

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

FINANCIAL STATEMENT AND
FEDERAL COMPLIANCE AUDIT REPORT

OF

CITY OF CRAWFORDSVILLE

MONTGOMERY COUNTY, INDIANA

January 1, 2023 to December 31, 2023



FILED
11/01/2024



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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November 1, 2024

To: The Officials of the City of Crawfordsville
City of Crawfordsville
Montgomery County, Indiana

As authorized under Indiana Code 5-11-1, we engaged private examiners under our review to perform the audit of City of Crawfordsville. We have reviewed the audit report opined upon by Crowe LLP, Independent Public Accountants, for the period January 1, 2023 to December 31, 2023. Per the *Independent Auditor's Report*, the financial statements included in the report present fairly, in all material respects, the cash and investment balances of the City as of December 31, 2023, and its cash receipts and cash disbursements for the year then ended, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

We call your attention to the findings included in the report on pages 30 through 33. Please see the Schedule of Findings and Questioned Costs for complete detail related to the findings. Management's Corrective Action Plan appears on pages 34 through 36.

In our opinion, Crowe LLP prepared the audit report in accordance with the guidelines established by the Indiana State Board of Accounts.

In addition to the report presented herein, a supplemental report for City of Crawfordsville was prepared in accordance with the guidelines established by the Indiana State Board of Accounts.

The report is filed with this letter in our office as a matter of public record.

A handwritten signature in black ink that reads "Tammy R. White".

Tammy R. White, CPA
Deputy State Examiner

CITY OF CRAWFORDSVILLE
Montgomery County, Indiana

FINANCIAL STATEMENT
For the Year Ended December 31, 2023

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CITY OF CRAWFORDSVILLE
SCHEDULE OF OFFICIALS (Unaudited)
December 31, 2023

<u>Office</u>	<u>Official</u>	<u>Term</u>
Mayor	Todd D. Barton	01-01-23 to 12-31-23
President Pro Tempore of the Common Council	Andrew P. Biddle	01-01-23 to 12-31-23
Clerk-Treasurer	Terri Gadd	01-01-23 to 12-31-23

INDEPENDENT AUDITOR'S REPORT

Those Charged with Governance
City of Crawfordsville
Montgomery County, Indiana

Opinions

We have audited the accompanying statement of receipts, disbursements, and cash and investment balances of the City of Crawfordsville (the "City") as of December 31, 2023, and the related notes to the financial statement.

Unmodified Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement presents fairly, in all material respects, the cash and investment balances of the City as of December 31, 2023, and its cash receipts and cash disbursements for the year then ended, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

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 section of our report, 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 of the City as of December 31, 2023, or changes in net position for the year then ended.

Basis for Opinion

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statement section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

As discussed in Note 1 to the financial statement, the Unit 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 and pervasive.

(Continued)

Responsibilities of Management for the Financial Statement

Management is responsible for the preparation and fair presentation of the 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) as described in Note 1, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of the financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statement

Our objectives are to obtain reasonable assurance about whether the financial statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statement.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statement, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statement.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statement.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statement that collectively comprise the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards as required by Title 2 *U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* is presented for purposes of additional analysis 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 themselves, 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 as a whole.

(Continued)

Other Information

Management is responsible for the other information included with the financial statement. The other information comprises the Schedule of Officials, Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, Schedule of Capital Assets, and State Reporting Information, but does not include the financial statement and our auditor's report thereon. Our opinion on the financial statement does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statement, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statement, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2024, our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely 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 effectiveness of the City's 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.

Crowe LLP

Crowe LLP

Indianapolis, Indiana
September 25, 2024

CITY OF CRAWFORDSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2023

Fund	Cash and Investments			Cash and Investments
	01-01-23	Receipts	Disbursements	
General	\$ 4,874,526	\$ 10,838,795	\$ 14,694,380	\$ 1,018,941
Street	637,014	1,358,099	1,916,359	78,754
Local Road And Street	330,565	127,182	75,000	382,747
MVH RESTRICTED	361,316	351,124	545,610	166,830
Aviation	232,386	189,865	229,953	192,298
Law Enf Recording Video Copy	4,080	601	-	4,681
Park Nonreverting Operating	169,121	314,807	299,218	184,710
Health Issues and Challenges Grant	(68,528)	165,771	227,661	(130,418)
EMS-Reimbursements	-	476,192	615,025	(138,833)
Trash Service	43,102	257,908	238,792	62,218
Law Enforcement Continuing Ed	69,606	14,609	15,026	69,189
Riverboat	150,949	91,694	92,953	149,690
Parks And Recreation	291,135	754,415	1,180,857	(135,307)
Rainy Day	572,010	-	-	572,010
Opioid Sttlement Unrestricted	44,108	7,892	-	52,000
Opioid Settlement Restricted	102,919	28,523	-	131,442
Police/Drug Seizure Fund	23,041	-	-	23,041
Cumulative Capl Imprv Cigarette Tax	89,201	29,599	40,300	78,500
Cumulative Capital Development	401,914	207,230	296,521	312,623
Park Nonreverting Capital	1,088	-	-	1,088
Sunshine Van Fund	21,409	154,223	128,729	46,903
Police Equipment (Not Debt Service)	33,059	39,267	44,069	28,257
Fire Equipment (Not Debt Service)	10,328	775	4,917	6,186
Cumulative Building	150	-	-	150
Cumulative Cap Imprv (Special Fire)	1,051,587	121,118	320,198	852,507
South Industrial TIF	50,949	73,866	115,342	9,473
Airport COVID-FAA Grant Funds	75,000	-	5,600	69,400
Central Garage	36,182	295,993	310,505	21,670
Police Pension	302,020	430,273	452,163	280,130
Fire Pension	562,267	421,509	439,268	544,508
ARP COVID RECOVERY - GRANT FUNDS	2,278,638	-	1,170,745	1,107,893
Sugar Creek Nature Park	668	-	-	668
Civil Defense Donations	100	-	-	100
Police Copy Fee Fund	440	1,075	1,105	410
Firearms Training Fund	49,553	-	6,746	42,807
Ivy Tech Bond & Int	195,137	236,587	173,500	258,224
Jobs & Investment	72,928	-	14,000	58,928
Aviation Fuel Non-Rev	105,299	179,019	159,184	125,134
Aviation Aircraft Rental	76,719	56,528	42,535	90,712
Aviation Flight Instruct	15,979	18,754	11,152	23,581
Aviation Aircraft Maintenance	28,917	35,206	32,139	31,984
Mayor's Promotion Fund	175,644	478,800	585,306	69,138
2015 Bond Proj Debt Reserve	74,250	-	-	74,250
Power Plant TIF	294,772	17,377	-	312,149
Plan Dept Escrow Fund	137,920	-	137,920	-
Metronet TIF Fund	43,864	97,875	92,801	48,938

