

**CRAWFORDSVILLE ELECTRIC
LIGHT & POWER**

ACCELPLUS

2005 ANNUAL REPORT

FILED
12/29/2006

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

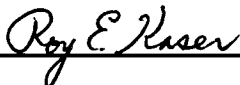
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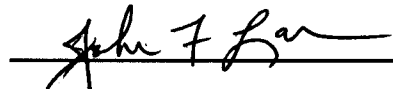
CRAWFORDSVILLE ELECTRIC LIGHT & POWER

January 1, 2005 to December 31, 2005
Herewith is the Annual Report for the Year 2005 covering the
operations of the Crawfordsville Electric Light & Power:

Thomas J. Sheets	President of Utility Board	811 West Main Street Crawfordsville, Indiana
Donald L. Fine	Vice-President of Utility Board	2718 Eagles Way Crawfordsville, Indiana
Michael R. Zurawski	Secretary of Utility Board	700 South Water Street Crawfordsville, Indiana
Samuel H. Hildebrand	Board Member	412 West Main Street Crawfordsville, Indiana
Dennis J. Hohlbein	Board Member	407 East Main Street Crawfordsville, Indiana
Roy E. Kaser	Manager	532 South Golf Blvd. Crawfordsville, Indiana
Terry Harris	Utility Attorney	1415 Durham Drive Crawfordsville, Indiana
Loran Rutledge	Council Liaison to Utility Board	1715 Lebanon Road Crawfordsville, Indiana
John P. Zumer	Mayor	1403 Darlington Ave Crawfordsville, Indiana
Nellie Thompson	City Clerk-Treasurer	806 South Green Street Crawfordsville, Indiana
John F. Lamb	Chief Accountant	6 Hickory Lane North Crawfordsville, Indiana



Roy E. Kaser, Manager


John F. Lamb, Chief Accountant



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AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the business-type activities of the Electric Utility, a department of the City of Crawfordsville, as of and for the year ended December 31, 2005. These financial statements are the responsibility of the Utility's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note I, the financial statements of the Electric Utility, City of Crawfordsville, are intended to present the financial position, and the changes in financial position and cash flows of only that portion of the business-type activities of the City that is attributable to the transactions of the Utility. They do not purport to, and do not, present fairly the financial position of the City of Crawfordsville as of December 31, 2005, and the changes in its financial position and its cash flows, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities for the Electric Utility, as of December 31, 2005, and the respective changes in financial position and cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplemental Information and Management's Discussion and Analysis are presented for purposes of additional analysis and are not required parts of the basic financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

STATE BOARD OF ACCOUNTS

November 1, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS OF RESULTS OF OPERATIONS AND FINANCIAL CONDITIONS

This discussion and analysis of Crawfordsville Electric Light and Power's consolidated financial performance provides an overview of the utility's activities for the fiscal year ended December 31, 2005. This discussion includes only the activity of Crawfordsville Electric Light and Power and its telecom division, Accelplus and does not present information relative to the activities and financial performance of the City of Crawfordsville. Please read it in conjunction with the accompanying basis consolidated financial statements and the accompanying notes to the financial statements.

CONSOLIDATED FINANCIAL STATEMENTS

The consolidated financial statements presented herein include all the activities of Crawfordsville Electric Light and Power and its divisions. The utility follows the Uniform System of Accounts prescribed by the Federal Energy Regulatory Commission and approved by the Indiana Utility Regulatory Commission. These statements are prepared on the accrual basis of accounting in accordance with generally accepted accounting principals. CEL&P and its divisions have implemented all the Governmental Accounting Standards Board pronouncements and any applicable Financial Accounting Standards pronouncements that do not conflict.

The consolidated statements of revenues, expenses and changes in net assets and cash flows present all the activity of Crawfordsville Electric Light & Power and its divisions and uses the concepts as prescribed by GASB Statement Number 34.

CONDENSED COMPARITIVE FINANCIAL DATA

Net Assets	2005	2004
Current and other assets	\$ 5,002,262	\$ 4,184,214
Capital Assets	<u>23,776,151</u>	<u>24,213,681</u>
Total Assets	\$ 28,748,413	\$ 28,397,895
Long-Term Liabilities	\$ 485,000	\$ 785,000
Other Liabilities	<u>3,438,156</u>	<u>2,840,017</u>
Total Liabilities	\$ 3,923,156	\$ 3,625,017
Net Assets:		
Invested in capital assets, net of Related debt	\$ 17,892,039	\$ 19,578,195
Restricted	4,238,772	4,666,141
Unrestricted	<u>2,724,445</u>	<u>528,543</u>
Total Net Assets	\$ 24,855,256	\$ 24,772,879

A condensed comparative financial statement follows:

INCOME	2005	2004
Operating Revenues	\$ 28,223,696	\$ 24,835,578
Expense		
Fuel Expense	\$ 1,398,264	\$ 943,646
Purchased Power Expense	18,880,667	16,208,120
Other Operating Expense	4,134,591	3,841,968
Maintenance Expense	1,488,335	1,221,725
Depreciation Expense	1,351,285	1,328,903
Taxes	<u>792,369</u>	<u>738,434</u>
Total Operating Expense	\$ 28,045,511	\$ 24,282,796
Other Income	\$ 304,025	\$ 262,389
Other Expense	<u>\$ 168,832</u>	<u>\$ 408,670</u>
Net Income	\$ 313,378	\$ 406,501

The primary revenue source is from the sale of electricity to utility customers.

