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

**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 CONNERSVILLE  
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 CONNERSVILLE  
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. Cash Balance Deficit**

The financial statement contains one fund with a deficit in cash. This is a result of an immaterial error in a payroll withholding fund which was corrected in January 2013.

**Note 8. Other Postemployment Benefits**

The City provides to eligible retirees and their spouses health insurance benefits. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 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 CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	AIRPORT FUND	PARK NON-REVERTING FUND	CONTINUING EDUCATION	PARK FUND
Cash and investments - beginning	\$ 3,409,450	\$ 220,917	\$ 221,471	\$ 76,856	\$ 25,469	\$ 8,798	\$ 285,440
Receipts:							
Taxes	4,986,932	592,465	-	110,613	-	-	517,004
Licenses and permits	25	-	-	-	-	-	-
Intergovernmental	2,287,558	401,769	59,698	8,944	-	-	41,805
Charges for services	1,459,991	31,993	-	52,825	37,849	-	194,081
Fines and forfeits	8,055	-	-	-	-	10,011	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	547,360	4,921	-	163	-	-	7,244
Total receipts	<u>9,289,921</u>	<u>1,031,148</u>	<u>59,698</u>	<u>172,545</u>	<u>37,849</u>	<u>10,011</u>	<u>760,134</u>
Disbursements:							
Personal services	7,012,652	634,238	-	7,078	-	-	526,708
Supplies	373,173	170,735	-	12,411	22,163	-	107,824
Other services and charges	1,934,959	232,268	100,000	132,633	-	6,587	147,482
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	185,358	7,299	-	-	-	-	509
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	306,072	563	-	-	-	-	-
Total disbursements	<u>9,812,214</u>	<u>1,045,103</u>	<u>100,000</u>	<u>152,122</u>	<u>22,163</u>	<u>6,587</u>	<u>782,523</u>
Excess (deficiency) of receipts over disbursements	<u>(522,293)</u>	<u>(13,955)</u>	<u>(40,302)</u>	<u>20,423</u>	<u>15,686</u>	<u>3,424</u>	<u>(22,389)</u>
Cash and investments - ending	<u>\$ 2,887,157</u>	<u>\$ 206,962</u>	<u>\$ 181,169</u>	<u>\$ 97,279</u>	<u>\$ 41,155</u>	<u>\$ 12,222</u>	<u>\$ 263,051</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	RAINY DAY FUND	EDIT FUND	CUMULATIVE CAPITAL IMPR.	CUMULATIVE CAPITAL DEV	NON-REVERTING INSURANCE	POLICE PENSION	FIRE PENSION
Cash and investments - beginning	\$ 21,656	\$ -	\$ 64,946	\$ 433,173	\$ 229,684	\$ 614,152	\$ 670,753
Receipts:							
Taxes	-	-	-	32,963	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	142,000	35,755	2,665	-	543,792	1,006,795
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	2,187	-	325	-	114
Total receipts	-	142,000	37,942	35,628	325	543,792	1,006,909
Disbursements:							
Personal services	-	-	-	-	66,408	3,040	3,040
Supplies	-	-	-	-	-	-	77
Other services and charges	-	90,000	18,751	-	-	561,688	1,043,554
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	51,987	-	55,825	-	-	-
Total disbursements	-	141,987	18,751	55,825	66,408	564,728	1,046,671
Excess (deficiency) of receipts over disbursements	-	13	19,191	(20,197)	(66,083)	(20,936)	(39,762)
Cash and investments - ending	\$ 21,656	\$ 13	\$ 84,137	\$ 412,976	\$ 163,601	\$ 593,216	\$ 630,991