(Continued)

CITY OF CRAWFORDSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND
INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2023

Fund	Cash and Investments 01-01-23	Receipts	Disbursements	Cash and Investments 12-31-23
Fusion 54 N/R	\$ 40,042	\$ 124,521	\$ 66,272	\$ 98,291
Local RD & Bridge Match	136,236	1,156,872	868,177	424,931
Rural Health Outreach Grant	(73,916)	468,959	444,851	(49,808)
LOIT Public Safety	1,752,949	3,542,163	2,055,109	3,240,003
Rental Registraton Fee	18,608	2,485	-	21,093
Fire Station II Bond	37,599	156,500	319,000	(124,901)
Com Paramedic Operating	155,879	486,681	421,554	221,006
HIV HEALTH GRANT	(10,620)	55,110	44,490	-
Underground Storage Tank Financial Assurance	-	30,000	-	30,000
COVID-19 Reimbursment	17,572	-	-	17,572
EPA Brownfiled Grant	-	218,205	218,205	-
Ambulance/Ems Nonreverting	539,719	454,067	504,248	489,538
Civil Defense Copier Fund	12,072	-	8,493	3,579
Communication Center	2,942	-	-	2,942
Park & Rec Muffy	29,366	16,458	26,333	19,491
Park & Rec Tittle III	5,882	14,414	13,567	6,729
Police/Child Victim	1,808	-	-	1,808
Rehabilitation	2,268	-	2,065	203
Wheel Tax Fund	216,879	178,446	102,953	292,372
Udag	28,760	9,500	-	38,260
Aviation Grant Fund	47,271	89,814	93,466	43,619
Commerce Park Operating	72,679	7,227	6,435	73,471
Commerce Park Bond & Int Fund	1,926,040	670,661	337,569	2,259,132
Kroger Pace Dairy Bond & Int	1,485,502	314,842	852,294	948,050
Cville Historic Dist/Cap Impr	55,248	3,090	20,000	38,338
Aviation Hanger Rent	102,493	61,624	22,912	141,205
Downtown SDwK & Streets	92	-	-	92
Sidewalk Maint/Improvement	41,489	3,886	4,800	40,575
Cville Sq Allocation Fund	2,369,588	862,973	537,678	2,694,883
Payroll Fund	1,521,013	22,243,173	22,122,040	1,642,146
Drainage Permits	15	-	-	15
CELP General MM	3,486,822	44,193,401	42,997,270	4,682,953
CELP Deprec MM	3,035,737	1,344,453	-	4,380,190
CEL&P Inspection Fees	-	100	100	-
CEL&P Gen Operating	59,867	10,092,052	10,013,639	138,280
CEL&P Meter Deposit	254,018	93,639	109,984	237,673
Stormwater O/M	931,840	547,401	840,113	639,128
SRFWW Crawfordsville DRS	785,337	38,631	-	823,968
Waste Water Uility Construction	121,233	249,593	370,826	-
SRFWW Crawfordsville B&I	414,742	786,440	770,844	430,338
Wastewater Utility-Operating	5,096,509	3,808,849	4,001,722	4,903,636
Wastewater Util-Bond And Interest	-	775,146	775,146	-
Wastewater Utility-Debt Reserve	18,644	-	-	18,644
Totals	\$ 38,763,556	\$ 110,973,927	\$ 113,687,734	\$ 36,049,749

See accompanying notes to financial statement.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

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 basis of accounting also requires presentation of certain information as Other Information.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP), 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. The regulatory basis also allows for all investments to be stated at cost, while GAAP requires fair value for qualifying investments.

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.

Receipts: Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received including 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. Amounts received from businesses, occupations, or non-businesses 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts. Amounts received 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.

(Continued)

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
December 31, 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fines and forfeits. Amounts received 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. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

Other receipts. 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.

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

Personal services. Amounts disbursed 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. Amounts disbursed for 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. Amounts disbursed for services including, 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. Amounts disbursed for fixed obligations resulting from financial transactions previously entered into by the Unit. It includes all expenditures for the reduction of the principal and interest of the Unit general obligation indebtedness as well as lease agreements.

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various purposes including, but 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.

Interfund Transfers: The City may, from time to time, make transfers 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.

Fund Accounting: Separate funds are established, maintained, and reported by the City. Each fund is used to account for amounts 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 Unit. The amounts 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 City itself.

(Continued)

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 December 31 of the year preceding the budget year or January 15 of the budget year if the City is issuing debt after December 1 or intends on filing a shortfall appeal. These rates were based upon the assessed valuations adjusted for various tax credits from the preceding year's lien date of January 1. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

NOTE 4 - DEPOSITS AND INVESTMENTS

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana, at year end, should be entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund (PDIF). 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, the following: 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 Unit 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.

The City has purchased insurance to address the risks described above.

NOTE 6 - PENSION PLAN

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund Defined Benefit Plan (PERF DB) is a cost-sharing multiple-employer defined benefit plan and provides retirement, disability, and survivor benefits to plan members. PERF DB is administered through the Indiana Public Retirement System (INPRS) Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

The Public Employees' Hybrid Plan (PERF Hybrid) consists of two components: PERF DB, the employer-funded monthly defined benefit component, and the Public Employees' Hybrid Members Defined Contribution Account, the defined contribution component.

The Retirement Savings Plan for Public Employees (My Choice) is a multiple-employer defined contribution plan. It is administered through the INPRS Board in accordance with state statutes (IC 5-10.2 and IC 5-10.3) and administrative code (35 IAC 1.2), which govern most requirements of the system and give the Town authority to contribute to the plan.

New employees hired have a one-time election to join either the PERF Hybrid or the My Choice.

