

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF CRAWFORDSVILLE  
MONTGOMERY COUNTY, INDIANA

January 1, 2013 to December 31, 2013



**FILED**  
09/29/2014



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
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 <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10
Notes to Financial Statement .....	11-16
Supplementary Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	18-27
Schedule of Leases and Debt .....	28
Schedule of Capital Assets.....	29
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for Each Major Federal Program and on Internal Control Over Compliance.....	32-33
Schedule of Expenditures of Federal Awards and Accompanying Note:	
Schedule of Expenditures of Federal Awards.....	36
Note to Schedule of Expenditures of Federal Awards .....	37
Schedule of Findings and Questioned Costs .....	38-42
Auditee Prepared Documents:	
Summary Schedule of Prior Audit Findings.....	44-45
Corrective Action Plan .....	46-51
Other Reports.....	52

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri J. Gadd	01-01-12 to 12-31-15
Mayor	Todd D. Barton	01-01-12 to 12-31-15
President of the Common Council	Andrew P. Biddle	01-01-13 to 12-31-14
Superintendent of Wastewater Utility	Larry Kadinger	01-01-13 to 12-31-14
Superintendent of Electric Utility	Phillip R. Goode	01-01-13 to 12-31-14
Controller of Electric Utility	Ronald L. Gable	01-01-13 to 12-31-14



## INDEPENDENT AUDITOR'S REPORT

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

### ***Report on the Financial Statement***

We have audited the accompanying financial statement of the City of Crawfordsville (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 August 27, 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 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

August 27, 2014



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDIANAPOLIS, INDIANA 46204-2769

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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 CRAWFORDSVILLE, MONTGOMERY 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 Crawfordsville (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 August 27, 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 items 2013-001 and 2013-003 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***

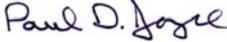
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 items 2013-002 and 2013-003.

***City of Crawfordsville'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

August 27, 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 CRAWFORDSVILLE  
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	\$ 6,459,956	\$ 8,972,577	\$ 8,931,319	\$ 6,501,214
Street	965,176	1,725,219	1,626,501	1,063,894
Local Road And Street	178,419	54,335	30,550	202,204
Aviation	60,139	156,829	133,044	83,924
Park Nonreverting Operating	137,472	217,507	239,792	115,187
Civil Defense	224,403	-	4,286	220,117
Law Enforcement Continuing Ed	80,204	23,373	16,296	87,281
Riverboat	365,163	99,079	-	464,242
Parks And Recreation	612,729	883,249	721,029	774,949
CELP Electric	-	500	500	-
Rainy Day	518,837	-	150,000	368,837
Police/Drug Seizure Fund	1,721	-	-	1,721
Cumulative Capl Imprv Cigarette Tax	461,661	49,561	63,082	448,140
Cumulative Capital Development	1,202,094	266,214	114,383	1,353,925
Park Nonreverting Capital	5,338	-	-	5,338
Sunshine Van Fund	57,169	128,113	115,965	69,317
Police Equipment (Not Debt Service)	11,020	3,809	4,840	9,989
Fire Equipment (Not Debt Service)	18,918	3,175	8,735	13,358
Commerce Park TIF Proceeds	43,360	32	43,392	-
Cumulative Building	150	-	-	150
Cumulative Cap Imprv (Special Fire)	469,713	177,298	-	647,011
Police Pension	331,280	482,481	492,387	321,374
Fire Pension	586,951	411,881	434,915	563,917
Cops Grant	(14,006)	136,182	122,176	-
Sugar Creek Nature Park	668	-	-	668
Civil Defense Donations	100	-	-	100
Police Copy Fee Fund	-	884	-	884
Firearms Training Fund	-	2,350	-	2,350
Safer Route to School	-	15,600	19,250	(3,650)
Ivy Tech Bond & Int	-	150,000	79,000	71,000
Ambulance/EMS Nonreverting	632,437	230,697	376,937	486,197
Golf Course	7,104	353,165	356,307	3,962
Civil Defense #2	34,195	3,200	1,229	36,166
Communication Center	19,898	-	-	19,898
Park & Rec Muffy	43,457	15,000	24,966	33,491
Park & Rec Tittle III	(5,524)	12,760	13,913	(6,677)
Police/Child Victim	1,808	-	-	1,808
Rehabilitation	273,733	33,748	77,861	229,620
Wheel Tax Fund	198,177	131,603	114,244	215,536
Udag	26,546	4,547	528	30,565
Aviation Grant Fund	25,314	87,117	88,159	24,272
Golf Course Improvement Fund	11,907	12,044	17,508	6,443
Commerce Park Operating	2,664	21,591	6,696	17,559
Safer Grant Fund	9,874	362,734	478,558	(105,950)
Commerce Park Bond & Int Fund	486,068	336,358	410,593	411,833
Kroger Pace Dairy Bond & Int	195,035	156,040	75,591	275,484
Cville Historic Dist/Cap Impr	68,631	11,973	-	80,604
Aviation Hanger Rent	10,669	55,208	49,175	16,702
Downtown SidwIk & Streetsc	318	-	-	318
Sidewalk Maint/Improvement	27,548	10,698	8,270	29,976
Aviation Construction	48,423	23,150	-	71,573
Cville Sq Allocation Fund	2,354,764	1,544,519	182,067	3,717,216
Payroll Fund	82,933	12,562,777	12,545,603	100,107
Drainage Permits	15	-	-	15
CELP General MM	1,477,536	38,125,705	35,777,743	3,825,498
CELP Deprec MM	905,030	156,877	49,319	1,012,588
CEL&P Gen Operating	27,155	7,811,322	7,816,353	22,124
CEL&P Meter Deposit	169,244	129,331	88,504	210,071
CEL&P Telecommunications	169,731	2,620,999	2,658,539	132,191
Stormwater O/M	514,610	503,154	417,094	600,670
Wastewater Utility-Operating	1,808,662	2,445,941	2,293,084	1,961,519
Wastewater Util-Bond And Interest	60	373,500	373,460	100
Wastewater Utility-Construction	10,784	-	-	10,784
Wastewater Utility-Other #1	574,785	-	-	574,785
<b>Totals</b>	<b>\$ 22,992,226</b>	<b>\$ 82,096,006</b>	<b>\$ 77,653,743</b>	<b>\$ 27,434,489</b>