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	RIVERBOAT FUND	CABLE EDUCATION FUND	CEMETERY FUND	UTILITIES F.T. MM INVEST	INTERMODAL FEASIBILITY STUDY	OPERATION SAFE CHILD	LANDFILL/ ENVIRONMENTAL REMEDATION
Cash and investments - beginning	\$ 223,495	\$ 198,598	\$ 21,190	\$ -	\$ 2,703	\$ -	\$ 642,320
Receipts:							
Taxes	-	-	4,425	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	79,860	-	358	-	-	-	-
Charges for services	-	182,540	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	57	-	3,039,630	-	3,000	63
Total receipts	<u>79,860</u>	<u>182,597</u>	<u>4,783</u>	<u>3,039,630</u>	<u>-</u>	<u>3,000</u>	<u>63</u>
Disbursements:							
Personal services	-	119,469	-	-	-	-	-
Supplies	75,631	9,600	-	-	-	-	-
Other services and charges	54,305	14,067	5,550	-	2,703	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	27,162	56,713	-	-	-	2,892	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	600,154
Total disbursements	<u>157,098</u>	<u>199,849</u>	<u>5,550</u>	<u>-</u>	<u>2,703</u>	<u>2,892</u>	<u>600,154</u>
Excess (deficiency) of receipts over disbursements	<u>(77,238)</u>	<u>(17,252)</u>	<u>(767)</u>	<u>3,039,630</u>	<u>(2,703)</u>	<u>108</u>	<u>(600,091)</u>
Cash and investments - ending	<u>\$ 146,257</u>	<u>\$ 181,346</u>	<u>\$ 20,423</u>	<u>\$ 3,039,630</u>	<u>\$ -</u>	<u>\$ 108</u>	<u>\$ 42,229</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	IEDC 21ST CENTURY GRANT	LAWRENCEBURG GRANT	ENERGY GRANT	FACADE PROGRAM	PARK RESTRICTED FUND	PARK POOL DEBT SERVICE	PARK MILLER BLDG DEBT SERVICE
Cash and investments - beginning	\$ -	\$ 1,011,912	\$ -	\$ 14,409	\$ 4,951	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	45,000	-	2,000	1,250	42,139	116,013	69,200
Total receipts	45,000	-	2,000	1,250	42,139	116,013	69,200
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	3,870	-	-
Other services and charges	45,000	1,000,000	-	12,328	36,188	-	-
Debt service - principal and interest	-	-	-	-	-	116,013	69,200
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	45,000	1,000,000	-	12,328	40,058	116,013	69,200
Excess (deficiency) of receipts over disbursements	-	(1,000,000)	2,000	(11,078)	2,081	-	-
Cash and investments - ending	\$ -	\$ 11,912	\$ 2,000	\$ 3,331	\$ 7,032	\$ -	\$ -

