

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF CROWN POINT
LAKE COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
08/22/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patti Olson	01-01-12 to 12-31-15
Mayor	David D. F. Uran	01-01-12 to 12-31-15
City Judge	Kent A. Jeffirs	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	David D. F. Uran	01-01-12 to 12-31-15
President of the Common Council	Andrew Kyres Robert Clemons	01-01-13 to 12-31-13 01-01-14 to 12-31-14
Superintendent of Utilities	Kent Swinehart	01-01-13 to 12-31-14
Director of Public Works	Jay Olson	01-01-13 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Crown Point (City), which comprises the financial position and results of operations for the year ended December 31, 2013, 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, 2013.

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, 2013, 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 June 25, 2014, 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.


Paul D. Joyce, CPA
State Examiner

June 25, 2014



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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 CROWN POINT, LAKE 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 Crown Point (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated June 25, 2014, 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 item 2013-001 to be material weaknesses.

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)

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 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 item 2013-001.

City of Crown Point'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.


Paul D. Joyce, CPA
State Examiner

June 25, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

CITY OF CROWN POINT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 1,103,466	\$ 19,475,400	\$ 19,524,621	\$ 1,054,245
MOTOR VEHICLE	1,072,812	2,109,761	2,217,698	964,875
LOCAL ROAD & STREET	68,207	281,272	255,038	94,441
NON REV. PARK FUND	139,221	260,822	305,215	94,828
LOCAL LAW ENF. CONT. EDUC	38,929	26,472	22,821	42,580
DEFERRAL PROGRAM FUND	73,390	57,830	57,236	73,984
RIVERBOAT ADM. TAX FUND	448,831	324,032	188,911	583,952
USER FEE FUND	1,557	58,374	59,930	1
MAJOR MOVES CONST. FUND	2,863	-	-	2,863
PUB.SAFETY- EXCESS WELFARE	142,123	-	66,235	75,888
CREDIT CARD FEES	25	-	-	25
CUMULATIVE CAPITAL DEV.	207,290	589,218	713,226	83,282
CP REDEV BOND CAPITAL FD	21,024	-	8,046	12,978
CUM. CAP II (RATE-EMS)	25,744	25,775	-	51,519
CUMULATIVE FIRE	58,170	56,749	-	114,919
GENERAL IMPROVEMENT FD.	13,521	8,341	10,482	11,380
CUMULATIVE CAPITAL IMP.	64,647	73,332	98,294	39,685
POLICE PENSION	634,167	450,030	436,123	648,074
FIRE PENSION	166,232	71,258	79,306	158,184
CUMULATIVE SEWER	195,890	148,572	47,464	296,998
COURT SUPPLEMENTAL CTAR-1	100,826	567,046	568,798	99,074
PUBLIC WORKS DONATION FD	551	250	448	353
NON REV BUILDER TEST FEES	14,300	22,400	11,043	25,657
NON-REV- ECONOMIC DEV.	19,438	5,400	250	24,588
CP REDEV DEBT SERV RES	333,631	-	-	333,631
ST ANTHONY TIF BOND FUND	104,326	2,089	-	106,415
911 EQUIPMENT FUND	36	-	-	36
LEASE RENTALES BLDING.	16,950	-	8,207	8,743
TOURISM FUND	7,268	4,725	7,218	4,775
G O BOND DEBT SERVICE	108,762	225,913	331,049	3,626
C. P. REDEVELOPMENT FUND	1,969,608	2,446,420	2,196,990	2,219,038
FIREFIGHTER'S GRANT FUND	3,879	6	-	3,885
RECYCLING & SOLID WASTE	107,394	186,676	68,167	225,903
G.O. BOND PROCEEDS FUND	376,483	-	1,251	375,232
SPORTSPLEX DEV & CONSTR	2,486,469	4,235,637	4,177,046	2,545,060
PYWH-PERF	15	-	-	15
SAUERMAN WOODS RES. DONA.	1,250	-	-	1,250
PYWH-SPECIAL INSURANCE	95	-	-	95
MISC. REFUNDS ESCROW	671	411,167	12,418	399,420
PYWH-FIRE PENSION II	299	20,236	20,236	299
HIGH MEADOWS ESCROW FUND	13,717	-	1,475	12,242
NON-REV. SPEC. EVENTS FD.	20,583	25,948	22,254	24,277
STATE INCOME TAX	27,267	395,864	382,205	40,926
POL. PEN - IND. GROSS	1,481	18,792	18,526	1,747
SENIOR DISC (HIDTA) FUND	113,268	100,000	97,289	115,979
DON-C.P. BEAUTIFICATION	2,926	-	-	2,926
FIRE PEN. - IND. GROSS	197	2,515	2,484	228
PYWH-POLICE PENSION II	343	27,696	27,676	363
ADULT PROBATION SERV. FD.	42,739	24,128	54,154	12,713
DOG SUPPLY/MAINT DONATION	35,200	7,971	21,264	21,907
ESCROW-EDC	1,489	-	-	1,489
PYWH-COL. LIFE & ACCIDENT	372	274	276	370
GREENVIEW RECOVERY AGREE.	9,600	-	-	9,600
NON-REV RENTAL HOUSING	36,043	33,803	44,907	24,939