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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 CRAWFORDSVILLE  
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.

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

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

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

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

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

CITY OF CRAWFORDSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Plan Description*

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

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

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

Indiana Public Retirement System  
1 North 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. Cash Balance Deficits**

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants. The reimbursements for expenditures made by the City were not received by December 31, 2013.

**Note 8. Subsequent Event**

The sale of Accelplus, a telecom division of the City's Electric Light and Power Utility (Utility) was completed on April 4, 2014, to Metronet for \$5.2 million. The City remitted the proceeds and an additional \$400,000 to a trustee to resolve delinquent lease payments in connection with Accelplus and obtain a release of liability. The City also agreed to provide Metronet with certain economic development incentives and assistance during a 90 day transition period at no cost.

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

	General	Street	Local Road And Street	Aviation	Park Nonreverting Operating	Civil Defense	Law Enforcement Continuing Ed
Cash and investments - beginning	\$ 6,459,956	\$ 965,176	\$ 178,419	\$ 60,139	\$ 137,472	\$ 224,403	\$ 80,204
Receipts:							
Taxes	4,574,653	1,112,263	-	123,080	-	-	-
Licenses and permits	135,757	825	-	-	-	-	6,100
Intergovernmental	3,269,696	513,855	54,335	6,832	-	-	-
Charges for services	842,803	5,670	-	21,850	191,153	-	2,728
Fines and forfeits	2,089	11,296	-	-	-	-	14,545
Utility fees	-	-	-	-	-	-	-
Other receipts	147,579	81,310	-	5,067	26,354	-	-
Total receipts	<u>8,972,577</u>	<u>1,725,219</u>	<u>54,335</u>	<u>156,829</u>	<u>217,507</u>	<u>-</u>	<u>23,373</u>
Disbursements:							
Personal services	6,519,192	1,047,433	-	-	100,088	-	-
Supplies	284,748	304,598	-	13,350	22,867	-	399
Other services and charges	1,779,116	115,308	30,550	119,694	116,637	4,286	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	153,635	157,723	-	-	-	-	15,897
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	194,628	1,439	-	-	200	-	-
Total disbursements	<u>8,931,319</u>	<u>1,626,501</u>	<u>30,550</u>	<u>133,044</u>	<u>239,792</u>	<u>4,286</u>	<u>16,296</u>
Excess (deficiency) of receipts over disbursements	<u>41,258</u>	<u>98,718</u>	<u>23,785</u>	<u>23,785</u>	<u>(22,285)</u>	<u>(4,286)</u>	<u>7,077</u>
Cash and investments - ending	<u>\$ 6,501,214</u>	<u>\$ 1,063,894</u>	<u>\$ 202,204</u>	<u>\$ 83,924</u>	<u>\$ 115,187</u>	<u>\$ 220,117</u>	<u>\$ 87,281</u>

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

	Riverboat	Parks And Recreation	CELP Electric	Rainy Day	Police/Drug Seizure Fund	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development
Cash and investments - beginning	\$ 365,163	\$ 612,729	\$ -	\$ 518,837	\$ 1,721	\$ 461,661	\$ 1,202,094
Receipts:							
Taxes	-	796,491	-	-	-	-	252,214
Licenses and permits	-	-	500	-	-	-	-
Intergovernmental	94,279	44,211	-	-	-	42,724	14,000
Charges for services	-	42,497	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,800	50	-	-	-	6,837	-
Total receipts	99,079	883,249	500	-	-	49,561	266,214
Disbursements:							
Personal services	-	451,336	-	-	-	-	-
Supplies	-	81,686	-	-	-	-	-
Other services and charges	-	166,822	-	150,000	-	46,582	53,503
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	21,170	-	-	-	16,500	60,055
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	15	500	-	-	-	825
Total disbursements	-	721,029	500	150,000	-	63,082	114,383
Excess (deficiency) of receipts over disbursements	99,079	162,220	-	(150,000)	-	(13,521)	151,831
Cash and investments - ending	\$ 464,242	\$ 774,949	\$ -	\$ 368,837	\$ 1,721	\$ 448,140	\$ 1,353,925