Financial Report

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
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

Members' contributions are set by state statute at 3 percent of compensation for both the defined contribution component of PERF Hybrid and My Choice. The employer may elect to make the contribution on behalf of the member of the defined contribution component of PERF Hybrid and My Choice members may receive additional employer contribution in lieu of the PERF DB. Contributions to the PERF DB are determined by INPRS Board based on actuarial valuation.

NOTE 6 - PENSION PLAN (Continued)

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, providing retirement, disability, and survivor benefits.

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.

Financial Report

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
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (844) 464-6777

Contributions

The contributions requirements of plan members and the City are established by the Board of Trustees of IPRS based on actuarial valuation. Employers may pay all or part of the member contribution for the member.

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 for which reimbursements were not received by December 31, 2023.

NOTE 8 - HOLDING CORPORATION

The City has entered into a capital lease with the Crawfordsville Fire Station Two Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined a related party of the City. Lease payments during the year 2023 totaled \$316,500.

OTHER INFORMATION (Unaudited)

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	General	Street	Local Road And Street	MVH RESTRICTED	Aviation	Law Enf Recording Video Copy	Park Nonreverting Operating	Health Issues and Challenges Grant	EMS- Reimbursements	Trash Service	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation	Rainy Day
Cash and investments - beginning	\$ 4,874,526	\$ 637,014	\$ 330,565	\$ 361,316	\$ 232,386	\$ 4,080	\$ 169,121	\$ (68,528)	\$ -	\$ 43,102	\$ 69,606	\$ 150,949	\$ 291,135	\$ 572,010
Receipts:														
Taxes	3,734,442	674,917	-	-	131,529	-	-	-	-	-	-	91,694	643,794	-
Licenses and permits	145,629	2,452	-	-	-	-	-	-	-	-	8,070	-	-	-
Intergovernmental receipts	3,943,580	383,856	127,182	351,124	6,378	-	-	165,771	-	-	-	-	31,217	-
Charges for services	2,365,202	5,884	-	-	47,824	601	306,807	-	-	257,632	2,380	-	56,338	-
Fines and forfeits	13,425	-	-	-	-	-	-	-	-	-	3,544	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	636,517	290,990	-	-	4,134	-	8,000	-	476,192	276	615	-	23,066	-
Total receipts	10,838,795	1,358,099	127,182	351,124	189,865	601	314,807	165,771	476,192	257,908	14,609	91,694	754,415	-
Disbursements:														
Personal services	11,166,049	1,355,863	-	-	151,508	-	116,621	221,600	534,463	105,125	9,318	-	800,762	-
Supplies	448,981	166,084	-	143,497	10,675	-	-	458	-	31,251	159	92,953	82,190	-
Other services and charges	2,279,698	305,202	-	-	64,117	-	-	3,745	14,400	89,464	2,123	-	274,918	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	271,918	89,195	-	-	3,653	-	102,353	1,858	-	3,452	-	-	22,987	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	527,734	15	75,000	402,113	-	-	80,244	-	66,162	9,500	3,426	-	-	-
Total disbursements	14,694,380	1,916,359	75,000	545,610	229,953	-	299,218	227,661	615,025	238,792	15,026	92,953	1,180,857	-
Excess (deficiency) of receipts over disbursements	(3,855,585)	(558,260)	52,182	(194,486)	(40,088)	601	15,589	(61,890)	(138,833)	19,116	(417)	(1,259)	(426,442)	-
Cash and investments - ending	\$ 1,018,941	\$ 78,754	\$ 382,747	\$ 166,830	\$ 192,298	\$ 4,681	\$ 184,710	\$ (130,418)	\$ (138,833)	\$ 62,218	\$ 69,189	\$ 149,690	\$ (135,307)	\$ 572,010

(Continued)

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	Opioid Sttlement Unrestricted	Opioid Settlement Restricted	Police/Drug Seizure Fund	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Park Nonreverting Capital	Sunshine Van Fund	Police Equipment (Not Debt Service)	Fire Equipment (Not Debt Service)	Cumulative Building	Cumulative Cap Imprv (Special Fire)	South Industrial TIF	Airport COVID-FAA Grant Funds	Central Garage	Police Pension
Cash and investments - beginning	\$ 44,108	\$ 102,919	\$ 23,041	\$ 89,201	\$ 401,914	\$ 1,088	\$ 21,409	\$ 33,059	\$ 10,328	\$ 150	\$ 1,051,587	\$ 50,949	\$ 75,000	\$ 36,182	\$ 302,020
Receipts:															
Taxes	7,892	28,523	-	-	173,446	-	-	-	-	-	115,514	73,866	-	-	430,273
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	29,599	8,414	-	-	-	-	-	5,604	-	-	-	-
Charges for services	-	-	-	-	-	-	76,829	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	25,370	-	77,394	39,267	775	-	-	-	-	295,993	-
Total receipts	7,892	28,523	-	29,599	207,230	-	154,223	39,267	775	-	121,118	73,866	-	295,993	430,273
Disbursements:															
Personal services	-	-	-	-	-	-	126,919	-	-	-	-	-	-	163,470	452,163
Supplies	-	-	-	-	-	-	84	-	-	-	-	-	-	140,597	-
Other services and charges	-	-	-	38,116	228,041	-	1,726	-	-	-	-	115,342	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	2,184	68,480	-	-	29,383	-	-	320,198	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	14,686	4,917	-	-	-	5,600	6,438	-
Total disbursements	-	-	-	40,300	296,521	-	128,729	44,069	4,917	-	320,198	115,342	5,600	310,505	452,163
Excess (deficiency) of receipts over disbursements	7,892	28,523	-	(10,701)	(89,291)	-	25,494	(4,802)	(4,142)	-	(199,080)	(41,476)	(5,600)	(14,512)	(21,890)
Cash and investments - ending	\$ 52,000	\$ 131,442	\$ 23,041	\$ 78,500	\$ 312,623	\$ 1,088	\$ 46,903	\$ 28,257	\$ 6,186	\$ 150	\$ 852,507	\$ 9,473	\$ 69,400	\$ 21,670	\$ 280,130

(Continued)