NOTES TO THE FINANCIAL STATEMENTS

The notes provide additional information that is essential to a full understanding of the data provided in the financial statements. These notes are presented in the supplemental data section of this report.

FINANCIAL HIGHLIGHTS

The assets of Crawfordsville Electric Light & Power exceeded the liabilities at the close of fiscal year 2005 by \$24.8 million.

The utilities total net assets increased by \$118,728, primarily attributable to the net profit realized in 2005.

Our total revenue, retail sales and the average per KWH increased in the year 2005. The following items attributed to the increase in net income:

1. Total KWH sold increased in 2005 by 6.14%, 25,400,416 KWH
2. Total KWH purchased increased by 4.2% and the average price per KWH increased .004/KWH.
3. Total KWH unaccounted for or system losses were 8,956,103 KWH (1.8%).
4. During the year 2005 all Energy Cost Adjustments (ECA) were positive and our refunds of over collections for previous collections were less than the estimated collections.
5. Operating expenses, other than purchased power, increased to \$9,164,844, an 11.9% increase.

SIGNIFICANT CAPITAL ASSET ADDITIONS

During the year 2005, Crawfordsville Electric Light and Power added \$964,922.38 in capital assets. The major projects included in this total are as follows:

1. We installed a sprinkler system at the Power Plant coal yard at a cost of \$11,992.
2. We completed the Kentucky Street tie project at a cost of \$174,486.
3. We installed new street lights on Washington and Market Streets at a cost of \$71,511.
4. We purchase a new line bucket truck at a cost of \$96,600.

SIGNIFICANT EVENTS

CEL&P has a number of construction projects proposed for the year of 2006. The major project will be the completion of the new warehouse and the addition to and remodeling of the current office building. This project was started during 2004 and projected to be completed in early 2006. We have budgeted \$1,900,000 for the completion of this project. We are still in the process of replacing street lights in the downtown area. This project will continue on into 2006 with the area of Washington and Market Streets to be the focus. There will be a new circuit build out of the Kentucky Street substation that will be able to feed the North and East side of the service area. We will also be looking to upgrade our AS400 and billing software. The software upgrade will be needed in order to bill for internet service and cable television once Accelplus construction is complete.

Accelplus continued to attempt to secure financing for the fiber-to-the-home project. The total cost of the project is still considered to be \$18,000,000. Accelplus will continue to operate the dial-up internet connection and still attempt to secure funds.

(Subsequent Event: In June 2006, Accelplus secured financing for the fiber to the home project. Accelplus issued \$16,660,000 in Communication Lease Revenue Bonds.)

COMPANY DEBT

CEL&P did not incur any additional long-term debt during the year of 2005. Details of changes in long-term debt may be found in the notes to the financial statements for Revenue Bonds of 1992.

Crawfordsville Electric Light & Power
Statement of Net Assets
ELECTRIC UTILITY ALL DIVISIONS
December 31, 2005

	<u>2005</u> <u>ENTERPRISE FUNDS</u>	<u>2004</u> <u>ENTERPRISE FUNDS</u>
ASSETS		
Current Assets		
Cash	\$ 575,095.18	\$ 596,692.39
Investments	2,157,218.32	1,711,931.21
Interest Receivable	17,306.08	14,108.41
Customer Receivables, (net)	840,899.27	731,299.07
Project SAFE Vouchers	7,196.37	7,935.00
Due From Other Funds	3,670.00	3,670.00
Due From TELECOM Division	-	-
Fuel Stock	197,870.88	69,033.83
Plant Materials and Operating Supplies	698,333.88	775,423.90
Prepaid Maintenance Charges	74,216.76	68,089.19
Prepaid Insurance	116,736.86	123,382.43
Other Prepayments	69,886.56	50,471.19
Temporary Facilities	10,966.55	9,887.07
Misc. Deferred Debits Less Amortization	14,152.32	19,727.52
Other Deferred Debits	215,411.39	
Transportation Clearing	3,301.14	2,562.74
Total Current Assets	<u>\$ 5,002,261.56</u>	<u>\$ 4,184,213.95</u>
Noncurrent Assets		
Restricted Assets	\$ 2,878,553.32	\$ 4,635,486.67
Capital Assets		
Land and Intangibles	\$ 3,733,686.64	\$ 1,908,382.13
Buildings and Improvements, (net)	2,009,781.47	2,093,012.11
Equipment, (net)	15,154,129.64	15,576,800.52
Total Noncurrent Assets	<u>\$ 23,776,151.07</u>	<u>\$ 24,213,681.43</u>
Total Assets	<u>\$ 28,778,412.63</u>	<u>\$ 28,397,895.38</u>