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

CITY OF CROWN POINT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
CEMETERY NON-REV. FUND	30,085	18,427	17,308	31,204
PYWH- MUNICIPAL INS.	404	300	292	412
PARKS/ PLAYGROUNDS ESCROW	42,800	-	-	42,800
MISC. SALES TAX	106	10,115	10,136	85
COUNTY COURT COSTS ESC.	6,349	23,948	29,386	911
PRINC & INTEREST-TIF BOND	267,162	382,767	324,594	325,335
NON-REV VEH/EQUIP PURCH	87,936	66,593	73,156	81,373
COURT RECORD PERPETUATION	25,727	3,639	-	29,366
PREPAID LEGAL ESCROW	109	1,286	1,256	139
NON REV. PARK GIFT FUND	2,662	510	543	2,629
DARE FUND DONATIONS	21,309	27,034	28,485	19,858
FIRE DEPT. DONATIONS	6,624	41,206	37,136	10,694
NON REV. POLICE FED SEIZ.	56,345	15,150	10,550	60,945
MAYOR'S ROUNDTABLE ESCROW	1	-	-	1
POLICE DONATIONS ESCROW	18,597	33,589	28,366	23,820
NON REV POL. STATE SEIZ.	16	254	270	-
NON REV. HAZ MATERIALS	7,405	-	1,240	6,165
TANK IMP. ESCROW	144	-	-	144
PYWH-VISION INS.	1,731	8,411	8,551	1,591
PYWH-AFLAC	2,167	96,276	82,994	15,449
PYWH- AMER. BANKERS INS.	158	-	-	158
UNUM/CIGNA VOL INS ESCROW	1,788	16,969	16,868	1,889
EMP/RETIREE NON-REV INS.	249,700	4,860,855	4,493,704	616,851
CIVIL DEFENSE DONATIONS	19,660	5,964	5,123	20,501
L.C.DRUG FREE ALLIANCE GR	-	3,900	3,900	-
4TH FRIDAY ARTS GRANT	2,073	-	1,125	948
LAKE CO. HIDTA PROGRAM	3,366	3,330,308	3,333,467	207
ESCROW- PERPET.BLDG. IMP.FD	129,070	125,350	139,800	114,620
GRANT- L.C.DRUNK DRIV.TASK	186	-	-	186
HOMESTEAD RESTOR. DON.	100	-	-	100
CASH - STORMWATER O & M	681,006	883,747	837,271	727,482
CASH-STORMWATER DEBT SER	-	243,120	243,120	-
CASH-O & M FUND	600,000	5,695,169	5,695,168	600,001
CASH-IMPROVE OTHER FUND	2,536,357	624,888	176,236	2,985,009
131.2.40 CASH-WW DEBT RESERVE	1,321,812	42,591	-	1,364,403
WASTEWATER SRF 2011 TRUST	427,581	-	72,793	354,788
WASTEWATER SRF 2013 TRUST	-	1,154,591	1,154,591	-
CASH ON HAND-PETTY CASH	800	-	-	800
CASH-B & I SINKING FUND	606	1,257,652	1,243,167	15,091
CASH-IMPROVE REPLACE FND	352	-	-	352
CASH-UTILITY CONSTR ACCT	86,901	-	1,568	85,333
CASH-O & M FUND	726,000	8,000,051	8,000,051	726,000
CASH- HYDRANT DEPOSITS	2,913	10,237	6,400	6,750
CASH- DEPREC/ IMPROVEMT FD	8,166,159	7,450,128	6,000,000	9,616,287
WTR CASH-2012 WATER BOND ISSUE	5,776	-	-	5,776
CASH-DEBT SERV RES ACCT	701,554	-	-	701,554
CASH-WTR NEW CONS DEP	23,242	-	6,462	16,780
CASH-2007 WTR CONST FUND	67	5	5	67
CASH ON HAND-WATER PETTY	600	-	-	600
CASH-WATER B&I SINKING	290,235	689,223	691,426	288,032
Totals	<u>\$ 26,991,326</u>	<u>\$ 67,906,447</u>	<u>\$ 64,942,785</u>	<u>\$ 29,954,988</u>

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

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

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

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 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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

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

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

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

State statutes authorize the 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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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 Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

On Behalf Payments

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

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

Plan Description

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

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 Capitol 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

- A. The City of Crown Point Board of Public Works and Safety approved at their May 14, 2014 meeting to submit an application for the Wastewater State Revolving Fund (SRF) loan program for funding solutions as part of the long-term controlled plan. There are two parallel projects; one; addressing the excess flow and optimizing the existing treatment plant ability to treat. The existing pressure filter tertiary filtration system requires replacement, also structural repairs are necessary on a portion of the existing belt filter press building. The filters need to be replaced in order to optimize the existing plants ability to treat. This is in tandem with the improvements to address the flow so this addresses quality and capacity. Commonwealth Engineers has worked with the City on projects to keep the City in compliance with the prescribed mandate from the State judicial order. Commonwealth did provide a list of construction costs totaling \$3,752,400; Non-Construction costs \$891,500 for a total estimated project cost of \$4,643,900. Commonwealth will submit this project to SRF on the City's behalf to keep in compliance with mandates set by the State. The City is ahead of schedule and has saved a significant amount of money by doing things in the past with our capital improvement projects such as Fashion Terrace project.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

- B. The Redevelopment Commission at their February 17, 2014 meeting adopted a resolution to establish an economic development area, the Mainstreet Allocation Area, Exchange Allocation area, and North Main Street Westside Allocation area. The Commission may use incremental real property taxes levied and collected in the area to finance the construction of local public improvements including the construction of a next generation skilled nursing and assisted living facility in serving or benefiting the area. Infrastructure will play a significant role in allowing new development that will produce an incremental assessed value. A tax impact statement and other supporting documentation have been prepared by Financial Solutions Group, Inc., and are on file in the Clerk-Treasurer's Office on behalf of the Crown Point Redevelopment Commission.