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	Fire Pension	ARP COVID RECOVERY GRANT FUNDS	Sugar Creek Nature Park	Civil Defense Donations	Police Copy Fee Fund	Firearms Training Fund	Ivy Tech Bond & Int	Jobs & Investment	Aviation Fuel Non-Rev	Aviation Aircraft Rental	Aviation Flight Instruct	Aviation Aircraft Maintenance	Mayor's Promotion Fund	2015 Bond Proj Debt Reserve	Power Plant TIF	Plan Dept Escrow Fund	Metronet TIF Fund
Cash and investments - beginning	\$ 562,267	\$ 2,278,638	\$ 668	\$ 100	\$ 440	\$ 49,553	\$ 195,137	\$ 72,928	\$ 105,299	\$ 76,719	\$ 15,979	\$ 28,917	\$ 175,644	\$ 74,250	\$ 294,772	\$ 137,920	\$ 43,864
Receipts:																	
Taxes	421,509	-	-	-	-	-	-	-	-	3,860	-	-	-	-	17,377	-	97,875
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,075	-	236,587	-	178,220	52,668	13,030	32,757	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-	799	-	5,724	2,449	478,800	-	-	-	-
Total receipts	421,509	-	-	-	1,075	-	236,587	-	179,019	56,528	18,754	35,206	478,800	-	17,377	-	97,875
Disbursements:																	
Personal services	439,268	-	-	-	-	-	-	-	5,621	3,762	10,105	12,078	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-	141,472	12,488	-	16,689	-	-	-	-	-
Other services and charges	-	1,170,745	-	-	-	-	-	14,000	6,564	22,488	-	3,372	585,306	-	-	-	92,801
Debt service - principal and interest	-	-	-	-	-	-	173,500	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,105	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	6,746	-	-	5,527	3,797	1,047	-	-	-	-	137,920	-
Total disbursements	439,268	1,170,745	-	-	1,105	6,746	173,500	14,000	159,184	42,535	11,152	32,139	585,306	-	-	137,920	92,801
Excess (deficiency) of receipts over disbursements	(17,759)	(1,170,745)	-	-	(30)	(6,746)	63,087	(14,000)	19,835	13,993	7,602	3,067	(106,506)	-	17,377	(137,920)	5,074
Cash and investments - ending	\$ 544,508	\$ 1,107,893	\$ 668	\$ 100	\$ 410	\$ 42,807	\$ 258,224	\$ 58,928	\$ 125,134	\$ 90,712	\$ 23,581	\$ 31,984	\$ 69,138	\$ 74,250	\$ 312,149	\$ -	\$ 48,938

(Continued)

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	Fusion 54 N/R	Local RD & Bridge Match	Rural Health Outreach Grant	LOIT Public Safety	Rental Registrar Fee	Fire Station II Bond	Com Paramedic Operating	HIV HEALTH GRANT	Underground Storage Tank Financial Assurance	COVID-19 Reimbursement	EPA Brownfiled Grant	Ambulance/Ems Nonreverting	Civil Defense Copier Fund	Communication Center
Cash and investments - beginning	\$ 40,042	\$ 136,236	\$ (73,916)	\$ 1,752,949	\$ 18,608	\$ 37,599	\$ 155,879	\$ (10,620)	\$ -	\$ 17,572	\$ -	\$ 539,719	\$ 12,072	\$ 2,942
Receipts:														
Taxes	-	-	-	-	-	150,105	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	2,485	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	421,319	467,532	3,542,163	-	6,395	-	45,378	-	-	218,205	-	-	-
Charges for services	100,725	-	-	-	-	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	23,796	735,553	1,427	-	-	-	486,681	9,732	30,000	-	-	454,067	-	-
Total receipts	124,521	1,156,872	468,959	3,542,163	2,485	156,500	486,681	55,110	30,000	-	218,205	454,067	-	-
Disbursements:														
Personal services	-	-	435,560	1,619,844	-	-	349,653	42,061	-	-	-	2,935	-	-
Supplies	4,550	868,177	845	-	-	-	18,260	1,644	-	-	-	92,833	8,493	-
Other services and charges	61,722	-	8,446	308,411	-	319,000	39,559	785	-	-	218,205	143,514	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	2,468	-	-	-	-	264,966	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	126,854	-	-	11,614	-	-	-	-	-	-	-
Total disbursements	66,272	868,177	444,851	2,055,109	-	319,000	421,554	44,490	-	-	218,205	504,248	8,493	-
Excess (deficiency) of receipts over disbursements	58,249	288,695	24,108	1,487,054	2,485	(162,500)	65,127	10,620	30,000	-	-	(50,181)	(8,493)	-
Cash and investments - ending	\$ 98,291	\$ 424,931	\$ (49,808)	\$ 3,240,003	\$ 21,093	\$ (124,901)	\$ 221,006	\$ -	\$ 30,000	\$ 17,572	\$ -	\$ 489,538	\$ 3,579	\$ 2,942

(Continued)

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	Park & Rec Muffy	Park & Rec Tittle III	Police/Child Victim	Rehabilitation	Wheel Tax Fund	Udag	Aviation Grant Fund	Commerce Park Operating	Commerce Park & Int Fund	Kroger Pace Dairy Bond & Int	Cville Historic Dist/Cap Impr	Aviation Hanger Rent	Downtown SDwlk & Streets	Sidewalk Maint/ Improvement	Cville Sq Allocation Fund	Payroll Fund
Cash and investments - beginning	\$ 29,366	\$ 5,882	\$ 1,808	\$ 2,268	\$ 216,879	\$ 28,760	\$ 47,271	\$ 72,679	\$ 1,926,040	\$ 1,485,502	\$ 55,248	\$ 102,493	\$ 92	\$ 41,489	\$ 2,369,588	\$ 1,521,013
Receipts:																
Taxes	-	-	-	-	-	-	86,161	-	670,661	314,842	-	-	-	-	859,626	-
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	178,446	-	-	-	-	-	-	-	-	-	-	-
Charges for services	-	14,414	-	-	-	-	-	7,227	-	-	-	57,472	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other receipts	16,458	-	-	-	-	9,500	3,653	-	-	-	3,090	4,152	-	3,886	3,347	22,243,173
Total receipts	16,458	14,414	-	-	178,446	9,500	89,814	7,227	670,661	314,842	3,090	61,624	-	3,886	862,973	22,243,173
Disbursements:																
Personal services	-	-	-	-	-	-	-	-	-	-	-	269	-	-	-	11,058,323
Supplies	-	-	-	-	27,953	-	-	-	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	2,065	-	-	93,466	6,435	337,569	852,294	-	18,208	-	4,800	537,678	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other disbursements	26,333	13,567	-	-	75,000	-	-	-	-	-	20,000	4,435	-	-	-	11,063,717
Total disbursements	26,333	13,567	-	2,065	102,953	-	93,466	6,435	337,569	852,294	20,000	22,912	-	4,800	537,678	22,122,040
Excess (deficiency) of receipts over disbursements	(9,875)	847	-	(2,065)	75,493	9,500	(3,652)	792	333,092	(537,452)	(16,910)	38,712	-	(914)	325,295	121,133
Cash and investments - ending	\$ 19,491	\$ 6,729	\$ 1,808	\$ 203	\$ 292,372	\$ 38,260	\$ 43,619	\$ 73,471	\$ 2,259,132	\$ 948,050	\$ 38,338	\$ 141,205	\$ 92	\$ 40,575	\$ 2,694,883	\$ 1,642,146