Crawfordsville Electric Light & Power
Statement of Net Assets
ELECTRIC UTILITY ALL DIVISIONS
December 31, 2005
(Continued)

	<u>2005</u>	<u>2004</u>
	<u>ENTERPRISE FUNDS</u>	<u>ENTERPRISE FUNDS</u>
LIABILITIES		
Current Liabilities		
Account Payable	\$ 2,880,289.85	\$ 2,322,981.49
Accrued Taxes Payable	9,656.45	3,419.68
Employee Flex Payable	-	-
Unemployment Reserve	4,830.66	4,830.66
State Sales Tax Payable	58,025.55	52,237.28
Pension Fund Payable (Employer's Contribution)	49,305.95	52,913.00
Retirement Benefits Reserve	18,414.70	16,146.32
Accrued Payroll	71,723.20	66,418.73
Prepaid Revenues	-	-
Project SAFE Vouchers Received (Not Applied)	48,865.00	36,990.00
Misc. Current Liabilities	-	-
Due To Other Funds	7,447.53	9,232.52
Customers Meter Deposits Payable	134,597.23	129,847.23
Revenue Bonds 1991 Refunding Issue (Current)	-	-
Revenue Bonds 1992 Issue (Current)	155,000.00	145,000.00
Total Current Liabilities	<u>\$ 3,438,156.12</u>	<u>\$ 2,840,016.91</u>
Noncurrent Liabilities		
Revenue Bonds Payable		
1992 Issue	\$ 485,000.00	\$ 785,000.00
Total Noncurrent Liabilities	<u>\$ 485,000.00</u>	<u>\$ 785,000.00</u>
Total Liabilities	<u>\$ 3,923,156.12</u>	<u>\$ 3,625,016.91</u>
NET ASSETS		
Invested in capital assets	\$ 17,892,038.92	\$ 19,578,194.76
Restricted Funds	4,238,772.17	4,666,140.93
Unrestricted	2,724,445.42	528,542.78
Total Net Assets	<u>\$ 24,855,256.51</u>	<u>\$ 24,772,878.47</u>

Crawfordsville Electric Light & Power
Statement of Revenues, Expenses, and Changes in Fund Net Assets
ELECTRIC UTILITY ALL DIVISIONS
For the Year Ended December 31, 2005

	<u>2005</u>	<u>2004</u>
	<u>ENTERPRISE FUNDS</u>	<u>ENTERPRISE FUNDS</u>
OPERATING REVENUES		
Residential Sales	\$ 6,173,401.45	\$ 5,450,365.25
Commercial and Industrial Sales	18,427,902.38	16,546,402.09
Outdoor and Street Lighting Sales	240,889.83	145,209.75
Sales to Other Authorities	86,427.93	101,169.35
Sales for Resale	2,986,185.37	2,267,440.59
Telecom Sales	102,450.92	152,558.27
Other Operating Revenue	206,437.84	172,432.50
Total Operating Revenues	<u>\$ 28,223,695.72</u>	<u>\$ 24,835,577.80</u>
OPERATING EXPENSES		
Utility Operating Expense	\$ 3,231,070.41	\$ 2,421,448.38
Steam Power Generation	18,880,666.78	16,208,120.15
Purchased Power	1,149,097.14	1,178,331.59
Transmission & Distribution	372,875.00	390,833.72
Customer Accounts Expense	2,141,869.00	1,857,628.89
Administrative & General	126,278.41	159,096.81
Telecom Expense	-	-
Amortization of U.S.P. Acquisition	1,344,696.51	1,322,313.79
Depreciation	6,588.72	6,588.72
Amortization of U.S.P.	356,027.84	319,368.54
Utility Receipts Tax	240,970.94	227,363.27
F.I.C.A. Tax	191,500.00	191,522.19
Contribution in Lieu of Taxes	3,690.00	-
Unemployment Tax	180.00	180.00
Other Taxes	<u>\$ 28,045,510.75</u>	<u>\$ 24,282,796.05</u>
Total Operating Expenses	<u>\$ 28,045,510.75</u>	<u>\$ 24,282,796.05</u>
Operating Income (Loss)	<u>\$ 178,184.97</u>	<u>\$ 552,781.75</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	\$ 156,657.31	\$ 98,961.35
Miscellaneous Income	3,080.28	1,657.42
Revenue From Contract Work	135,832.25	161,770.60
Cost of Contract Work	(81,001.99)	(97,994.77)
Gain/Loss on Disposal Assets	8,454.66	(15,607.99)
Allowance for Funds Used During Construction	-	-
Interest on Long Term Debt 1990	-	-
Interest on Long Term Debt 1991	-	-
Interest on Long Term Debt 1992	(46,090.66)	(61,090.04)
Other Interest	(35,681.65)	(6,333.70)
Amortization of Debt Discount	(5,575.20)	(5,575.20)
Miscellaneous Income Deductions	(482.00)	(591.00)
Total Nonoperating Revenue (Expenses)	<u>\$ 135,193.00</u>	<u>\$ 75,196.67</u>
Net Income before Capital Contributions and Transfers	<u>\$ 313,377.97</u>	<u>\$ 627,978.42</u>
CAPITAL CONTRIBUTIONS	\$ -	\$ 92,512.79
TRANSFERS IN	-	-
TRANSFERS OUT - (City of Crawfordsville)	(221,500.00)	(221,477.81)
Prior Period Adjustment	(9,499.93)	-
Change in Net Assets	82,378.04	499,013.40
Total Net Assets - Beginning	<u>\$ 24,772,878.47</u>	<u>\$ 24,273,865.07</u>
Total Net Assets - Ending	<u>\$ 24,855,256.51</u>	<u>\$ 24,772,878.47</u>