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

	Park Nonreverting Capital	Sunshine Van Fund	Police Equipment (Not Debt Service)	Fire Equipment (Not Debt Service)	Commer Park TIF Proceeds	Cumulative Building	Cumulative Cap Imprv (Special Fire)
Cash and investments - beginning	\$ 5,338	\$ 57,169	\$ 11,020	\$ 18,918	\$ 43,360	\$ 150	\$ 469,713
Receipts:							
Taxes	-	-	-	-	-	-	167,974
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	9,324
Charges for services	-	106,791	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	21,322	3,809	3,175	32	-	-
Total receipts	-	128,113	3,809	3,175	32	-	177,298
Disbursements:							
Personal services	-	113,197	-	-	-	-	-
Supplies	-	-	4,840	-	-	-	-
Other services and charges	-	2,768	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	8,735	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	43,392	-	-
Total disbursements	-	115,965	4,840	8,735	43,392	-	-
Excess (deficiency) of receipts over disbursements	-	12,148	(1,031)	(5,560)	(43,360)	-	177,298
Cash and investments - ending	\$ 5,338	\$ 69,317	\$ 9,989	\$ 13,358	\$ -	\$ 150	\$ 647,011

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

	Police Pension	Fire Pension	Cops Grant	Sugar Creek Nature Park	Civil Defense Donations	Police Copy Fee Fund	Firearms Training Fund
Cash and investments - beginning	\$ 331,280	\$ 586,951	\$ (14,006)	\$ 668	\$ 100	\$ -	\$ -
Receipts:							
Taxes	480,922	410,389	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	2,350
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	884	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,559	1,492	136,182	-	-	-	-
Total receipts	482,481	411,881	136,182	-	-	884	2,350
Disbursements:							
Personal services	492,387	434,915	122,176	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	492,387	434,915	122,176	-	-	-	-
Excess (deficiency) of receipts over disbursements	(9,906)	(23,034)	14,006	-	-	884	2,350
Cash and investments - ending	\$ 321,374	\$ 563,917	\$ -	\$ 668	\$ 100	\$ 884	\$ 2,350

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

	Safer Route to School	Ivy Tech Bond & Int	Ambulance/EMS Nonreverting	Golf Course	Civil Defense #2	Communication Center	Park & Rec Muffy
Cash and investments - beginning	\$ -	\$ -	\$ 632,437	\$ 7,104	\$ 34,195	\$ 19,898	\$ 43,457
Receipts:							
Taxes	-	-	-	10,190	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	15,600	-	-	-	-	-	-
Charges for services	-	108,000	-	339,649	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	42,000	230,697	3,326	3,200	-	15,000
Total receipts	15,600	150,000	230,697	353,165	3,200	-	15,000
Disbursements:							
Personal services	-	-	-	180,480	-	-	-
Supplies	-	-	1,267	98,600	476	-	-
Other services and charges	19,250	1,000	7,836	66,830	753	-	-
Debt service - principal and interest	-	78,000	-	10,363	-	-	-
Capital outlay	-	-	367,834	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	34	-	-	24,966
Total disbursements	19,250	79,000	376,937	356,307	1,229	-	24,966
Excess (deficiency) of receipts over disbursements	(3,650)	71,000	(146,240)	(3,142)	1,971	-	(9,966)
Cash and investments - ending	\$ (3,650)	\$ 71,000	\$ 486,197	\$ 3,962	\$ 36,166	\$ 19,898	\$ 33,491

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

	Park & Rec Title III	Police/Child Victim	Rehabilitation	Wheel Tax Fund	Udag	Aviation Grant Fund
Cash and investments - beginning	\$ (5,524)	\$ 1,808	\$ 273,733	\$ 198,177	\$ 26,546	\$ 25,314
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	131,603	-	-
Charges for services	-	-	3,120	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	12,760	-	30,628	-	4,547	87,117
Total receipts	12,760	-	33,748	131,603	4,547	87,117
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	13,913	-	77,861	114,244	-	88,159
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	528	-
Total disbursements	13,913	-	77,861	114,244	528	88,159
Excess (deficiency) of receipts over disbursements	(1,153)	-	(44,113)	17,359	4,019	(1,042)
Cash and investments - ending	\$ (6,677)	\$ 1,808	\$ 229,620	\$ 215,536	\$ 30,565	\$ 24,272