(Continued)

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND
 INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2023

	Drainage Permits	CELP General MM	CELP Deprec MM	CEL&P Inspection Fees	CEL&P Gen Operating	CEL&P Meter Deposit	Stormwater O/M	SRFWW Crawfordsville DRS	Waste Water Uility Construction	SRFWW Crawfordsville B&I	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 15	\$ 3,486,822	\$ 3,035,737	\$ -	\$ 59,867	\$ 254,018	\$ 931,840	\$ 785,337	\$ 121,233	\$ 414,742	\$ 5,096,509	\$ -	\$ 18,644	\$ 38,763,556
Receipts:														
Taxes	-	-	-	-	-	-	-	-	-	-	-	-	-	8,727,906
Licenses and permits	-	-	-	-	-	-	-	-	-	-	-	-	-	158,636
Intergovernmental receipts	-	-	-	-	-	-	-	-	-	-	-	-	-	9,932,163
Charges for services	-	-	-	-	-	-	-	-	-	-	-	-	-	3,813,672
Fines and forfeits	-	-	-	-	-	-	-	-	-	-	-	-	-	16,969
Utility fees	-	43,992,001	-	100	-	91,822	516,673	-	-	-	3,227,264	-	-	47,827,860
Penalties	-	-	-	-	-	-	233	-	-	-	-	-	-	233
Other receipts	-	201,400	1,344,453	-	10,092,052	1,817	30,495	38,631	249,593	786,440	581,585	775,146	-	40,496,488
Total receipts	-	44,193,401	1,344,453	100	10,092,052	93,639	547,401	38,631	249,593	786,440	3,808,849	775,146	-	110,973,927
Disbursements:														
Personal services	-	-	-	-	-	-	95,257	-	-	-	1,401,168	-	-	30,679,765
Supplies	-	-	-	-	-	-	-	-	-	-	-	-	-	2,310,333
Other services and charges	-	-	-	-	-	-	-	-	-	-	-	-	-	8,264,325
Debt service - principal and interest	-	-	-	-	-	-	-	-	-	770,844	-	-	-	944,344
Capital outlay	-	-	-	-	-	-	132,770	-	370,826	-	-	-	-	1,687,796
Utility operating expenses	-	-	-	-	-	-	427,735	-	-	-	2,002,624	-	-	2,430,359
Other disbursements	-	42,997,270	-	100	10,013,639	109,984	184,351	-	-	-	597,930	775,146	-	67,370,812
Total disbursements	-	42,997,270	-	100	10,013,639	109,984	840,113	-	370,826	770,844	4,001,722	775,146	-	113,687,734
Excess (deficiency) of receipts over disbursements	-	1,196,131	1,344,453	-	78,413	(16,345)	(292,712)	38,631	(121,233)	15,596	(192,873)	-	-	(2,713,807)
Cash and investments - ending	\$ 15	\$ 4,682,953	\$ 4,380,190	\$ -	\$ 138,280	\$ 237,673	\$ 639,128	\$ 823,968	\$ -	\$ 430,338	\$ 4,903,636	\$ -	\$ 18,644	\$ 36,049,749

CITY OF CRAWFORDSVILLE
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2023

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ -	\$ -
Electric	5,013,870	1,018,941
Storm Water	27,809	972
Wastewater	<u>175,677</u>	<u>4,112</u>
Totals	<u>\$ 5,217,356</u>	<u>\$ 1,024,025</u>

CITY OF CRAWFORDSVILLE
SCHEDULE OF LEASES AND DEBT
December 31, 2023

<u>Lessor</u>	<u>Purpose</u>	<u>Annual Lease Payment</u>	<u>Lease Beginning Date</u>	<u>Lease Ending Date</u>
Governmental activities:				
Crawfordsville Fire Station Two Building Corporation	Fire Station	\$ 316,500	1/1/2018	1/1/2036
Total of annual lease payments		<u>\$ 316,500</u>		

<u>Description of Debt</u>		<u>Ending Principal Balance</u>	<u>Principal Due Within One Year</u>
<u>Type</u>	<u>Purpose</u>		
Governmental activities:			
Revenue bonds	2015 Redvelopment Bond	\$ 577,750	\$ 73,500
Revenue bonds	Commerce Park TIF Bond	710,095	342,762
Revenue bonds	Ivy Tech Lease	869,200	347,000
Notes and Loans Payable	Airport Terminal - Tri County Bank	204,598	7,632
Notes and Loans Payable	Fire Aerial Truck Lease - PNC	1,017,964	1,017,964
Notes and Loans Payable	Golf Course Yamha Golf Carts	72,164	72,164
Notes and Loans Payable	Golf Equipment John Deere	1	1
Notes and Loans Payable	Lease Servicing Center Inc - Playground Equipment	-	-
Total governmental activities		<u>3,451,772</u>	<u>1,861,023</u>
Wastewater:			
Notes and Loans Payable	WASTE WATER SRF LOAN	<u>9,713,000</u>	<u>583,000</u>
Totals		<u>\$13,164,772</u>	<u>\$ 2,444,023</u>

CITY OF CRAWFORDSVILLE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2023

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.