Crawfordsville Electric Light & Power
Statement of Cash Flows
ELECTRIC UTILITY ALL DIVISIONS
For the Year Ended December 31, 2005

	2005	2004
	ENTERPRISE FUND	ENTERPRISE FUND
CASH FLOWS FROM OPERATION ACTIVITIES		
Receipts from Customers	\$ 28,060,852	\$ 23,103,600
Payments to Suppliers	(22,608,990)	(17,514,851)
Payments to Employees	(3,659,875)	(3,138,783)
Internal Activity - Payments From (To) Other Funds	174,502	(994,331)
Other Receipts	(52,673)	
Net Cash Provided (Used) By Operation Activities	\$ 1,913,816	\$ 1,455,635
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property, Sales, and Use Taxes	\$ -	\$ -
Rents and Concessions	-	-
Transfers Out	(221,500)	-
Interfund Loans - Proceeds and Collections	-	999,898
Net Cash Provided by Noncapital Financing Activities	\$ (221,500)	\$ 999,898
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Purchases and Construction of Capital Assets	\$ (2,846,126)	\$ (2,569,221)
Principal Paid on Capital Debt	(290,000)	(275,000)
Interest Paid on Capital Debt	(46,091)	(61,090)
Capital Contributions	-	92,513
Net Cash Used By Capital and Related Financing Activities	\$ (3,182,217)	\$ (2,812,798)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	\$ 493,006	\$ (82,588)
Interest and Dividends	156,657	94,516
Net Cash Provided by Investing Activities	\$ 649,663	\$ 11,929
Net Increase in Cash and Cash Equivalents	\$ (840,237)	\$ (345,335)
Balances - Beginning of the Year	\$ 4,583,057	\$ 4,928,392
Balances - End of the Year	\$ 3,742,820	\$ 4,583,057
 Displayed As:		
Cash	\$ 575,096	\$ 602,196
Pooled Cash and Investments	3,167,724	3,980,861
Restricted Assets	-	-
	\$ 3,742,820	\$ 4,583,057
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 178,185	\$ 552,781
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:	-	-
Depreciation Expense	1,351,285	1,328,903
Non-Operating Income/Expense--Transfers	12,248	(144,579)
Changes In Assets and Liabilities	-	-
Receivables, Net	(112,059)	174,473
Prepaid and other Assets	(330,898)	(544,023)
Accounts and Other Payables	815,055	88,080
Net Cash Provided (Used) by Operating Activities	\$ 1,913,816	\$ 1,455,635

Crawfordsville Electric Light & Power
Statement of Net Assets
ELECTRIC UTILITY
December 31, 2005

	<u>2005</u> <u>ENTERPRISE FUNDS</u>	<u>2004</u> <u>ENTERPRISE FUNDS</u>
ASSETS		
Current Assets		
Cash	\$ 567,223.68	\$ 592,786.88
Investments	2,157,218.32	1,711,931.21
Interest Receivable	17,306.08	14,108.41
Customer Receivables, (net)	833,548.96	710,053.44
Project SAFE Vouchers	7,196.37	7,935.00
Due From Other Funds	3,670.00	3,670.00
Due From TELECOM Division	1,043,479.55	999,897.69
Fuel Stock	197,870.88	69,033.83
Plant Materials and Operating Supplies	698,333.88	775,423.90
Prepaid Maintenance Charges	74,216.76	68,089.19
Prepaid Insurance	116,736.86	123,382.43
Other Prepayments	69,886.56	50,471.19
Temporary Facilities	10,966.55	9,887.07
Misc. Deferred Debits Less Amortization	14,152.32	19,727.52
Other Deferred Debits	215,411.39	-
Transportation Clearing	3,301.14	2,562.74
Total Current Assets	<u>\$ 6,030,519.30</u>	<u>\$ 5,158,960.50</u>
Noncurrent Assets		
Restricted Assets	\$ 2,878,553.32	\$ 4,629,983.55
Capital Assets		
Land and Intangibles	\$ 2,828,225.30	\$ 959,546.34
Buildings and Improvements, (net)	2,009,781.47	2,093,012.11
Equipment, (net)	15,154,129.64	15,576,800.52
Total Noncurrent Assets	<u>\$ 22,870,689.73</u>	<u>\$ 23,259,342.52</u>
Total Assets	<u>\$ 28,901,209.03</u>	<u>\$ 28,418,303.02</u>