The Economic Development Commission held a public hearing regarding the proposed financing of a portion of the construction needed to serve the facility and to pay costs of issuance of bonds, including a debt service reserve if necessary. The issuance of its taxable economic development revenue bonds, Series 2014 in the aggregate principal amount not to exceed \$1,670,000 to finance the construction of the project as stated. The bonds will not be a general obligation of the City and will not be payable in any manner by taxation, but are proposed to be payable from available TIF Revenues, generated by the Facility and collected in the area and as otherwise provided in the Financing Agreement, the Trust Indenture and an authorizing Ordinance passed by the Common Council. All documents pertaining to this bond are available in the Clerk-Treasurer's Office.

Note 8. Other Postemployment Benefits

The City provides to eligible retirees and their spouses medical benefits. These benefits pose a liability to the City for this year and in future years. Employees must meet requirements such as the employee must be eligible to receive a pension, the employee must have 20 years of continuous service with the City of Crown Point, the employee must be at least 52 years of age to apply for this program and this program shall not be used or combined with any other Major Medical Plan. Additional information regarding the benefits can be obtained by contacting the City.

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 CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	GENERAL FUND	MOTOR VEHICLE	LOCAL ROAD & STREET	NON REV. PARK FUND	LOCAL LAW ENF. CONT. EDUC	DEFERRAL PROGRAM FUND	RIVERBOAT ADM. TAX FUND
Cash and investments - beginning	\$ 1,103,466	\$ 1,072,812	\$ 68,207	\$ 139,221	\$ 38,929	\$ 73,390	\$ 448,831
Receipts:							
Taxes	8,015,028	1,083,398	-	-	-	-	-
Licenses and permits	746,014	-	-	-	14,200	-	-
Intergovernmental	1,111,466	933,099	281,272	-	-	-	324,032
Charges for services	3,017,893	2,802	-	260,822	9,268	-	-
Fines and forfeits	79,829	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	6,505,170	90,462	-	-	3,004	57,830	-
Total receipts	<u>19,475,400</u>	<u>2,109,761</u>	<u>281,272</u>	<u>260,822</u>	<u>26,472</u>	<u>57,830</u>	<u>324,032</u>
Disbursements:							
Personal services	7,422,595	1,026,267	-	48,281	-	-	-
Supplies	345,631	274,869	-	114,538	7,106	4,785	-
Other services and charges	3,248,801	354,347	255,038	118,308	15,715	5,153	188,911
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	348,244	233,648	-	1,585	-	17,298	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	8,159,350	328,567	-	22,503	-	30,000	-
Total disbursements	<u>19,524,621</u>	<u>2,217,698</u>	<u>255,038</u>	<u>305,215</u>	<u>22,821</u>	<u>57,236</u>	<u>188,911</u>
Excess (deficiency) of receipts over disbursements	<u>(49,221)</u>	<u>(107,937)</u>	<u>26,234</u>	<u>(44,393)</u>	<u>3,651</u>	<u>594</u>	<u>135,121</u>
Cash and investments - ending	<u>\$ 1,054,245</u>	<u>\$ 964,875</u>	<u>\$ 94,441</u>	<u>\$ 94,828</u>	<u>\$ 42,580</u>	<u>\$ 73,984</u>	<u>\$ 583,952</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	USER FEE FUND	MAJOR MOVES CONST. FUND	PUB.SAFETY- EXCESS WELFARE	CREDIT CARD FEES	CUMULATIVE CAPITAL DEV.	CP REDEV BOND CAPITAL FD	CUM. CAP II (RATE-EMS)
Cash and investments - beginning	\$ 1,557	\$ 2,863	\$ 142,123	\$ 25	\$ 207,290	\$ 21,024	\$ 25,744
Receipts:							
Taxes	-	-	-	-	527,354	-	23,225
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	57,898	-	2,550
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	58,374	-	-	-	3,966	-	-
Total receipts	58,374	-	-	-	589,218	-	25,775
Disbursements:							
Personal services	-	-	-	-	708,539	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	4,687	8,046	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	5,707	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	59,930	-	60,528	-	-	-	-
Total disbursements	59,930	-	66,235	-	713,226	8,046	-
Excess (deficiency) of receipts over disbursements	(1,556)	-	(66,235)	-	(124,008)	(8,046)	25,775
Cash and investments - ending	\$ 1	\$ 2,863	\$ 75,888	\$ 25	\$ 83,282	\$ 12,978	\$ 51,519