	<u>Ending Balance</u>
Governmental activities:	
Land	\$ 5,207,112
Infrastructure	64,544,059
Buildings	14,905,581
Improvements other than buildings	9,695,363
Machinery, equipment, and vehicles	<u>10,111,297</u>
 Total governmental activities	 <u>104,463,412</u>
 Electric:	
Land	409,838
Infrastructure	21,970,958
Buildings	302,646
Improvements other than buildings	4,304,666
Machinery, equipment, and vehicles	21,981,133
Construction in progress	263,576
Other non-depreciable assets	<u>183,715</u>
 Total Electric	 <u>49,416,532</u>
 Storm Water:	
Machinery, equipment, and vehicles	<u>420,408</u>
 Wastewater:	
Land	106,819
Infrastructure	3,202,574
Buildings	14,218,250
Machinery, equipment, and vehicles	<u>1,540,005</u>
 Total Wastewater	 <u>19,067,648</u>
 Total capital assets	 <u>\$ 173,368,000</u>

CITY OF CRAWFORDSVILLE
STATE REPORTING INFORMATION
December 31, 2023

The reports presented herein were prepared in addition to another official report prepared for the City as listed below:

Indiana State Board of Accounts Compliance Examination of the City of Crawfordsville.

The above report contains the results of the compliance examination as required by the Indiana State Board of Accounts' *Accounting and Uniform Compliance Guidelines Manual For Cities and Towns*.

SUPPLEMENTARY INFORMATION

CITY OF CRAWFORDSVILLE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listing Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Transportation</u>				
Airport Improvement Program, COVID-19 Airports Programs, and Infrastructure Investment and Jobs Act Programs	Direct Grant			
AIP-19		20.106	3-18-0015-019-2023	\$ 30,000
AIP-20		20.106	3-18-0015-020-2021	15,035
AIP-21		20.106	3-18-0015-021-2021	13,000
AIP-22 - COVID-19		20.106	3-18-0015-022-2021	32,000
AIP-23		20.106	3-18-0015-023-2023	49,086
AIP-24		20.106	3-18-0015-024-2023	<u>16,640</u>
Total - Airport Improvement Program				<u>155,761</u>
Highway Planning and Construction Schenck Road Project	Indiana Department of Transportaion	20.205	DES 1902752	<u>17,828</u>
Minimum Penalties for Repeat Offenders for Driving While Intoxicated Driving Under the Influence	Indiana Criminal Justice Institute	20.608	3-18-12039	<u>6,216</u>
Total - Department of Transportation				<u>179,805</u>
<u>Department of the Treasury</u>				
Coronavirus State and Local Fiscal Recovery Funds	Direct Grant			
ARP COVID Recovery Fund		21.027	FY2022	1,170,745
Health Issues and Challenges Grant	Indiana State Department of Health	21.027	Contract 65954	<u>165,771</u>
Total - Coronavirus State and Local Fiscal Recovery Funds				<u>1,336,516</u>
Total - Department of the Treasury				<u>1,336,516</u>
<u>Environmental Protection Agency</u>				
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements EPA Brownfield Grant	Direct Grant	66.818	00E02879	<u>218,205</u>
Total - Environmental Protection Agency				<u>218,205</u>
<u>Department of Health and Human Services</u>				
Rural Health Care Services Outreach, Rural Health Network Development and Small Health Care Provider Quality Improvement Rural Health	Indiana State Department of Health	93.912	1 GA1RJ42898-01-00	<u>467,532</u>
Total - Department of Health and Human Services				<u>467,532</u>
Total federal awards expended				<u>\$ 2,202,058</u>

See accompanying notes to the schedule of expenditures of federal awards.

CITY OF CRAWFORDSVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2023

NOTE 1 - BASIS OF PRESENTATION

A. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (the "Schedule") includes the federal grant activity of the City of Crawfordsville (the "City") under programs of the federal government for the year ended December 31, 2023. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the Schedule presents only a select portion of the operations of the City, it is not intended to and does not present the receipts, disbursements, and cash and investment balances – regulatory basis of the City.

Expenditures reported on the Schedule are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles contained in Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

NOTE 2 - INDIRECT COST RATE

The City has elected not to use the 10-percent de minimis indirect cost rate as allowed under the Uniform Guidance.

NOTE 3 - OTHER INFORMATION

The City did not have any subrecipient activity for the year ended December 31, 2023.

FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER
MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENT PERFORMED
IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Those Charged with Governance
City of Crawfordsville
Montgomery County, Indiana

We have audited, in accordance with the 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 comprise the statement of receipts, disbursements, and cash and investment balances of the City as of and for the year ended December 31, 2023 and the related notes to the financial statement, which collectively comprise the City's financial statement, and have issued our report thereon dated September 25, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, 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.

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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify a deficiency in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2023-001 that we consider to be a significant deficiency.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free from 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 financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the City's responses to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The City's responses were not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the responses.

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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Crowe LLP
Crowe LLP

Indianapolis, Indiana
September 25, 2024

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

Those Charged with Governance
City of Crawfordsville
Montgomery County, Indiana

Report on Compliance for Major Federal Program***Qualified Opinion on Major Federal Program***

We have audited the City of Crawfordsville's (the "City") compliance with the types of compliance requirements identified as subject to audit in the OMB Compliance Supplement that could have a direct and material effect on the City's major federal program for the year ended December 31, 2023. 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.

In our opinion, except for the noncompliance described in the Basis for Qualified Opinion section of our report, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on the Coronavirus State and Local Fiscal Recovery Fund program for the year ended December 31, 2023.

Basis for Qualified Opinion on Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in Government Auditing Standards issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

Matter Giving Rise to Qualified Opinion on the Coronavirus State and Local Fiscal Recovery Fund (CSLFRF)

As described in the accompanying schedule of findings and questioned costs, the City did not comply with requirements regarding *Assistance Listing Number 21.027 CSLFRF as described in finding number 2023-002 for Reporting*. Compliance with such requirements is necessary, in our opinion, for the City to comply with the requirements applicable to that program.