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

	Golf Course Improvement Fund	Commerce Park Operating	Safer Grant Fund	Commerce Park Bond & Int Fund	Kroger Pace Dairy Bond & Int	Cville Historic Dist/Cap Impr
Cash and investments - beginning	\$ 11,907	\$ 2,664	\$ 9,874	\$ 486,068	\$ 195,035	\$ 68,631
Receipts:						
Taxes	-	-	-	292,966	156,040	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	21,591	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	12,044	-	362,734	43,392	-	11,973
Total receipts	<u>12,044</u>	<u>21,591</u>	<u>362,734</u>	<u>336,358</u>	<u>156,040</u>	<u>11,973</u>
Disbursements:						
Personal services	-	-	478,558	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	6,696	-	45,915	-	-
Debt service - principal and interest	-	-	-	364,678	75,591	-
Capital outlay	17,508	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>17,508</u>	<u>6,696</u>	<u>478,558</u>	<u>410,593</u>	<u>75,591</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(5,464)</u>	<u>14,895</u>	<u>(115,824)</u>	<u>(74,235)</u>	<u>80,449</u>	<u>11,973</u>
Cash and investments - ending	<u>\$ 6,443</u>	<u>\$ 17,559</u>	<u>\$ (105,950)</u>	<u>\$ 411,833</u>	<u>\$ 275,484</u>	<u>\$ 80,604</u>

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

	Aviation Hanger Rent	Downtown Sidwlc & Streetsc	Sidewalk Maint/ Improvement	Aviation Construction	Cville Sq Allocation Fund	Payroll Fund
Cash and investments - beginning	\$ 10,669	\$ 318	\$ 27,548	\$ 48,423	\$ 2,354,764	\$ 82,933
Receipts:						
Taxes	-	-	-	-	807,432	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	55,208	-	-	23,150	42,000	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	10,698	-	695,087	12,562,777
Total receipts	<u>55,208</u>	<u>-</u>	<u>10,698</u>	<u>23,150</u>	<u>1,544,519</u>	<u>12,562,777</u>
Disbursements:						
Personal services	-	-	-	-	-	12,545,603
Supplies	-	-	-	-	-	-
Other services and charges	42,223	-	8,270	-	42,567	-
Debt service - principal and interest	-	-	-	-	97,500	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	6,952	-	-	-	42,000	-
Total disbursements	<u>49,175</u>	<u>-</u>	<u>8,270</u>	<u>-</u>	<u>182,067</u>	<u>12,545,603</u>
Excess (deficiency) of receipts over disbursements	<u>6,033</u>	<u>-</u>	<u>2,428</u>	<u>23,150</u>	<u>1,362,452</u>	<u>17,174</u>
Cash and investments - ending	<u>\$ 16,702</u>	<u>\$ 318</u>	<u>\$ 29,976</u>	<u>\$ 71,573</u>	<u>\$ 3,717,216</u>	<u>\$ 100,107</u>

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

	Drainage Permits	CELP General MM	CELP Deprec MM	CELP Gen Operating	CELP Meter Deposit	CELP Telecommunications
Cash and investments - beginning	\$ 15	\$ 1,477,536	\$ 905,030	\$ 27,155	\$ 169,244	\$ 169,731
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	128,943	2,620,959
Other receipts	-	38,125,705	156,877	7,811,322	388	40
Total receipts	-	38,125,705	156,877	7,811,322	129,331	2,620,999
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	35,777,743	49,319	7,816,353	88,504	2,658,539
Total disbursements	-	35,777,743	49,319	7,816,353	88,504	2,658,539
Excess (deficiency) of receipts over disbursements	-	2,347,962	107,558	(5,031)	40,827	(37,540)
Cash and investments - ending	\$ 15	\$ 3,825,498	\$ 1,012,588	\$ 22,124	\$ 210,071	\$ 132,191

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

	Stormwater O/M	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility- Construction	Wastewater Utility- Other #1	Totals
Cash and investments - beginning	\$ 514,610	\$ 1,808,662	\$ 60	\$ 10,784	\$ 574,785	\$ 22,992,226
Receipts:						
Taxes	-	-	-	-	-	9,184,614
Licenses and permits	-	-	-	-	-	145,532
Intergovernmental	-	-	-	-	-	4,196,459
Charges for services	-	-	-	-	-	1,807,094
Fines and forfeits	-	-	-	-	-	27,930
Utility fees	486,556	2,353,855	-	-	-	5,590,313
Other receipts	16,598	92,086	373,500	-	-	61,144,064
Total receipts	503,154	2,445,941	373,500	-	-	82,096,006
Disbursements:						
Personal services	83,848	542,272	-	-	-	23,111,485
Supplies	-	-	-	-	-	812,831
Other services and charges	4,603	24,788	-	-	-	3,150,174
Debt service - principal and interest	71,407	-	373,460	-	-	1,070,999
Capital outlay	-	23,093	-	-	-	842,150
Utility operating expenses	247,877	1,242,861	-	-	-	1,490,738
Other disbursements	9,359	460,070	-	-	-	47,175,366
Total disbursements	417,094	2,293,084	373,460	-	-	77,653,743
Excess (deficiency) of receipts over disbursements	86,060	152,857	40	-	-	4,442,263
Cash and investments - ending	\$ 600,670	\$ 1,961,519	\$ 100	\$ 10,784	\$ 574,785	\$ 27,434,489