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CUMULATIVE FIRE	GENERAL IMPROVEMENT FD.	CUMULATIVE CAPITAL IMP.	POLICE PENSION	FIRE PENSION	CUMULATIVE SEWER	COURT SUPPLEMENTAL CTAR-1
Cash and investments - beginning	\$ 58,170	\$ 13,521	\$ 64,647	\$ 634,167	\$ 166,232	\$ 195,890	\$ 100,826
Receipts:							
Taxes	50,549	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	5,550	-	73,332	450,030	71,258	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	650	8,341	-	-	-	148,572	567,046
Total receipts	<u>56,749</u>	<u>8,341</u>	<u>73,332</u>	<u>450,030</u>	<u>71,258</u>	<u>148,572</u>	<u>567,046</u>
Disbursements:							
Personal services	-	-	-	350	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	98,294	435,773	79,306	47,464	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	10,482	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	568,798
Total disbursements	<u>-</u>	<u>10,482</u>	<u>98,294</u>	<u>436,123</u>	<u>79,306</u>	<u>47,464</u>	<u>568,798</u>
Excess (deficiency) of receipts over disbursements	<u>56,749</u>	<u>(2,141)</u>	<u>(24,962)</u>	<u>13,907</u>	<u>(8,048)</u>	<u>101,108</u>	<u>(1,752)</u>
Cash and investments - ending	<u>\$ 114,919</u>	<u>\$ 11,380</u>	<u>\$ 39,685</u>	<u>\$ 648,074</u>	<u>\$ 158,184</u>	<u>\$ 296,998</u>	<u>\$ 99,074</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PUBLIC WORKS DONATION FD	NON REV BUILDER TEST FEES	NON-REV- ECONOMIC DEV.	CP REDEV DEBT SERV RES	ST ANTHONY TIF BOND FUND	911 EQUIPMENT FUND
Cash and investments - beginning	\$ 551	\$ 14,300	\$ 19,438	\$ 333,631	\$ 104,326	\$ 36
Receipts:						
Taxes	-	-	-	-	2,089	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	250	22,400	5,400	-	-	-
Total receipts	<u>250</u>	<u>22,400</u>	<u>5,400</u>	<u>-</u>	<u>2,089</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	448	11,043	250	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>448</u>	<u>11,043</u>	<u>250</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(198)</u>	<u>11,357</u>	<u>5,150</u>	<u>-</u>	<u>2,089</u>	<u>-</u>
Cash and investments - ending	<u>\$ 353</u>	<u>\$ 25,657</u>	<u>\$ 24,588</u>	<u>\$ 333,631</u>	<u>\$ 106,415</u>	<u>\$ 36</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	LEASE RENTALES BLDING.	TOURISM FUND	G O BOND DEBT SERVICE	C. P. REDEVELOPMENT FUND	FIREFIGHTER'S GRANT FUND	RECYCLING & SOLID WASTE
Cash and investments - beginning	\$ 16,950	\$ 7,268	\$ 108,762	\$ 1,969,608	\$ 3,879	\$ 107,394
Receipts:						
Taxes	-	-	203,564	2,064,437	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	22,349	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	4,725	-	381,983	6	186,676
Total receipts	-	4,725	225,913	2,446,420	6	186,676
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	8,207	7,218	331,049	1,814,223	-	65,167
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	382,767	-	3,000
Total disbursements	8,207	7,218	331,049	2,196,990	-	68,167
Excess (deficiency) of receipts over disbursements	(8,207)	(2,493)	(105,136)	249,430	6	118,509
Cash and investments - ending	\$ 8,743	\$ 4,775	\$ 3,626	\$ 2,219,038	\$ 3,885	\$ 225,903

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	G.O. BOND PROCEEDS FUND	SPORTSPLEX DEV & CONSTR	PYWH-PERF	SAUERMAN WOODS RES. DONA.	PYWH-SPECIAL INSURANCE	MISC. REFUNDS ESCROW
Cash and investments - beginning	\$ 376,483	\$ 2,486,469	\$ 15	\$ 1,250	\$ 95	\$ 671
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	4,235,637	-	-	-	411,167
Total receipts	-	4,235,637	-	-	-	411,167
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,251	4,177,046	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	12,418
Total disbursements	1,251	4,177,046	-	-	-	12,418
Excess (deficiency) of receipts over disbursements	(1,251)	58,591	-	-	-	398,749
Cash and investments - ending	\$ 375,232	\$ 2,545,060	\$ 15	\$ 1,250	\$ 95	\$ 399,420

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PYWH-FIRE PENSION II	HIGH MEADOWS ESCROW FUND	NON-REV. SPEC. EVENTS FD.	STATE INCOME TAX	POL. PEN - IND. GROSS	SENIOR DISC (HIDTA) FUND
Cash and investments - beginning	\$ 299	\$ 13,717	\$ 20,583	\$ 27,267	\$ 1,481	\$ 113,268
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	25,948	-	-	100,000
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	20,236	-	-	395,864	18,792	-
Total receipts	20,236	-	25,948	395,864	18,792	100,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	20,236	1,475	22,254	382,205	18,526	97,289
Total disbursements	20,236	1,475	22,254	382,205	18,526	97,289
Excess (deficiency) of receipts over disbursements	-	(1,475)	3,694	13,659	266	2,711
Cash and investments - ending	\$ 299	\$ 12,242	\$ 24,277	\$ 40,926	\$ 1,747	\$ 115,979

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	DON-C.P. BEAUTIFICATION	FIRE PEN. - IND. GROSS	PYWH-POLICE PENSION II	ADULT PROBATION SERV. FD.	DOG SUPPLY/MAINT DONATION	ESCROW-EDC
Cash and investments - beginning	\$ 2,926	\$ 197	\$ 343	\$ 42,739	\$ 35,200	\$ 1,489
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	2,515	27,696	24,128	7,971	-
Total receipts	-	2,515	27,696	24,128	7,971	-
Disbursements:						
Personal services	-	-	-	46,352	-	-
Supplies	-	-	-	437	-	-
Other services and charges	-	2,484	27,676	2,365	21,264	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	5,000	-	-
Total disbursements	-	2,484	27,676	54,154	21,264	-
Excess (deficiency) of receipts over disbursements	-	31	20	(30,026)	(13,293)	-
Cash and investments - ending	\$ 2,926	\$ 228	\$ 363	\$ 12,713	\$ 21,907	\$ 1,489