(Continued)

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- exercise professional judgment and maintain professional skepticism throughout the audit.
- identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Other Matters

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the noncompliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we did identify 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 a 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 deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs as item 2023-002 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a 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 audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

Government Auditing Standards requires the auditor to perform limited procedures on the City's response to the internal control over compliance finding identified in our audit described in the accompanying schedule of findings and questioned costs. The City's response was not subjected to the other 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Crowe LLP

Indianapolis, Indiana
September 25, 2024

CITY OF CRAWFORDSVILLE
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 December 31, 2023

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 weakness(es) identified?	_____	Yes	_____ <u>X</u> _____ No
Significant deficiencies identified not considered to be material weaknesses?	_____ <u>X</u> _____	Yes	_____ None Reported
Noncompliance material to financial statement noted?	_____	Yes	_____ <u>X</u> _____ No

Federal Awards

Internal control over major programs:			
Material weakness(es) identified?	_____ <u>X</u> _____	Yes	_____ No
Significant deficiencies identified not considered to be material weaknesses?	_____	Yes	_____ <u>X</u> _____ None Reported
Type of auditor’s report issued on compliance for major programs:	Qualified		
Any audit findings disclosed that are required to be reported in accordance with 2CFR 200.516(a)?	_____ <u>X</u> _____	Yes	_____ No

Identification of major programs:

<u>Assistance Listing Number</u>	<u>Name of Federal Program or Cluster</u>
21.027	Coronavirus State and Local Fiscal Recovery Fund

Dollar threshold used to distinguish between Type A and Type B programs: \$ 750,000

Auditee qualified as low-risk auditee?	_____	Yes	_____ <u>X</u> _____ No
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(Continued)

CITY OF CRAWFORDSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings

FINDING 2023-001

Subject: Preparation and Review of the Schedule of Expenditures of Federal Awards
Audit Findings: Significant Deficiency

Criteria: The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . .

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduce here for reference purposes:
. . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part:

"The auditee must: . . .

(b) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards.* The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. 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 Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

(1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within a cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal 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.

(Continued)

CITY OF CRAWFORDSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section II – Financial Statement Findings (Continued)

FINDING 2023-001 (Continued)

(2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.

(3) Provide total Federal awards expended for each individual Federal program and the assistance listing number (ALN) or other identifying number when the ALN information is not available. For a cluster of programs also provide the total for the cluster.

(4) Include the total amount provided to subrecipients from each Federal program.

(5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.

(6) Include notes that describe that significant accounting policies used in preparing the schedule and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in §200.414 Indirect (F&A) costs."

Condition: The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Cause: Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. In the City's submission for the year ended December 31, 2023, the City's SEFA contained the following errors:

- 1) Assistance Listing Number (ALN) 20.106 – Airport Improvement Program was understated by \$54,000
- 2) ALN 20.205 – Highway Planning and Construction Program was overstated by \$4,781
- 3) ALN 20.608 – Minimum Penalties for Repeat Offenders for Driving While Intoxicated grant was understated by \$6,216
- 4) ALN 66.818 – EPA Brownfield Grant was understated by \$218,205
- 5) ALN 93.912 – Rural Health Grant was overstated by \$1,427

The SEFA was understated by \$272,213.

Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted above.

Effect: Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the error identified in the Context section.

Identification as a repeat finding, if applicable: No, not a repeat finding.

Recommendation: We recommended that the City's management establish a formal review over the SEFA to ensure amounts reported are accurate. The City should establish a documented, secondary review to ensure the amounts reported on the SEFA agree to federal expenditures at December 31st each year.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.

(Continued)

CITY OF CRAWFORDSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section III – Federal Awards Findings and Questioned Costs

FINDING 2023-002

Subject: Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: U.S. Department of Treasury
Assistance Listing Number: 21.027
Federal Award Number: FY 2022
Pass-Through Entity: N/A
Compliance Requirements: Reporting
Audit Findings: Material Weakness, Modified Opinion

Criteria: 2 CFR 200.303 states in part:

"The Non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

Coronavirus State and Local Fiscal Recovery Funds Compliance and Reporting Guidance, page 10, states in part:

". . . 10. Reporting. All recipients of federal funds must complete financial, performance, and compliance reporting as required and outlined in Part 2 of this guidance. Expenditures may be reported on a cash or accrual basis, as long as the methodology is disclosed and consistently applied. Reporting must be consistent with the definition of expenditures pursuant to 2 CFR 200.1. Your organization should appropriately maintain accounting records for compiling and reporting accurate, compliant financial data, in accordance with appropriate accounting standards and principles. . . ."

31 CFR 35.4(c) states in part: "Reporting and requests for other information. During the period of performance, recipients shall provide to the Secretary periodic reports providing detailed accounting of the uses of funds, . . ."

Condition: The City had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would likely be effective in preventing, or detecting and correcting, noncompliance. Recipients are required to submit quarterly or annually Project and Expenditure (P&E) reports to the Department of Treasury (Treasury). The reporting periods, as well as the respective due dates, are based upon type of recipient and its population, as well as the recipient's allocation amount. Information to be reported includes projects funded, expenditures, and contracts for the appropriate reporting period.

The City was classified as a metropolitan city with a population below 250,000 residents that received an allocation of less than \$10 million in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). As, annual reports are to cover one calendar year and must be submitted to the Treasury by April 30 each year.

Cause: A proper system of internal controls over the P&E report was not designed by management of the City, which would include segregation of key functions to ensure the City provided the Treasury with complete and accurate information related to the CSLFRF awards. Embedded within a properly designed and implemented internal control system should be internal controls consisting of policies and procedures. Policies reflect the City's management of what should be done to effect internal control, and procedures should consist of actions that would implement these policies.

(Continued)

CITY OF CRAWFORDSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
December 31, 2023

Section III – Federal Awards Findings and Questioned Costs (Continued)

FINDING 2023-002 (Continued)

Context: The City submitted one P&E report during the audit period; however, a single employee prepared and submitted the P&E report without a review or oversight process in place to prevent, or detect and correct errors.

In addition, the P&E report was not properly supported by the City’s records. All but \$100,000 of the expenditures were reported under the Eligible Use Category of “Administrative Expenses.” However, the City’s expenditures during the audit period consisted of assistance to business and households, sewer infrastructure, and tourism support, none of which qualified as Administrative Expenses. Furthermore, the City reported that it was electing to take the Revenue Loss Standard Allowance, but the amount reported as Revenue Loss was \$0.

Effect: Without the proper implementation of an effectively designed system of internal controls, including policies and procedures that provide segregation of duties and additional oversight as needed, the internal control system cannot be capable of effectively preventing, or detecting and correcting, material noncompliance. Noncompliance with the provisions of federal statutes, regulations, and the terms and conditions of the federal award could result in the loss of future federal funding to the City.

Identification as a repeat finding, if applicable: Yes. The finding appeared in the prior year report as Finding 2022-001.