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	PARK POOL BOND CONSTRUCTION	RESTRICTED DONATION	DRUG COALITION FUND	FIFTH THIRD MM INVESTMENT	RUFF DRUG FUND	SEMINAR TRAINING FUND	TAX ABATEMENT FUND
Cash and investments - beginning	\$ 19,898	\$ 11,178	\$ 1,015	\$ -	\$ 639	\$ 4,327	\$ 801
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	17,500	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	28,613	-	1,600,622	22,716	-	-
Total receipts	-	28,613	-	1,600,622	40,216	-	-
Disbursements:							
Personal services	-	-	-	-	430	-	-
Supplies	-	3,410	-	-	692	-	-
Other services and charges	2,150	14,556	-	-	38,273	837	56
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	6,499	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	283	-	-	1,000,000	-	-	-
Total disbursements	8,932	17,966	-	1,000,000	39,395	837	56
Excess (deficiency) of receipts over disbursements	(8,932)	10,647	-	600,622	821	(837)	(56)
Cash and investments - ending	<u>\$ 10,966</u>	<u>\$ 21,825</u>	<u>\$ 1,015</u>	<u>\$ 600,622</u>	<u>\$ 1,460</u>	<u>\$ 3,490</u>	<u>\$ 745</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	JAMES E. ROBERTS TRUST	AIRPORT IMPROVEMENT	PAYROLL	DIRECT DEPOSIT CLEARING	FEDERAL TAX	FICA	MEDICARE
Cash and investments - beginning	\$ 17,761	\$ 166,176	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	144	136,236	2,758,112	2,921,512	910,484	392,780	174,480
Total receipts	<u>144</u>	<u>136,236</u>	<u>2,758,112</u>	<u>2,921,512</u>	<u>910,484</u>	<u>392,780</u>	<u>174,480</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	191	-	-	-	-	-	-
Other services and charges	750	130,102	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	2,758,112	2,921,512	910,484	392,775	174,450
Total disbursements	<u>941</u>	<u>130,102</u>	<u>2,758,112</u>	<u>2,921,512</u>	<u>910,484</u>	<u>392,775</u>	<u>174,450</u>
Excess (deficiency) of receipts over disbursements	<u>(797)</u>	<u>6,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5</u>	<u>30</u>
Cash and investments - ending	<u>\$ 16,964</u>	<u>\$ 172,310</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5</u>	<u>\$ 30</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	IN DEPT OF REVENUE	COUNTY TAX	PERF	POLICE PENSION	FIRE PENSION	COLONIAL INSURANCE	FAYETTE COUNTY TREASURER
Cash and investments - beginning	\$ -	\$ -	\$ 232	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	<u>271,344</u>	<u>173,447</u>	<u>586,241</u>	<u>63,418</u>	<u>62,577</u>	<u>618</u>	<u>3,452</u>
Total receipts	<u>271,344</u>	<u>173,447</u>	<u>586,241</u>	<u>63,418</u>	<u>62,577</u>	<u>618</u>	<u>3,452</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>271,344</u>	<u>173,447</u>	<u>575,819</u>	<u>62,757</u>	<u>62,577</u>	<u>618</u>	<u>3,452</u>
Total disbursements	<u>271,344</u>	<u>173,447</u>	<u>575,819</u>	<u>62,757</u>	<u>62,577</u>	<u>618</u>	<u>3,452</u>
Excess (deficiency) of receipts over disbursements	-	-	<u>10,422</u>	<u>661</u>	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 10,654</u>	<u>\$ 661</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	NATCO CREDIT UNION	DEFERRED COMP HARTFORD	UNION DUES	FIRE UNION DUES	FOP UNION DUES	HEALTH INSURANCE KEY BENEFIT	PRUDENTIAL INSURANCE IRA
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 4,457	\$ 11,021	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	318,567	80,395	15,720	15,551	4,493	-	1,333
Total receipts	318,567	80,395	15,720	15,551	4,493	-	1,333
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	318,567	80,395	15,720	15,551	1,000	-	1,333
Total disbursements	318,567	80,395	15,720	15,551	1,000	-	1,333
Excess (deficiency) of receipts over disbursements	-	-	-	-	3,493	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ 7,950	\$ 11,021	\$ -

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	LINCOLN NATIONAL LIFE	RWDSU WELFARE FUND	STANDARD LIFE INSURANCE	PRUDENTIAL INSURANCE	LINECO	POLICE & FIRE INS. ASSOC.	UTILITY UNION DUES
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ 1,409	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,100	542,427	9,735	503	360,769	19,559	9,710
<b>Total receipts</b>	<b>2,100</b>	<b>542,427</b>	<b>9,735</b>	<b>503</b>	<b>360,769</b>	<b>19,559</b>	<b>9,710</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,100	542,427	9,735	503	362,900	19,559	9,710
<b>Total disbursements</b>	<b>2,100</b>	<b>542,427</b>	<b>9,735</b>	<b>503</b>	<b>362,900</b>	<b>19,559</b>	<b>9,710</b>
Excess (deficiency) of receipts over disbursements	-	-	-	-	(2,131)	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ (722)	\$ -	\$ -