CITY OF CRAWFORDSVILLE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2013

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Revenue bonds	Commerce Park TIF Bond	\$ 3,505,000	\$ 365,862
Revenue bonds	Ivy Tech Lease Bonds	4,377,500	351,000
Notes and loans payable	UDAG Loan to Golf Course from City	4,547	4,547
Notes and loans payable	Golf Course Cart Loan/Mower combined loan	12,410	5,816
Notes and loans payable	Aviation Terminal Mortgage	<u>604,402</u>	<u>42,223</u>
Total governmental activities		<u>8,503,859</u>	<u>769,448</u>
Electric:			
Lease payable	Acceplus Lease	<u>16,600,000</u>	-
Storm Water:			
Notes and loans payable	Street Sweeper	202,669	36,817
Notes and loans payable	Stormwater Camera System	<u>125,443</u>	<u>27,416</u>
Total Storm Water		<u>328,112</u>	<u>64,233</u>
Wastewater:			
Notes and loans payable	Waste Water SRF Loan	<u>1,700,864</u>	<u>384,325</u>
Totals		<u>\$ 27,132,835</u>	<u>\$ 1,218,006</u>

\* - See Note 8 of the Notes to Financial Statement for additional information

CITY OF CRAWFORDSVILLE  
 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	\$ 3,547,103
Infrastructure	64,296,687
Buildings	13,931,022
Improvements other than buildings	5,491,457
Machinery, equipment, and vehicles	8,111,372
Total governmental activities	95,377,641
Electric:	
Land	373,309
Intangible property	183,715
Construction in progress	81,868
Buildings	3,867,264
Machinery, equipment, and vehicles	54,240,065
Total Electric	58,746,221
Storm Water:	
Machinery, equipment, and vehicles	353,843
Wastewater:	
Land	106,819
Infrastructure	597,683
Buildings	13,839,797
Machinery, equipment, and vehicles	1,443,308
Total Wastewater	15,987,607
Total capital assets	\$ 170,465,312

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

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

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

We have audited the City of Crawfordsville'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 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 the 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 THE 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 the 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.

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

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2013-004 to be material weaknesses.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

August 27, 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 approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF CRAWFORDSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 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>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster				
Community Development Block Grants\State's Program and Non-Entitlement Grants in Hawaii Whitlock Log Jam	Indiana Office of Community and Rural Affairs	14.228	DR2-09-219	\$ 4,800
<u>Department of Justice</u>				
Public Safety Partnership and Community Policing Grants COPS Grant	Direct Grant	16.710	2011UMWX0062	136,182
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	DES# 1173683	15,600
Total - Highway Planning and Construction Cluster				15,600
Highway Safety Cluster State and Community Highway Safety Operation Pull Over	Indiana Criminal Justice Institute	20.600	EDS#D3-13-7293	3,360
Total - Highway Safety Cluster				3,360
Airport Improvement Program Environmental Assessment Phase II Environmental Assessment Phase II Extend Runway 4/22: Design Phase 2	Direct Grant	20.106	3-18-0015-10-2011 3-18-0015-11-2011 3-18-0015-12-2013	30,948 13,221 37,500
Total - Airport Improvement Program				81,669
Total - Department of Transportation				100,629
<u>Department of Homeland Security</u>				
State Homeland Security Program (SHSP) Tipton Twister	Tiptecanoe County	97.073	EDS# C44P-2-271A	4,660
Staffing for Adequate Fire and Emergency Response (SAFER) SAFER Grant	Direct Grant	97.083	EMW-2012-FH-00794	362,734
Total - Department of Homeland Security				367,394
Total federal awards expended				\$ 609,005

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

CITY OF CRAWFORDSVILLE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

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

CITY OF CRAWFORDSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

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

Financial Statement:

Type of auditor's report issued:	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?	yes
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?	yes

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
97.083	Staffing for Adequate Fire and Emergency Response (SAFER)

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**

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

1. 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 payroll disbursements. The Payroll Clerk processes payroll without oversight, review, or approval by another individual prior to checks being issued. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

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

2. **Preparing Financial Statement:** Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the City's 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 City had controls in place but they were not effective in ensuring that the financial statement was materially correct.
  
3. **Monitoring of Controls:** Effective internal control over financial reporting requires the Common Council to monitor and assess the quality of the City's system of internal control. The Common Council has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility 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. Additionally, the City has no process to identify or communicate corrective actions to improve controls.