Recommendation: We recommended that management of the City design and implement a proper system of internal controls that would provide a segregation of duties for the preparation and review of federal reports to ensure appropriate reviews, approvals, and oversight are taking place. Additionally, management should develop policies and procedures to ensure that the City provides the Treasury with complete and accurate information for the P&E report.

Views of Responsible Officials and Planned Corrective Actions: Management agrees with the finding and has prepared a corrective action plan.



CITY OF CRAWFORDSVILLE

OFFICE OF CLERK TREASURER
PO Box 329
Crawfordsville, IN 47933

(765) 364-5150
crawfordsville.in.gov

CORRECTIVE ACTION PLAN OF CURRENT AUDIT FINDINGS

December 31, 2023

FINDING 2023-001

Subject: Preparation and Review of the Schedule of Expenditures of Federal Awards
Audit Findings: Significant Deficiency

Condition: The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

Context: The federal grant information entered and submitted in the Indiana Gateway for Government Units financial reporting system was the source of the SEFA. In the City's submission for the year ended December 31, 2023, the City's SEFA contained the following errors:

- 1) Assistance Listing Number (ALN) 20.106 – Airport Improvement Program was understated by \$54,000
- 2) ALN 20.205 – Highway Planning and Construction Program was overstated by \$4,781
- 3) ALN 20.608 – Minimum Penalties for Repeat Offenders for Driving While Intoxicated grant was understated by \$6,216
- 4) ALN 66.818 – EPA Brownfield Grant was understated by \$218,205
- 5) ALN 93.912 – Rural Health Grant was overstated by \$1,427

The SEFA was understated by \$272,214.

Audit adjustments were proposed, accepted by the City, and made to the SEFA to correct the issues noted above.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: Management will ensure that the SEFA preparation and review internal control process in place is followed and thoroughly documented to detect and prevent material misstatements to the SEFA.

Responsible Party and Timeline for Completion: The Clerk-Treasurer is the responsible party. The completion will go into effect upon the next SEFA submission.



CITY OF CRAWFORDSVILLE

OFFICE OF CLERK TREASURER
PO Box 329
Crawfordsville, IN 47933

(765) 364-5150
crawfordsville.in.gov

FINDING 2023-002

Subject: Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: U.S. Department of Treasury
Assistance Listing Number: 21.027
Federal Award Number: FY 2022
Pass-Through Entity: N/A
Compliance Requirements: Reporting
Audit Findings: Material Weakness, Modified Opinion

Condition: The City had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would likely be effective in preventing, or detecting and correcting, noncompliance. Recipients are required to submit quarterly or annually Project and Expenditure (P&E) reports to the Department of Treasury (Treasury). The reporting periods, as well as the respective due dates, are based upon type of recipient and its population, as well as the recipient's allocation amount. Information to be reported includes projects funded, expenditures, and contracts for the appropriate reporting period.

The City was classified as a metropolitan city with a population below 250,000 residents that received an allocation of less than \$10 million in Coronavirus State and Local Fiscal Recovery Funds (CSLFRF). As, annual reports are to cover one calendar year and must be submitted to the Treasury by April 30 each year.

Context: The City submitted one P&E report during the audit period; however, a single employee prepared and submitted the P&E report without a review or oversight process in place to prevent, or detect and correct errors.

In addition, the P&E report was not properly supported by the City's records. All but \$100,000 of the expenditures were reported under the Eligible Use Category of "Administrative Expenses." However, the City's expenditures during the audit period consisted of assistance to business and households, sewer infrastructure, and tourism support, none of which qualified as Administrative Expenses. Furthermore, the City reported that it was electing to take the Revenue Loss Standard Allowance, but the amount reported as Revenue Loss was \$0.

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan: The City of Crawfordsville management will follow the following process.

1. Before processing request from designated organizations the Mayor or a designated person, will review documentation and approve for payment/claim processing.
2. After approval a claim will be submitted to the Clerk Treasurer office for payment.
3. Clerk Treasurer will prepare and submit monthly expenditure report to the Mayor or designated person.
4. Annually before the Clerk Treasurer, reports to the U.S. Treasury expenditures the Clerk Treasurer and Mayor, or designated person, will review and confirm expenditures.
5. Clerk Treasurer will submit report to U.S. Treasury following prompts.
6. Clerk Treasurer will notify Mayor of the annual report submission.

Responsible Party and Timeline for Completion: Clerk Treasurer and the submission that takes place in 2024 (2023 report).



CITY OF CRAWFORDSVILLE

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SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2022-001

Subject: Coronavirus State and Local Fiscal Recovery Funds - Reporting
Federal Agency: U.S. Department of Treasury
Assistance Listing Number: 21.027
Federal Award Number: FY 2021
Pass-Through Entity: N/A
Compliance Requirements: Reporting
Audit Findings: Material Weakness, Modified Opinion

Condition and Context: The City had not properly designed or implemented a system of internal controls, which would include appropriate segregation of duties that would likely be effective in preventing, or detecting and correcting, noncompliance. Recipients are required to submit quarterly or annually Project and Expenditure (P&E) reports to the Department of Treasury (Treasury). The reporting periods, as well as the respective due dates, are based upon type of recipient and its population, as well as the recipient's allocation amount. Information to be reported includes projects funded, expenditures, and contracts for the appropriate reporting period.

The City was classified as a metropolitan city with a population below 250,000 residents that received an allocation of less than \$10 million in State and Local Fiscal Recovery Funds (SLFRF). As such, the initial P&E report, covering the period from March 3, 2021 to March 31, 2022, was required to be submitted to the Treasury by April 30, 2022. The subsequent annual reports are to cover one calendar year and must be submitted to the Treasury by April 30 each year.

The City submitted one P&E report during the audit period; however, a single employee prepared and submitted the P&E report without a review or oversight process in place to prevent, or detect and correct, errors.

In addition, the P&E report was not properly supported by the City's records. All items were reported under the Eligible Use Category of "Administrative Expenses." However, the City's expenditures during the audit period consisted of assistance to business and households, remote work recruiting, sewer infrastructure, and tourism support, none of which qualified as Administrative Expenses. Furthermore, the City reported that it was electing to take the Revenue Loss Standard Allowance, but the amount reported as Revenue Loss was \$0.

Status: This has not been resolved and is identified as a repeat finding in the current year audit. See finding 2023-002.