Crawfordsville Electric Light & Power
Statement of Net Assets
ELECTRIC UTILITY
December 31, 2005
(Continued)

	<u>2005</u>	<u>2004</u>
	<u>ENTERPRISE FUNDS</u>	<u>ENTERPRISE FUNDS</u>
LIABILITIES		
Current Liabilities		
Account Payable	\$ 2,875,883.72	\$ 2,301,843.84
Accrued Taxes Payable	9,656.45	3,419.68
Employee Flex Payable	-	-
Unemployment Reserve	4,830.66	4,830.66
State Sales Tax Payable	58,025.55	52,237.28
Pension Fund Payable (Employer's Contribution)	49,305.95	52,913.00
Retirement Benefits Reserve	18,414.70	16,146.32
Accrued Payroll	71,723.20	66,418.73
Prepaid Revenues	-	-
Project SAFE Vouchers Received (Not Applied)	48,865.00	36,990.00
Misc. Current Liabilities	-	-
Due To Other Funds	7,447.53	9,232.52
Customers Meter Deposits Payable	134,597.23	129,847.23
Revenue Bonds 1991 Refunding Issue (Current)	-	-
Revenue Bonds 1992 Issue (Current)	155,000.00	145,000.00
Total Current Liabilities	<u>\$ 3,433,749.99</u>	<u>\$ 2,818,879.26</u>
Noncurrent Liabilities		
Revenue Bonds Payable		
1992 Issue	\$ 485,000.00	\$ 785,000.00
Total Noncurrent Liabilities	<u>\$ 485,000.00</u>	<u>\$ 785,000.00</u>
Total Liabilities	<u>\$ 3,918,749.99</u>	<u>\$ 3,603,879.26</u>
NET ASSETS		
Invested in capital assets	\$ 18,019,241.45	\$ 18,629,358.97
Restricted Funds	4,238,772.17	4,635,486.67
Unrestricted	2,724,445.42	1,549,578.12
Total Net Assets	<u>\$ 24,982,459.04</u>	<u>\$ 24,814,423.76</u>

Crawfordsville Electric Light & Power
Statement of Revenues, Expenses, and Changes in Fund Net Assets
ELECTRIC UTILITY
For the Year Ended December 31, 2005

	<u>2005</u>	<u>2004</u>
	<u>ENTERPRISE FUNDS</u>	<u>ENTERPRISE FUNDS</u>
OPERATING REVENUES		
Residential Sales	\$ 6,173,401.45	\$ 5,450,365.25
Commercial and Industrial Sales	18,427,902.38	16,546,402.09
Outdoor and Street Lighting Sales	240,889.83	145,209.75
Sales to Other Authorities	86,427.93	101,169.35
Sales for Resale	2,986,185.37	2,267,440.59
Other Operating Revenue	206,437.84	172,432.50
Total Operating Revenues	\$ 28,121,244.80	\$ 24,683,019.53
OPERATING EXPENSES		
Utility Operating Expense		
Steam Power Generation	\$ 3,231,070.41	\$ 2,421,448.38
Purchased Power	18,880,666.78	16,208,120.15
Transmission & Distribution	1,149,097.14	1,178,331.59
Customer Accounts Expense	372,875.00	390,833.72
Administrative & General	2,141,869.00	1,857,628.89
Amortization of U.S.P. Acquisition	-	-
Depreciation	1,324,361.55	1,301,978.83
Amortization of U.S.P.	6,588.72	6,588.72
Utility Receipts Tax	354,593.53	317,232.72
F.I.C.A. Tax	236,592.11	221,161.00
Contribution in Lieu of Taxes	191,500.00	191,522.19
Unemployment Tax	3,690.00	-
Other Taxes	180.00	180.00
Total Operating Expenses	\$ 27,893,084.24	\$ 24,095,026.19
Operating Income (Loss)	\$ 228,160.56	\$ 587,993.34
NONOPERATING REVENUES (EXPENSES)		
Interest Income	\$ 156,657.31	\$ 98,961.35
Miscellaneous Income	3,080.28	1,657.42
Revenue From Contract Work	135,832.25	161,770.60
Cost of Contract Work	(81,001.99)	(97,994.77)
Gain/Loss on Disposal Assets	8,454.66	(15,607.99)
Allowance for Funds Used During Construction	-	-
Interest on Long Tern Debt 1990	-	-
Interest on Long Term Debt 1991	-	-
Interest on Long Term Debt 1992	(46,090.66)	(61,090.04)
Other Interest	-	-
Amortization of Debt Discount	(5,575.20)	(5,575.20)
Miscellaneous Income Deductions	(482.00)	(591.00)
Total Nonoperating Revenue (Expenses)	\$ 170,874.65	\$ 81,530.37
Net Income before Capital Contributions and Transfers	\$ 399,035.21	\$ 669,523.71
CAPITAL CONTRIBUTIONS	\$ -	\$ 92,512.79
TRANSFERS IN	-	-
TRANSFERS OUT - (City of Crawfordsville)	(221,500.00)	(221,477.81)
Prior Period Adjustment	(9,499.93)	-
Change in Net Assets	168,035.28	540,558.69
Total Net Assets - Beginning	\$ 24,814,423.76	\$ 24,273,865.07
Total Net Assets - Ending	\$ 24,982,459.04	\$ 24,814,423.76