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PYWH-COL. LIFE & ACCIDENT	GREENVIEW RECOVERY AGREE.	NON-REV RENTAL HOUSING	CEMETERY NON-REV. FUND	PYWH- MUNICIPAL INS.	PARKS/ PLAYGROUNDS ESCROW
Cash and investments - beginning	\$ 372	\$ 9,600	\$ 36,043	\$ 30,085	\$ 404	\$ 42,800
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	18,427	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	274	-	33,803	-	300	-
Total receipts	<u>274</u>	<u>-</u>	<u>33,803</u>	<u>18,427</u>	<u>300</u>	<u>-</u>
Disbursements:						
Personal services	-	-	20,065	-	-	-
Supplies	-	-	2,597	-	-	-
Other services and charges	-	-	22,105	17,308	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	276	-	140	-	292	-
Total disbursements	<u>276</u>	<u>-</u>	<u>44,907</u>	<u>17,308</u>	<u>292</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2)</u>	<u>-</u>	<u>(11,104)</u>	<u>1,119</u>	<u>8</u>	<u>-</u>
Cash and investments - ending	<u>\$ 370</u>	<u>\$ 9,600</u>	<u>\$ 24,939</u>	<u>\$ 31,204</u>	<u>\$ 412</u>	<u>\$ 42,800</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	MISC. SALES TAX	COUNTY COURT COSTS ESC.	PRINC & INTEREST-TIF BOND	NON-REV VEH/EQUIP PURCH	COURT RECORD PERPETUATION	PREPAID LEGAL ESCROW
Cash and investments - beginning	\$ 106	\$ 6,349	\$ 267,162	\$ 87,936	\$ 25,727	\$ 109
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	23,948	-	-	3,639	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	10,115	-	382,767	66,593	-	1,286
Total receipts	<u>10,115</u>	<u>23,948</u>	<u>382,767</u>	<u>66,593</u>	<u>3,639</u>	<u>1,286</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	41,738	-	-
Debt service - principal and interest	-	-	324,594	-	-	-
Capital outlay	-	-	-	31,418	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	10,136	29,386	-	-	-	1,256
Total disbursements	<u>10,136</u>	<u>29,386</u>	<u>324,594</u>	<u>73,156</u>	<u>-</u>	<u>1,256</u>
Excess (deficiency) of receipts over disbursements	<u>(21)</u>	<u>(5,438)</u>	<u>58,173</u>	<u>(6,563)</u>	<u>3,639</u>	<u>30</u>
Cash and investments - ending	<u>\$ 85</u>	<u>\$ 911</u>	<u>\$ 325,335</u>	<u>\$ 81,373</u>	<u>\$ 29,366</u>	<u>\$ 139</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	NON REV. PARK GIFT FUND	DARE FUND DONATIONS	FIRE DEPT. DONATIONS	NON REV. POLICE FED SEIZ.	MAYOR'S ROUNDTABLE ESCROW	POLICE DONATIONS ESCROW
Cash and investments - beginning	\$ 2,662	\$ 21,309	\$ 6,624	\$ 56,345	\$ 1	\$ 18,597
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	15,056	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	510	27,034	41,206	94	-	33,589
Total receipts	<u>510</u>	<u>27,034</u>	<u>41,206</u>	<u>15,150</u>	<u>-</u>	<u>33,589</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	543	28,485	37,136	10,550	-	28,366
Total disbursements	<u>543</u>	<u>28,485</u>	<u>37,136</u>	<u>10,550</u>	<u>-</u>	<u>28,366</u>
Excess (deficiency) of receipts over disbursements	<u>(33)</u>	<u>(1,451)</u>	<u>4,070</u>	<u>4,600</u>	<u>-</u>	<u>5,223</u>
Cash and investments - ending	<u>\$ 2,629</u>	<u>\$ 19,858</u>	<u>\$ 10,694</u>	<u>\$ 60,945</u>	<u>\$ 1</u>	<u>\$ 23,820</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	NON REV. POL. STATE SEIZ.	NON REV. HAZ MATERIALS	TANK IMP. ESCROW	PYWH-VISION INS.	PYWH-AFLAC	PYWH- AMER. BANKERS INS.
Cash and investments - beginning	\$ 16	\$ 7,405	\$ 144	\$ 1,731	\$ 2,167	\$ 158
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	254	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	8,411	96,276	-
Total receipts	<u>254</u>	<u>-</u>	<u>-</u>	<u>8,411</u>	<u>96,276</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	270	1,240	-	8,551	82,994	-
Total disbursements	<u>270</u>	<u>1,240</u>	<u>-</u>	<u>8,551</u>	<u>82,994</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(16)</u>	<u>(1,240)</u>	<u>-</u>	<u>(140)</u>	<u>13,282</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 6,165</u>	<u>\$ 144</u>	<u>\$ 1,591</u>	<u>\$ 15,449</u>	<u>\$ 158</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	UNUM/CIGNA VOL INS ESCROW	EMP/RETIREE NON-REV INS.	CIVIL DEFENSE DONATIONS	L.C.DRUG FREE ALLIANCE GR	4TH FRIDAY ARTS GRANT	LAKE CO. HIDTA PROGRAM
Cash and investments - beginning	\$ 1,788	\$ 249,700	\$ 19,660	\$ -	\$ 2,073	\$ 3,366
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	16,969	4,860,855	5,964	3,900	-	3,330,308
Total receipts	<u>16,969</u>	<u>4,860,855</u>	<u>5,964</u>	<u>3,900</u>	<u>-</u>	<u>3,330,308</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	4,493,704	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	16,868	-	5,123	3,900	1,125	3,333,467
Total disbursements	<u>16,868</u>	<u>4,493,704</u>	<u>5,123</u>	<u>3,900</u>	<u>1,125</u>	<u>3,333,467</u>
Excess (deficiency) of receipts over disbursements	<u>101</u>	<u>367,151</u>	<u>841</u>	<u>-</u>	<u>(1,125)</u>	<u>(3,159)</u>
Cash and investments - ending	<u>\$ 1,889</u>	<u>\$ 616,851</u>	<u>\$ 20,501</u>	<u>\$ -</u>	<u>\$ 948</u>	<u>\$ 207</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	ESCROW- PERPET.BLDG. IMP.FD	GRANT- L.C.DRUNK DRIV.TASK	HOMESTEAD RESTOR. DON.	CASH - STORMWATER O & M	CASH- STORMWATER DEBT SER	CASH - O & M FUND
Cash and investments - beginning	\$ 129,070	\$ 186	\$ 100	\$ 681,006	\$ -	\$ 600,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	871,498	-	5,470,026
Penalties	-	-	-	12,249	-	80,187
Other receipts	125,350	-	-	-	243,120	144,956
Total receipts	<u>125,350</u>	<u>-</u>	<u>-</u>	<u>883,747</u>	<u>243,120</u>	<u>5,695,169</u>
Disbursements:						
Personal services	-	-	-	307,568	-	1,352,507
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	49,630	-	107,799
Debt service - principal and interest	-	-	-	-	243,120	-
Capital outlay	-	-	-	1,809	-	81,857
Utility operating expenses	-	-	-	137,327	-	1,728,412
Other disbursements	139,800	-	-	340,937	-	2,424,593
Total disbursements	<u>139,800</u>	<u>-</u>	<u>-</u>	<u>837,271</u>	<u>243,120</u>	<u>5,695,168</u>
Excess (deficiency) of receipts over disbursements	<u>(14,450)</u>	<u>-</u>	<u>-</u>	<u>46,476</u>	<u>-</u>	<u>1</u>
Cash and investments - ending	<u>\$ 114,620</u>	<u>\$ 186</u>	<u>\$ 100</u>	<u>\$ 727,482</u>	<u>\$ -</u>	<u>\$ 600,001</u>