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	SIHO INSURANCE SERVICES	IBEW COPE	INDIANA FIRE FIGHTERS PAC	IACT MEDICAL TRUST	ASSURANT DENTAL INSURANCE	LINCOLN NATIONAL LIFE INS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 107	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	25,050	250	1,508	2,189,676	4,977	10,824
Total receipts	<u>25,050</u>	<u>250</u>	<u>1,508</u>	<u>2,189,676</u>	<u>4,977</u>	<u>10,824</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	25,050	250	1,508	2,189,738	4,977	10,824
Total disbursements	<u>25,050</u>	<u>250</u>	<u>1,508</u>	<u>2,189,738</u>	<u>4,977</u>	<u>10,824</u>
Excess (deficiency) of receipts over disbursements	-	-	-	(62)	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 45</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	GARNISH EMPLOYEE EMS RUNS	FAYETTE COUNTY CLERK- G	WAYNE CO CLERK- G	RUSH COUNTY CLERK	IN STATE CENTRAL CO	EMPLOYEE PAYROLL DEDUCT
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	73	8,365	5,815	589	660	1,554
Total receipts	<u>73</u>	<u>8,365</u>	<u>5,815</u>	<u>589</u>	<u>660</u>	<u>1,554</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	73	8,365	5,815	589	660	1,554
Total disbursements	<u>73</u>	<u>8,365</u>	<u>5,815</u>	<u>589</u>	<u>660</u>	<u>1,554</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	GARNISHMENT POLICE EMPLOY	IN DEPT OF CHILDREN'S SERVICE	PRUDENTIAL C	REVOLVING LOAN US BANK	STATE REVOLVING LOAN	AIRPORT ROTARY FUND
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 132,778	\$ -	\$ 44,616
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	49,266
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	68	75,147	1,505	29,769	880,307	-
Total receipts	<u>68</u>	<u>75,147</u>	<u>1,505</u>	<u>29,769</u>	<u>880,307</u>	<u>49,266</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	45,816
Other services and charges	-	-	-	-	-	6,608
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	68	75,147	1,505	2,501	880,307	-
Total disbursements	<u>68</u>	<u>75,147</u>	<u>1,505</u>	<u>2,501</u>	<u>880,307</u>	<u>52,424</u>
Excess (deficiency) of receipts over disbursements	-	-	-	27,268	-	(3,158)
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 160,046</u>	<u>\$ -</u>	<u>\$ 41,458</u>

CITY OF CONNERSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2012  
 (Continued)

	STORM WATER	WASTEWATER DEBT RESERVE	WASTEWATER	WATER	WATER CONSTRUCTION	Totals
Cash and investments - beginning	\$ 2,026,870	\$ 621,671	\$ 2,275,913	\$ 1,252,704	\$ 1,202,823	\$ 16,198,739
Receipts:						
Taxes	-	-	-	-	-	6,244,402
Licenses and permits	-	-	-	-	-	25
Intergovernmental	-	-	-	-	-	4,610,999
Charges for services	-	-	-	-	-	2,026,045
Fines and forfeits	-	-	-	-	-	18,066
Utility fees	784,957	-	3,147,195	2,389,107	-	6,321,259
Penalties	12,100	-	50,274	14,947	-	77,321
Other receipts	2,559	124,584	20,682	149,017	233	18,901,536
Total receipts	<u>799,616</u>	<u>124,584</u>	<u>3,218,151</u>	<u>2,553,071</u>	<u>233</u>	<u>38,199,653</u>
Disbursements:						
Personal services	-	-	-	-	-	8,373,063
Supplies	-	-	-	-	-	825,593
Other services and charges	-	-	-	-	-	5,631,395
Debt service - principal and interest	-	-	-	-	-	185,213
Capital outlay	138,400	-	80,336	44,931	10,918	561,017
Utility operating expenses	1,197,618	-	1,595,183	1,383,620	12,863	4,189,284
Other disbursements	536,704	34,936	2,618,351	1,772,685	500,000	20,373,338
Total disbursements	<u>1,872,722</u>	<u>34,936</u>	<u>4,293,870</u>	<u>3,201,236</u>	<u>523,781</u>	<u>40,138,903</u>
Excess (deficiency) of receipts over disbursements	<u>(1,073,106)</u>	<u>89,648</u>	<u>(1,075,719)</u>	<u>(648,165)</u>	<u>(523,548)</u>	<u>(1,939,250)</u>
Cash and investments - ending	<u>\$ 953,764</u>	<u>\$ 711,319</u>	<u>\$ 1,200,194</u>	<u>\$ 604,539</u>	<u>\$ 679,275</u>	<u>\$ 14,259,489</u>

CITY OF CONNERSVILLE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Airport	\$ 1,242	\$ -
Storm Water	2,766	133,765
Wastewater	16,591	272,503
Water	36,244	261,700
Governmental activities	<u>148,326</u>	<u>64,221</u>
Totals	<u>\$ 205,169</u>	<u>\$ 732,189</u>