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)

**FINDING 2013-002 - COMPLIANCE OVER FINANCIAL TRANSACTIONS AND REPORTING**

During the audit of the financial statement, we noted that two funds of the Crawfordsville Electric, Light, and Power Utility reported beginning balances, receipts, and disbursements that were not materially correct. Audit adjustments were proposed, accepted by the Officials, and made to the financial statement presented in this report. The amounts presented for audit, the audit adjustments, and the amounts reported in the audited financial statement are detailed below:

CEL&P General MM				
	<u>Balance 01-01-13</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Balance 12-31-13</u>
As presented for audit	\$ -	\$ 3,825,498	\$ -	\$ 3,825,498
Audit Adjustments	<u>1,477,536</u>	<u>34,300,207</u>	<u>35,777,743</u>	<u>-</u>
As shown on Financial Statement	<u>\$ 1,477,536</u>	<u>\$38,125,705</u>	<u>\$ 35,777,743</u>	<u>\$ 3,825,498</u>
CEL&P Deprec MM				
	<u>Beg Balance</u>	<u>Receipts</u>	<u>Disbursements</u>	<u>Ending Balance</u>
As presented for audit	\$ -	\$ 1,012,588	\$ -	\$ 1,012,588
Audit Adjustments	<u>905,030</u>	<u>(855,711)</u>	<u>49,319</u>	<u>-</u>
As shown on Financial Statement	<u>\$ 905,030</u>	<u>\$ 156,877</u>	<u>\$ 49,319</u>	<u>\$ 1,012,588</u>

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

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under IC 5-14-3.8-7."

***FINDING 2013-003 - INTERNAL CONTROLS AND COMPLIANCE OVER  
THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

The City did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Clerk-Treasurer prepares the SEFA without oversight, review, or approval by another individual. The City should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal controls in place that operates effectively, material misstatements of the SEFA could remain undetected.

During the audit of the SEFA, we noted the following errors:

1. Two federal awards were omitted: the Community Development Block Grant (CFDA 14.228) and Highway Planning and Construction (CFDA 20.205).
2. Expenditures of the Airport Improvement Programs were overstated.
3. Code of Federal Domestic Assistance (CFDA) numbers, pass-through entities, and program names were incorrectly identified.
4. All grants were reported as passed through to subrecipients in error.

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."

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

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

"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 subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide the total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. . . .
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program."

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

***FINDING 2013-004 - INTERNAL CONTROLS OVER STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER)***

Federal Agency: Department of Homeland Security  
Federal Program: Staffing for Adequate Fire and Emergency Response (SAFER)  
CFDA Number: 97.083  
Federal Award Number and Year: EMW-2012-FH-00794

Management of the City has not established an effective internal control system, which would include segregation of duties, related to the grant agreement and some of the compliance requirements that have a direct and material effect on the SAFER program. This includes the following compliance requirements: Cash Management, Reporting and the Special Tests and Provisions - Maintenance of Firefighting Staff. The Clerk-Treasurer prepared the Requests for Funds, Federal Financial Reports, and the Hiring Performance Reports and related documentation without oversight, review, or approval by any other person. Beginning in August of 2013, new controls were implemented for cash management and the Requests for Funds were then reviewed by an individual other than the preparer. However, the Federal Financial Reports and Hiring Performance Reports, which established compliance with maintenance of firefighting staff requirements, were still submitted without review by any other person.

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

The failure to establish an effective internal control system places the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could also allow noncompliance with compliance requirements and allow the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

An internal control system, including segregation of duties, should be designed and operate effectively to provide reasonable assurance that material noncompliance with the grant agreement, or a type of compliance requirement of a federal program will be prevented, detected and corrected, on a timely basis. In order to have an effective internal control system, it is important to have proper segregation of duties. This is accomplished by making sure proper oversight, reviews, and approvals take place and to have a separation of functions over certain activities related to the program. The fundamental premise of segregation of duties is that an individual or small group of individuals should not be in a position to initiate, approve, undertake, and review the same activity.

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

The failure to establish internal controls could enable material noncompliance to go undetected. Non-compliance with the grant agreement or the compliance requirements that have a direct and material effect on the program could result in the loss of federal funds to the City.

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and all compliance requirements that have a direct and material effect on the program.

#### AUDITEE PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.

CITY OF  
CRAWFORDSVILLE

P.O. Box 329

Crawfordsville, IN 47933  
clerktreasurer@accelplus.net

Terri J. Gadd, IAMC  
Clerk Treasurer

City Building  
(765) 364-5150

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

**FINDING 2012-3**

Original Assigned SBA Audit Report Number: B43060

Report Period: January 1 - December 31, 2013

Pass-Through Entity or Federal Grantor Agency: Department of Homeland Security

Contact Person Responsible for Corrective Action: Terri Gadd, Clerk Treasurer

Contact Phone Number: 765 364-5150

Status of Audit Finding: The following corrective action was in August 2013, and now completed.

**FINDING 2012-3 - INTERNAL CONTROLS OVER COMPLIANCE REQUIREMENTS THAT HAVE A DIRECT AND MATERIAL EFFECT TO STAFFING FOR ADEQUATE FIRE AND EMERGENCY RESPONSE (SAFER)**

**Response:** The city of Crawfordsville is the recipient of a federal grant for the hiring, training and staffing of 8 fire fighters, grant ending December 2014. The process of requesting reimbursement from the Department of Homeland Security is outlined below, **item #6 and 7 are new steps in the process.**

**Corrective Action: included and completed the items #6 and #7.**

1. Fire Department Administrative Assistant prepares a bi-weekly payroll claim, using department time sheets; the Fire Department chef authorizes the prepared document.
2. The payroll claim is submitted to the City of Crawfordsville Clerk Treasurers office payroll clerk for processing with all bi-weekly department payrolls.
3. After each payroll the payroll clerk prepares a summary sheet of Public Employees Retirement expenses,
4. At the end of each month the payroll clerk reconciles monthly health insurance and life insurance invoices, accounting for withholdings from the "Safer" grant employees. After the reconciliation is completed a spreadsheet is prepared. The payroll clerk submits a copy of the spreadsheet to the clerk treasurer.
5. The Clerk Treasurer reviews reports from the city of Crawfordsville budget and payroll systems to verify and prepare a summary spreadsheet to be used as the entry documentation for reimbursement of expenses from the Department of Homeland Security.