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CASH-IMPROVE OTHER FUND	131.2.40 CASH-WW DEBT RESERVE	WASTEWATER SRF 2011 TRUST	WASTEWATER SRF 2013 TRUST	CASH ON HAND-PETTY CASH	CASH- B & I SINKING FUND
Cash and investments - beginning	\$ 2,536,357	\$ 1,321,812	\$ 427,581	\$ -	\$ 800	\$ 606
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	624,888	42,591	-	1,154,591	-	1,257,652
Total receipts	624,888	42,591	-	1,154,591	-	1,257,652
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	1,242,822
Capital outlay	765	-	-	-	-	-
Utility operating expenses	31,079	-	-	-	-	-
Other disbursements	144,392	-	72,793	1,154,591	-	345
Total disbursements	176,236	-	72,793	1,154,591	-	1,243,167
Excess (deficiency) of receipts over disbursements	448,652	42,591	(72,793)	-	-	14,485
Cash and investments - ending	\$ 2,985,009	\$ 1,364,403	\$ 354,788	\$ -	\$ 800	\$ 15,091

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CASH-IMPROVE REPLACE FND	CASH-UTILITY CONSTR ACCT	CASH- O & M FUND	CASH- HYDRANT DEPOSITS	CASH- DEPREC/ IMPROVEMT FD	WTR CASH-2012 WATER BOND ISSUE
Cash and investments - beginning	\$ 352	\$ 86,901	\$ 726,000	\$ 2,913	\$ 8,166,159	\$ 5,776
Receipts:						
Taxes	-	-	434,442	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	7,509,342	-	-	-
Penalties	-	-	39,255	-	-	-
Other receipts	-	-	17,012	10,237	7,450,128	-
Total receipts	-	-	8,000,051	10,237	7,450,128	-
Disbursements:						
Personal services	-	-	1,335,054	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	95,628	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	96,808	-	-	-
Utility operating expenses	-	1,568	3,356,946	-	-	-
Other disbursements	-	-	3,115,615	6,400	6,000,000	-
Total disbursements	-	1,568	8,000,051	6,400	6,000,000	-
Excess (deficiency) of receipts over disbursements	-	(1,568)	-	3,837	1,450,128	-
Cash and investments - ending	\$ 352	\$ 85,333	\$ 726,000	\$ 6,750	\$ 9,616,287	\$ 5,776