CITY OF CONNERSVILLE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Fifth Third Bank	Purchase of Automated Trash Truck and Toters	\$ 91,331	08-31-12	11-01-18
USDA Rural Development	Purchase Ambulance	<u>6,987</u>	07-25-07	07-25-22
Total governmental activities		<u>98,318</u>		
Total of annual lease payments		<u>\$ 98,318</u>		
Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year	
Governmental activities:				
General obligation bonds	2010 Bond to Construct Community Center	\$ 570,000	\$ 72,300	
Revenue bonds	2004 Bond to Construct Community Swimming Pool	<u>1,040,000</u>	<u>118,144</u>	
Total governmental activities		<u>1,610,000</u>	<u>190,444</u>	
Wastewater:				
Revenue bonds	Sewage Works Refunding Revenue Bonds of 2010	2,610,000	484,850	
Revenue bonds	Sewage Works Revenue Bonds of 2009 SRF Series A	<u>2,408,190</u>	<u>280,479</u>	
Total Wastewater		<u>5,018,190</u>	<u>765,329</u>	
Water:				
Revenue bonds	Waterworks Revenue Bonds of 2005	3,485,000	243,035	
Revenue bonds	Waterworks Refunding Revenue Bonds of 2010	<u>1,740,000</u>	<u>293,293</u>	
Total Water		<u>5,225,000</u>	<u>536,328</u>	
Totals		<u>\$ 11,853,190</u>	<u>\$ 1,492,101</u>	

CITY OF CONNERSVILLE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2012

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	\$ 775,644
Infrastructure	1,439,322
Buildings	4,130,030
Improvements other than buildings	2,012,090
Machinery, equipment, and vehicles	6,084,564
Construction in progress	108,122
Total governmental activities	14,549,772
Airport:	
Land	2,016,048
Infrastructure	1,524,281
Buildings	222,683
Improvements other than buildings	3,169,143
Machinery, equipment, and vehicles	348,358
Total Airport	7,280,513
Storm Water:	
Land	8,533
Infrastructure	2,943,751
Buildings	25,793
Improvements other than buildings	54,409
Machinery, equipment, and vehicles	173,340
Total Storm Water	3,205,826
Wastewater:	
Land	338,737
Infrastructure	5,968,523
Buildings	5,490,649
Improvements other than buildings	270,092
Machinery, equipment, and vehicles	3,052,135
Total Wastewater	15,120,136
Water:	
Land	58,099
Infrastructure	6,218,112
Buildings	2,798,240
Improvements other than buildings	719,593
Machinery, equipment, and vehicles	3,230,563
Total Water	13,024,607
Total capital assets	\$ 53,180,854

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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 FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF CONNERSVILLE, FAYETTE COUNTY, INDIANA

***Report on Compliance for Each Major Federal Program***

We have audited the City of Connersville's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2012. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

***Report on Internal Control Over Compliance***

Management of the City is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman  
State Examiner

August 21, 2013

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CITY OF CONNERSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute			
Ruff Drug		16.738	JAG 03-12-7018-01	<u>\$ 15,000</u>
Total - JAG Program Cluster				<u>15,000</u>
Bulletproof Vest Partnership Program	Direct grant			
Bulletproof Vests		16.607	FY 2012	<u>2,410</u>
Total - Department of Justice				<u>17,410</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation			
Sign Inventory		20.205	DES #1173488	<u>45,000</u>
Total - Highway Planning and Construction Cluster				<u>45,000</u>
Highway Safety Cluster				
State and Community Highway Safety	Indiana Criminal Justice Institute			
Operation Pull Over		20.600	OP-13-04-026	<u>1,260</u>
Safety Belt Performance Grants	Indiana Criminal Justice Institute			
Operation Pull Over		20.609	OP-12-04-026	<u>4,000</u>
Total - Highway Safety Cluster				<u>5,260</u>
Airport Improvement Program	Direct grant			
Airport Improvement Program		20.106	AIP 3-18-0013	<u>134,840</u>
Total - Department of Transportation				<u>185,100</u>
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority	66.458	WW10152101	<u>334,244</u>
Total federal awards expended				<u>\$ 536,754</u>

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

CITY OF CONNERSVILLE  
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 Connersville 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 CONNERSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds

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**

**FINDING 2012-1 – INTERNAL CONTROLS OVER PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND FINANCIAL TRANSACTIONS AND REPORTING**

The City did not have a proper system of internal control in place to prevent or detect and correct errors on the Schedule of Expenditures of Federal Awards (SEFA) and the financial statement. The City should have proper controls in place over the preparation of the SEFA and the financial statement to ensure accurate reporting of federal awards and financial transactions and reporting. Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA and the financial statement could remain undetected.