**Crawfordsville Electric Light & Power
Statement of Cash Flows
ELECTRIC UTILITY
For the Year Ended December 31, 2005**

	<u>2005</u> <u>ENTERPRISE FUND</u>	<u>2004</u> <u>ENTERPRISE FUND</u>
CASH FLOWS FROM OPERATION ACTIVITIES		
Receipts from Customers	\$ 27,944,506	\$ 22,971,995
Payments to Suppliers	(22,476,899)	(17,285,454)
Payments to Employees	(3,659,875)	(3,138,783)
Internal Activity - Payments From (To) Other Funds	-	(1,070,804)
Other Receipts	(52,673)	-
Net Cash Provided (Used) By Operation Activities	<u>\$ 1,755,059</u>	<u>\$ 1,476,954</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property, Sales, and Use Taxes	\$ -	\$ -
Rents and Concessions	-	-
Transfers Out	(221,500)	-
Interfund Loans - Proceeds and Collections	-	-
Net Cash Provided by Noncapital Financing Activities	<u>\$ (221,500)</u>	<u>\$ -</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Purchases and Construction of Capital Assets	\$ (2,685,832)	\$ (1,600,050)
Principal Paid on Capital Debt	(290,000)	(275,000)
Interest Paid on Capital Debt	(46,091)	(61,090)
Capital Contributions	-	92,513
Net Cash Used By Capital and Related Financing Activities	<u>\$ (3,021,923)</u>	<u>\$ (1,843,627)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	\$ 493,006	\$ (82,588)
Interest and Dividends	156,657	94,516
Net Cash Provided by Investing Activities	<u>\$ 649,663</u>	<u>\$ 11,929</u>
Net Increase in Cash and Cash Equivalents	<u>\$ (838,700)</u>	<u>\$ (354,744)</u>
Balances - Beginning of the Year	\$ 4,573,648	\$ 4,928,392
Balances - End of the Year	<u>\$ 3,734,948</u>	<u>\$ 4,573,648</u>
 Displayed As:		
Cash	\$ 567,224	\$ 592,787
Pooled Cash and Investments	3,167,724	3,980,861
Restricted Assets	-	-
	<u>\$ 3,734,948</u>	<u>\$ 4,573,648</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ 228,161	\$ 587,993
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) By Operating Activities:		
Depreciation Expense	1,330,950	1,308,568
Non-Operating Income/Expense--Transfers	47,930	(138,245)
Changes In Assets and Liabilities		
Receivables, Net	(125,955)	195,719
Prepaid and other Assets	(330,898)	(544,023)
Accounts and Other Payables	604,871	66,942
Net Cash Provided (Used) by Operating Activities	<u>\$ 1,755,059</u>	<u>\$ 1,476,954</u>

Crawfordsville Electric Light & Power
Statement of Net Assets
TELECOM DIVISION
December 31, 2005

	<u>2005</u> <u>ENTERPRISE FUNDS</u>	<u>2004</u> <u>ENTERPRISE FUNDS</u>
ASSETS		
Current Assets		
Cash	\$ 7,871.50	\$ 9,408.63
Investments	-	-
Interest Receivable	-	-
Customer Receivables, (net)	7,350.31	21,245.63
Prepaid Maintenance Charges	-	-
Prepaid Insurance	-	-
Other Prepayments	-	-
Misc. Deferred Debits Less Amortization	-	-
Total Current Assets	<u>\$ 15,221.81</u>	<u>\$ 30,654.26</u>
Noncurrent Assets		
Restricted Assets		
Capital Assets		
Land and Intangibles	\$ 905,461.34	\$ 948,835.79
Buildings and Improvements, (net)	-	-
Equipment, (net)	-	-
Total Noncurrent Assets	<u>\$ 905,461.34</u>	<u>\$ 948,835.79</u>
Total Assets	<u>\$ 920,683.15</u>	<u>\$ 979,490.05</u>

Crawfordsville Electric Light & Power
Statement of Net Assets
TELECOM DIVISION
December 31, 2005
(Continued)