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CASH-DEBT SERV RES ACCT	CASH-WTR NEW CONS DEP	CASH-2007 WTR CONST FUND	CASH ON HAND-WATER PETTY	CASH-WATER B&I SINKING	Totals
Cash and investments - beginning	\$ 701,554	\$ 23,242	\$ 67	\$ 600	\$ 290,235	\$ 26,991,326
Receipts:						
Taxes	-	-	-	-	-	12,404,086
Licenses and permits	-	-	-	-	-	760,214
Intergovernmental	-	-	-	-	-	3,332,836
Charges for services	-	-	-	-	-	3,450,470
Fines and forfeits	-	-	-	-	-	107,416
Utility fees	-	-	-	-	-	13,850,866
Penalties	-	-	-	-	-	131,691
Other receipts	-	-	5	-	689,223	33,868,868
Total receipts	-	-	5	-	689,223	67,906,447
Disbursements:						
Personal services	-	-	-	-	-	12,267,578
Supplies	-	-	-	-	-	749,963
Other services and charges	-	-	-	-	-	16,157,446
Debt service - principal and interest	-	-	-	-	691,426	2,501,962
Capital outlay	-	-	-	-	-	829,621
Utility operating expenses	-	-	-	-	-	5,255,332
Other disbursements	-	6,462	5	-	-	27,180,883
Total disbursements	-	6,462	5	-	691,426	64,942,785
Excess (deficiency) of receipts over disbursements	-	(6,462)	-	-	(2,203)	2,963,662
Cash and investments - ending	\$ 701,554	\$ 16,780	\$ 67	\$ 600	\$ 288,032	\$ 29,954,988

CITY OF CROWN POINT
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Storm Water	\$ 397	\$ 97,614
Wastewater	32,259	508,908
Water	192,060	649,276
Governmental activities	<u>328,499</u>	<u>1,057,517</u>
Totals	<u>\$ 553,215</u>	<u>\$ 2,313,315</u>

CITY OF CROWN POINT
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Fifth Third Bank	911 Lease - Equipment	\$ 35,492	12-01-08	06-01-15
Wastewater: Regions Bank	Sewer Vactor Lease	30,963	05-14-09	05-14-14
Total of annual lease payments		<u>\$ 66,455</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2010 G.O Bond-Building and Land Improvements	\$ 1,450,000	\$ 249,715
General obligation bonds	2008 Gen Obligation Bond-Road Improvements	1,300,000	169,036
Revenue bonds	2007 TIF Redevelopment Bond-Property Purchase	2,585,000	325,249
Revenue bonds	2013 Redevelopment Bond Anticipation Note	4,500,000	42,750
Total governmental activities		<u>9,835,000</u>	<u>786,750</u>
Storm Water:			
Revenue bonds	2010 Sewage Works Revenue Bond-Sewage & Stormwater Improvements	3,025,000	240,520
Wastewater:			
Revenue bonds	2006 Sewage Works Revenue Bond-Sewage Constr and Improvements	2,800,000	267,000
Revenue bonds	1994 SRF Loan Payable-Wastewater Plant Improvements	1,475,000	776,625
Lines of credit	2013 SRF Loan/Line of Credit-Wastewater & Stormwater Improvements	1,495,000	88,472
Lines of credit	2011 SRF Loan/Line of Credit-Wastewater & Stormwater Improvements	1,720,000	134,431
Total Wastewater		<u>7,490,000</u>	<u>1,266,528</u>
Water:			
Revenue bonds	2007 Waterworks Revenue Bond-Refund 1998 Bond	2,205,000	489,200
Revenue bonds	2012 Waterworks Refunding Revenue Bonds of 2012	1,800,000	200,829
Total Water		<u>4,005,000</u>	<u>690,029</u>
Totals		<u>\$ 24,355,000</u>	<u>\$ 2,983,827</u>

CITY OF CROWN POINT
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 4,613,429
Infrastructure	24,385,420
Buildings	4,948,162
Improvements other than buildings	8,558,521
Machinery, equipment, and vehicles	10,129,382
Total governmental activities	52,634,914
Storm Water:	
Infrastructure	16,628
Machinery, equipment, and vehicles	6,000
Total Storm Water	22,628
Wastewater:	
Land	6,585,242
Infrastructure	31,936,114
Buildings	70,568
Improvements other than buildings	1,179,696
Machinery, equipment, and vehicles	3,388,390
Construction in progress	281,000
Total Wastewater	43,441,010
Water:	
Land	237,959
Infrastructure	18,508,882
Buildings	2,613,419
Machinery, equipment, and vehicles	1,739,115
Construction in progress	5,633
Total Water	23,105,008
Total capital assets	\$ 119,203,560

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for Each Major Federal Program

We have audited the City of Crown Point'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, 2013. 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 programs 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 Each 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, 2013.

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 the 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 types of requirements that could have a direct and material effect on the 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.