CITY OF CONNERSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

During the audit of the SEFA, we noted the expenditures for the Capitalization Grants for Clean Water State Revolving Funds were omitted from the SEFA. Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a sub-recipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to sub-recipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

CITY OF CONNERSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

***FINDING 2012-2 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING***

We noted the following deficiency in the internal control system of the City related to financial transactions and reporting, which we believe constitutes a material weakness:

Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the City's audited financial statement and then determining how those identified risks should be managed. The City has not identified risks to the preparation of a reliable financial statement and as a result has failed to design effective controls over the preparation of the financial statement to prevent or detect material misstatements.

The financial records did not include the financial activity of the State Revolving Fund. The State Revolving Fund accounts for the financial activity of the City's capitalization grants used for environmental remediation at the former Visteon site. The monies from the grants are maintained by an outside trustee in bank accounts in the name of the City. Although held outside the physical custody of the City, the activity in the bank accounts held by the trustee is the financial activity of the City and should be reflected on the City's accounting records.

The State Revolving Fund financial activity was determined from the bank account statements presented for audit. Receipts and disbursements totaled \$880,307 with a cash balance at December 31, 2012, of \$0. Audit adjustments were proposed/accepted by the City, and made to the financial statement presented in this report. These adjustments resulted in a presentation of the financial statement that is materially correct.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

All financial transactions pertaining to the governmental unit should be recorded in the records of the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***Section III – Federal Award Findings and Questioned Costs***

No matters are reportable.

# CITY OF CONNERSVILLE

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CITY CLERK-TREASURER  
JULIE A. GREESON  
500 N. CENTRAL AVE.  
CONNERSVILLE, IN 47331

Phone: (765) 825-1271  
Fax: (765) 827-0858

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## CORRECTIVE ACTION PLAN

### Finding 2012-1 Internal Controls over Preparation of the Schedule of Expenditures of Federal Awards and Financial Transactions and Reporting.

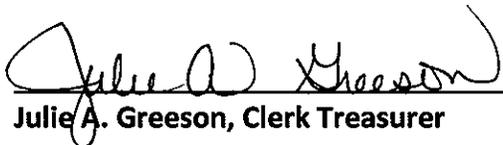
Auditee Contact Person: Julie A. Greeson

Title of Contract Person: Clerk Treasurer

Phone Number: 765-825-1271

Expected Completion Date: August 2, 2013

I have included this file, for the State Revolving Fund, with our other Grant Files and now that it has been brought to my attention that these funds are to be handled as Federal Grant funds we will make sure that all pertinent financial information will be listed as such on our Annual Report.

  
Julie A. Greeson, Clerk Treasurer

August 16, 2013

# CITY OF CONNERSVILLE

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CITY CLERK-TREASURER  
JULIE A. GREESON  
500 N. CENTRAL AVE.  
CONNERSVILLE, IN 47331

Phone: (765) 825-1271  
Fax: (765) 827-0858

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## CORRECTIVE ACTION PLAN

### Finding 2012-2 Internal Controls Over Financial Transactions and Reporting.

Auditte Contact Person: Julie A. Greeson

Title of Contract Person: Clerk Treasurer

Phone Number: 765-825-1271

Expected Completion Date: August 2, 2013

As of August 2, 2013 the receipts and disbursements for our State Revolving Loan Fund for 2012 have been added to our 2012 Gateway Annual Financial Report. I have also created a fund in our Keystone Program for the State Revolving Loan Fund for 2013, this will allow us to enter the monthly draw downs from the loan and the disbursements, ensuring that these amounts will be included from this point forward in our Annual Financial Report.



Julie A. Greeson, Clerk Treasurer

August 16, 2013

CITY OF CONNERSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on August 21, 2013, with Julie A. Greeson, Clerk-Treasurer; Leonard E. Urban, Mayor; William H. Ammerman, Director of Utilities; David B. Nutty, Assistant Manager of Utilities; Karen L. Lore, Utility Office Manager; and Frances Chomel, City Council member. Our audit disclosed no material items that warrant comment at this time.