6. After all documentation is collected , reviewed and balanced, the Clerk Treasurer ask the Fire Department Administrative assistant to verify, and initial payroll check register(s) and payroll claim voucher(s) "Safer" grant employees.

7. The Clerk Treasurer meets with the Assistant Fire Department Chief or the Fire Department Chief to review and discuss, appropriation report(s) and supporting documentation regarding the amount for reimbursement.

8. Using the supporting documentation the Clerk Treasure request from the Department of Homeland Security website the amount for reimbursement, prints two copies of the request – one to be presented to the bookkeeper and one for the grant file.

9. Shortly after the request for reimbursement is made the Clerk Treasurer receives an email notification from the Department of Homeland Security indicating request has been received and a time frame when the payment with be electronically deposited into the designated account for the City of Crawfordsville. The Clerk Treasurer prints the notice and informs the bookkeeper.

10. The bookkeeper monitors the designated account for the requested amount, receipts the electronic deposit into the proper fund and submits to the Clerk Treasurer for filing a copy of the receipt.

Terri Badd  
(Signature)

Clerk Treasurer  
(Title)

July 22, 2014  
(Date)

(Note to Officials: To determine what audit findings are required to be reported in the Summary Schedule of Prior Audit Findings, please see U.S. Office of Management and Budget (OMB), Circular A-133, Subpart C, section .315(b).)

CITY OF  
CRAWFORDSVILLE

P.O. Box 329

Crawfordsville, IN 47933  
clerktreasurer@accelplus.net

Terri J. Gadd, IAMC  
Clerk Treasurer

City Building  
(765) 364-5150

**CORRECTIVE ACTION PLAN**

**Contact Person Responsible for Corrective Action:**

Terri Gadd, Clerk Treasurer  
Todd Barton, Mayor

**Contact Phone Number:** Clerk Treasurer 1 765 364-5150, Mayor 1 765 364-5160

Description of Corrective Action Plan:

**FINDING 2013-001**

**Corrective Action:**

The payroll clerk receives approved payroll vouchers from each department. During processing of the payroll the payroll clerk balances payroll vouchers to a payroll system generated report titled "FICA Medicare Report".

For purposes of establishing another level of control the balancing of the vouchers will be processed by another employee in the Clerk Treasurers office – the employee will match each payroll voucher to the payroll system report "FICA Medicare Report", dating and initializing each report as reviewed, the corrective action started immediately (July 2014).

**Corrective action:**

A city Council members has been assigned a liaison with the Clerk Treasurers office, starting December 2013, the Clerk Treasurer met with Council member Reidy to discuss and observe the process of receipting funds.

Councilman Reidy continues to meet with the Clerk Treasurer to observe and discuss issues and processes within the department, each meeting is documented, signed and on file in the Clerk Treasurers office.

**FINDING 2013-002,**

**Corrective Action:**

Starting 2014 all receipts and disbursements received from Crawfordsville Electric Light and Power are entered into the city financial system, and reconciled each month, with the bookkeeper from the Clerk Treasurer's office to the bookkeeper with Crawfordsville Electric Light and Power.

*FINDING 2013-003,*

**Corrective Action:**

The Clerk Treasurer completes a form for each grant, including the form as part of the grant documentation. Each time funds are reimbursed or received by the city the Clerk Treasurer provides to the bookkeeper documentation of the request and notice when received.

The city started the process of internal controls of Schedule of Expenditures for Federal Awards in the later part of 2013. The control included completing a SBoA recommend form for each outstanding grant. Any grants identified as not corrected were an oversight, and have been corrected.

CITY OF CRAWFORDSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section III – Federal Award Findings and Questioned Costs

**FINDING 2013-004,**

**Corrective Action:**

The City of Crawfordsville is the recipient of a federal grant for the hiring, training and staffing of 8 fire fighters, grant ending December 2014. The process of requesting reimbursement from the Department of Homeland Security is outlined below, **item #6 and 7 are steps added in August of 2013, item #11 is a new step add to the process, August 2014.**