Paul D. Joyce, CPA
State Examiner

June 25, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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 CROWN POINT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

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>U.S. DEPARTMENT OF JUSTICE</u>				
Equitable Sharing Program	Direct Grant	16.922	2013	\$ 10,550
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
I-65 at 109th Avenue			DES #0500468	62,121
North and Indiana Street			DES #0900077	6,553
Summit and Indiana			DES #0900078	3,030
Diesel Dump Truck			DES #0901763	28,400
North Street/109th From Indiana To Broadway			DES #1172428	6,535
Merrillville Road at Summit St			DES #1173708	61,404
Congestion Mitigation And Air Quality (CMAQ) E-85 Fuel			DES #1297254	17,371
Erie-Lackawanna Trail Phase 1 Summit To 93rd			DES #0101333	3,966
Erie-Lackawanna Trail Phase II Summit Street Trailhead			DES #1005926	8,748
Total - U.S. Department of Transportation				<u>198,128</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Capitalization Grants For Clean Water State Revolving Funds	Indiana Finance Authority	66.458	WW091144502 WW12451603	27,637 <u>387,942</u>
Total - U.S. Environmental Protection Agency				<u>415,579</u>
<u>EXECUTIVE OFFICE OF THE PRESIDENT</u>				
High Intensity Drug Trafficking Areas Program (HIDTA)	Direct Grant	95.001	G11LC0003A G12LC0003A G13LC0003A	100,365 2,349,541 <u>643,343</u>
Total - Executive Office of the President				<u>3,093,249</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Hurricane Sandy	Indiana Department of Homeland Security	97.036	315REQA1040-7755	<u>15,276</u>
Emergency Management Performance Grants Tipton Twister	Indiana Department of Homeland Security	97.042	DRTF-1	<u>7,008</u>
Total - U.S. Department of Homeland Security				<u>22,284</u>
Total federal awards expended				<u>\$ 3,739,790</u>

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

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

Basis of Presentation

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

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	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
95.001	High Intensity Drug Trafficking Areas Program (HIDTA)

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 2013-001 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING AND FINANCIAL TRANSACTIONS NOT RECORDED

We noted deficiencies in the internal control system of the City related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

A. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the City to reduce risks to the achievement of financial reporting objectives. The City has not separated incompatible activities related to receipts and disbursements. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

1. One person in the Clerk-Treasurer's Office is responsible for recording the receipts and taking the collections to the depository.
2. Employees of the City Court's Office were able to collect payments, issue and record receipts, as well as, perform the monthly depository reconcilements. In addition, employees were able to initiate, process, and record disbursements, as well as, perform the monthly depository reconcilements. Evidence of oversight of these activities was not noted.

B. Preparation of Financial Statements: 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 and correct, material misstatements, including notes to the financial statement.

The cash and investment balances of the Wastewater SRF 2011 Trust and Wastewater SRF 2013 Trust funds were not recorded in the City's accounting records or reported on the financial statement. The total of the beginning and ending cash and investment balances not reported was \$427,581 and \$354,788, respectively.

The activity of the Wastewater SRF 2011 Trust and Wastewater SRF 2013 Trust funds was recorded in the City's accounting records; however, the activity was not reported on the financial statement. The total receipts and disbursements not reported on the financial statement were \$1,154,591 and \$1,227,384, respectively.

The failure to adequately oversee the preparation of the financial statement places the City at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent, or detect material misstatements in a timely manner.

Adjustments were made to the financial statement and approved by management to include all transactions of the Wastewater SRF 2011 and 2013 Trust funds. These adjustments resulted in a presentation of the City's financial statement that is materially correct.

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)

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)

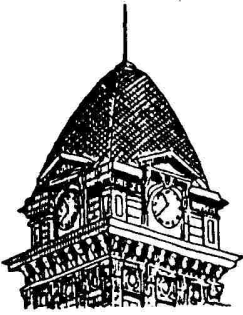
Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



CROWN POINT CITY COURT

Court House Square, Room 300

P.O. Box 594

Crown Point, Indiana 46308

HON. KENT A. JEFFIRS

JUDGE

PHONE: (219) 662-3243

FAX: (219) 662-3261

CORRECTIVE ACTION PLAN

FINDING 2013-001

Contact Person Responsible for Corrective Action: Kent A. Jeffirs, Judge

Contact Phone Number: (219) 663-7781

Description of Corrective Action Plan:

At least two (and in some instances three) City Court Clerks have been trained in and can perform all duties relating to collection of payments, issuing and recording of receipts and disbursements and monthly depository reconcilements. Court Clerks perform these duties on an alternating basis. Beginning with June 2014 monthly reports to the City of Crown Point and Lake County Auditor and the December 2014 semi-annual report to the State Auditor, the City Judge will review such reports and depository reconcilements with the Court Clerk who prepared them (as has been done in the past) and now will sign or initial and also date when such review was completed. In the absence or inability of the City Judge to do so, another Court Clerk trained in such matters may review such reports or reconcilements and sign or initial and date such review in place of the City Judge.

Anticipated Completion Date:

Beginning with June 2014 monthly reports, disbursements and depository reconcilements and the December 2014 report to the State Auditor.

A handwritten signature in black ink, appearing to read "Kent A. Jeffirs".

Kent A. Jeffirs
Judge, Crown Point City Court

Date: 6/25/2014



CITY OF CROWN POINT

CLERK-TREASURER

Patti Olson, IAMC, CMC
Clerk-Treasurer

CORRECTIVE ACTION PLAN

FINDING 2013-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Patti Olson
Contact Phone Number: (219) 662-3235

Description of Corrective Action Plan: The Clerk-Treasurer began making the daily deposits the next day after our conversation regarding this matter.

We made the correction to our annual report on May 20, 2014. State Board of Accounts Auditor was advised on May 20, 2014 when we resubmitted the 2013 Annual Financial report.

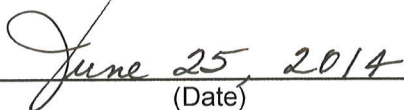
Anticipated Completion Date:



(Signature)



(Title)



(Date)

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.