	<u>2005</u> <u>ENTERPRISE FUNDS</u>	<u>2004</u> <u>ENTERPRISE FUNDS</u>
LIABILITIES		
Current Liabilities		
Account Payable	\$ 4,406.13	\$ 21,137.65
Accrued Taxes Payable	-	-
Misc. Current Liabilities	-	-
Due To Electric Funds	1,043,479.55	999,897.69
Total Current Liabilities	\$ 1,047,885.68	\$ 1,021,035.34
Noncurrent Liabilities		
Revenue Bonds Payable	-	-
Total Noncurrent Liabilities	-	-
Total Liabilities	\$ 1,047,885.68	\$ 1,021,035.34
NET ASSETS		
Invested in capital assets	\$ (127,202.53)	\$ (41,545.29)
Restricted Funds	-	-
Unrestricted	-	-
Total Net Assets	\$ (127,202.53)	\$ (41,545.29)

Crawfordsville Electric Light & Power
Statement of Revenues, Expenses, and Changes in Fund Net Assets
TELECOM DIVISION
For the Year Ended December 31, 2005

	2005	2004
	<u>ENTERPRISE FUNDS</u>	<u>ENTERPRISE FUNDS</u>
OPERATING REVENUES		
Internet Revenue	\$ 102,450.92	\$ 152,558.27
Cable TV Revenue	-	-
Other Revenue	-	-
Total Operating Revenues	<u>\$ 102,450.92</u>	<u>\$ 152,558.27</u>
OPERATING EXPENSES		
Operating Expense	\$ 87,170.00	\$ 117,184.30
Wages	39,108.41	41,912.51
Maintenance Expenses	-	-
Depreciation	20,334.96	20,334.96
Utility Receipts Tax	1,434.31	2,135.82
Payroll Taxes	4,378.83	6,202.27
Franchise Fees	-	-
Other Taxes	-	-
Total Operating Expenses	<u>\$ 152,426.51</u>	<u>\$ 187,769.86</u>
Operating Income (Loss)	<u>\$ (49,975.59)</u>	<u>\$ (35,211.59)</u>
NONOPERATING REVENUES (EXPENSES)		
Interest Income	-	-
Miscellaneous Income	-	-
Interest on Long Tern Debt	-	-
Other Interest	\$ (35,681.65)	\$ (6,333.70)
Amortization of Debt Discount	-	-
Total Nonoperating Revenue (Expenses)	<u>\$ (35,681.65)</u>	<u>\$ (6,333.70)</u>
Net Income before Capital Contributions and Transfers	<u>\$ (85,657.24)</u>	<u>\$ (41,545.29)</u>
CAPITAL CONTRIBUTIONS		
TRANSFERS IN	\$ -	\$ -
TRANSFERS OUT - (City of Crawfordsville)	-	-
Prior Period Adjustment	-	-
Change in Net Assets	(85,658.24)	(41,545.29)
Total Net Assets - Beginning	(41,545.29)	-
Total Net Assets - Ending	<u><u>\$ (127,202.53)</u></u>	<u><u>\$ (41,545.29)</u></u>

**Crawfordsville Electric Light & Power
Statement of Cash Flows
TELECOM DIVISION
For the Year Ended December 31, 2005**

	2005 ENTERPRISE FUND	2004 ENTERPRISE FUND
CASH FLOWS FROM OPERATION ACTIVITIES		
Receipts from Customers	\$ 116,346	\$ 131,605
Payments to Suppliers	(132,091)	(229,397)
Payments to Employees	-	-
Internal Activity - Payments From (To) Other Funds	174,502	76,473
Other Receipts	-	-
Net Cash Provided (Used) By Operation Activities	\$ 158,757	\$ (21,319)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Property, Sales, and Use Taxes	\$ -	\$ -
Rents and Concessions	-	-
Transfers Out	-	-
Interfund Loans - Proceeds and Collections	\$ -	\$ 999,898
Net Cash Provided by Noncapital Financing Activities	\$ -	\$ 999,898
CASH FLOWS FROM CAPITAL AND RELATED FINANCIAL ACTIVITIES		
Purchases and Construction of Capital Assets	\$ (160,294)	\$ (969,171)
Principal Paid on Capital Debt	-	-
Interest Paid on Capital Debt	-	-
Capital Contributions	-	-
Net Cash Used By Capital and Related Financing Activities	\$ (160,294)	\$ (969,171)
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of Investments	\$ -	\$ -
Interest and Dividends	-	-
Net Cash Provided by Investing Activities	\$ -	\$ -
Net Increase in Cash and Cash Equivalents	\$ (1,537)	\$ 9,409
Balances - Beginning of the Year	\$ 9,409	\$ -
Balances - End of the Year	\$ 7,872	\$ 9,409
 Displayed As:		
Cash	\$ 7,872	\$ 9,409
Pooled Cash and Investments	-	-
Restricted Assets	-	-
	\$ 7,872	\$ 9,409
 Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) By Operating Activities:		
Operating Income (Loss)	\$ (49,976)	\$ (35,212)
Adjustments to Reconcile Operating Income to Net Cash	-	-
Provided (Used) By Operating Activities:	-	-
Depreciation Expense	20,335	20,335
Non-Operating Income/Expense--Transfers	(35,682)	(6,334)
Changes In Assets and Liabilities	-	-
Receivables, Net	13,896	(21,246)
Prepaid and other Assets	-	-
Accounts and Other Payables	210,184	21,138
Net Cash Provided (Used) by Operating Activities	\$ 158,757	\$ (21,319)