1. Fire Department Administrative Assistant prepares a bi-weekly payroll claim, using department time sheets; the Fire Department chief authorizes the prepared document.
2. The payroll claim is submitted to the City of Crawfordsville Clerk Treasurers office payroll clerk for processing with all bi-weekly department payrolls.
3. After each payroll the payroll clerk prepares a summary sheet of Public Employees Retirement expenses,
4. At the end of each month the payroll clerk reconciles monthly health insurance and life insurance invoices, accounting for withholdings from the "Safer" grant employees. After the reconciliation is completed a spreadsheet is prepared. The payroll clerk submits a copy of the spreadsheet to the clerk treasurer.
5. The Clerk Treasurer reviews reports from the city of Crawfordsville budget and payroll systems to verify and prepare a summary spreadsheet to be used as the entry documentation for reimbursement of expenses from the Department of Homeland Security.
- 6. After all documentation is collected , reviewed and balanced, the Clerk Treasurer ask the Fire Department Administrative assistant to verify, and initial payroll check register(s) and payroll claim voucher(s) "Safer" grant employees.**
- 7. The Clerk Treasurer meets with the Assistant Fire Department Chief or the Fire Department Chief to review and discus, appropriation report(s) and supporting documentation regarding the amount for reimbursement.**
8. Using the supporting documentation the Clerk Treasurer request from the Department of Homeland Security website the amount for reimbursement, prints two copies of the request – one to be presented to the bookkeeper and one for the grant file.
9. Shortly after the request for reimbursement is made the Clerk Treasurer receives an email notification from the Department of Homeland Security indicating request has been received and a time frame when the payment with be electronically deposited into the designated account for the City of Crawfordsville. The Clerk Treasurer prints the notice and informs the bookkeeper.
10. The bookkeeper monitors the designated account for the requested amount, receipts the electronic deposit into the proper fund and submits to the Clerk Treasurer for filing a copy of the receipt.
- 11. The Clerk Treasurer will review with the Fire Chief or his designee the data supporting quarterly and semi-annually reporting**



FEMA

July 25, 2014

Terri J. Gadd, IAMC  
Clerk-Treasurer  
City of Crawfordsville  
PO Box 329  
Crawfordsville, IN 47933

Subject: Management Decision Letter -- Single Audit Report for the year ending December 31, 2012

Re: 2012 Audit Year - EIN: 356000994  
FEMA CFDA No.: 97.083  
Number of Open Findings: N/A  
Number of Closed Findings: 1 (Deficiency 2012-3)  
Amount of Questioned and/or Disallowed Costs: N/A  
Status of Audit Record: Closed

Dear Terri J. Gadd, IAMC:

The Grant Programs Directorate reviewed the subject report that includes Deficiency 2012-3 and evaluated the corrective actions the City of Crawfordsville completed. The Audit Report and Deficiency 2012-3 are considered "closed" without the need for additional action. The basis for this management decision is attached.

Questions may also be directed to [FEMA-GPD-A-133Audits@fema.dhs.gov](mailto:FEMA-GPD-A-133Audits@fema.dhs.gov).  
or Lorna M. McAllister at 202-786-9956.

Sincerely,

A handwritten signature in black ink, appearing to be "Stacey Street", written over a horizontal line.

Stacey Street, Grant Operations Division Director  
Grant Programs Directorate  
Federal Emergency Management Agency

Attachment

[www.fema.gov](http://www.fema.gov)

City of Crawfordsville		2012 Single Audit
Audit Deficiency Number:	2012-3	
CFDA Number:	97.083	
Sustained:	Yes	
Amount of Questioned Costs:	N/A	
Amount Disallowed:	N/A	
Status of Audit Deficiency:	Closed	The required actions are complete and documented as such. No further action is necessary.
Recommendation:	Establish effective internal controls over cash management and reporting including the segregation of duties associated with the process of requesting reimbursement from the Department of Homeland Security.	
FEMA Management Decision:	This audit deficiency is considered "closed." The City of Crawfordsville established and implemented two additional internal controls in their reimbursement process that now require a separate review and signature approval by the designated Fire Department official after the Clerk of Treasurer's formal written certification; and upon completion, the Clerk of Treasurer presents that signed and approved package to either the Assistant Fire Department Chief or Fire Chief during a formal meeting. The related appropriations report and supporting documentation regarding the amount for reimbursement contained in the package are also reviewed and discussed during that allotted time. A copy of the reimbursement process is on file along with evidence that requests for reimbursement are approved and signed at multiple levels and comply with the grant agreement and internal control requirements.	
Management Action:	None required.	
Appeal Information:	The decision or parts therein may be appealed. A written appeal will be accepted at FEMA-GPD-A-133Audits@fema.dhs.gov, within 10 business days from the date of this letter. The appeal must include a description of the disputed part(s), an alternative course of action(s) along with an anticipated completion date, the name of the management official responsible for implementing the alternative action(s), and any relevant supportive documentation.	

Anticipated Completion Date: August 27, 2014

Terri Gadd  
(Signature)

Clark Treasurer  
(Title)

August 27, 2014  
(Date)

Yadd G. Gadd  
(Signature)

MAYOR  
(Title)

8-27-2014  
(Date)

#### OTHER REPORTS

In addition to this report, a Supplemental Compliance Report and a report on the financial statements of the Crawfordsville Electric Light and Power Utility have been issued for the City. These reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.