**CRAWFORDSVILLE ELECTRIC LIGHT AND POWER
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2005

Summary of Accounting Policies

NOTE I-NET ASSETS, STATEMENT OF OPERATIONS

Crawfordsville Electric Light & Power, organized and commence operations of a separate division, Accelplus, an Internet Service and Cable Tv Service Provider, commence operations during the year of 2004. The Statement of Net Assets, Statement of Income, Expenses and Net Assets, and the Statement of Cash Flows is presented in this report separately for each Division and in a Consolidated report combining all activity.

Income Recognition

Utility income and expense are recognized on a full accrual basis in accord with generally accepted accounting principals.

Utility Plant and Depreciation

Fixed assets, included in the utility plant account, are carried at cost and are depreciated rateably during the year at 3% per year on the cost price for all assets purchased prior to 1-1-80; all purchased after 1-1-80, are depreciated per an acceptable table of life years per asset type.

Inventories

The utility's inventory is comprised of fuel stock and plant material and operating supplies. All inventory is carried primarily on a weighted average basis.

NOTE II - INVESTMENTS

At December 31, 2005, the following amounts remain invested under certificate of deposit agreements and money market savings accounts that were purchased pursuant to Crawfordsville Electric Light and Power Utility's policy to invest in excess of current requirements.

<u>Fund</u>	<u>Purchase Date</u>	<u>Original Cost</u>	<u>Maturity Date</u>	<u>Maturity Value</u>	<u>Interest Rate</u>
General					
Bank 1 MM	Daily	\$ 295,292.52	Daily	\$ 295,292.52	Daily
Tri County MM	Daily	\$ 1,861,925.80	Daily	\$ 1,861,925.80	Daily
		\$ 2,157,218.32		\$ 2,157,218.32	
Depreciation					
National City MM	Daily	\$ 51,539.41	Daily	\$ 51,539.41	Daily
Tri County MMs	Daily	\$ 808,450.54	Daily	\$ 808,450.54	Daily
	9/30/2005	\$ 250,000.00	1/31/2006	\$ 253,168.96	3.71%
	10/31/2005	\$ 250,000.00	2/28/2006	\$ 253,723.29	4.53%
	11/30/2005	\$ 250,000.00	3/31/2006	\$ 253,480.82	4.20%
	12/29/2005	\$ 250,000.00	4/28/2006	\$ 253,936.99	4.79%
		\$ 1,859,989.95		\$ 1,874,300.01	
Bond & Interest	12/29/2005	\$ 35,516.52	1/31/2006	\$ 35,662.40	4.54%
	10/31/2006	\$ 319,647.50	4/28/2006	\$ 326,466.50	4.35%
		\$ 355,164.02		\$ 362,128.90	

**CRAWFORDSVILLE ELECTRIC LIGHT AND POWER
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31 2005

**Summary of Accounting Policies
(Continued)**

<u>Fund</u>	<u>Purchase Date</u>	<u>Original Cost</u>	<u>Maturity Date</u>	<u>Maturity Value</u>	<u>Interest Rate</u>
Cash Reserve	12/29/2004	\$ 121,306.81	1/10/2006	\$ 125,065.66	3.00%
	3/31/2005	\$ 106,496.14	1/10/2006	\$ 109,298.45	3.37%
	9/30/2005	\$ 190,500.00	1/10/2006	\$ 192,502.47	3.71%
	12/29/2005	\$ 130,096.30	1/10/2007	\$ 136,855.28	5.03%
		\$ 548,399.25		\$ 563,721.86	
Meter Deposit					
	12/29/2005	\$ 115,000.00	1/31/2006	\$ 115,472.04	4.54%
Total		\$ 5,584,170.79		\$ 5,636,562.99	

NOTE III - CASH AND CASH EQUIVALENTS

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired.

NOTE IV - ACCOUNTS RECEIVABLE

Customer accounts receivable balances at December 31, 2003 and 2004 are comprised of the following amounts:

	<u>2005</u>	<u>2004</u>
Accounts Receivable - Electric	\$ 811,144.17	\$ 694,078.79
Accounts Receivable - Miscellaneous	22,442.00	16,142.99
Accounts Receivable - Other	7,159.00	(168.34)
	\$ 840,745.17	\$ 710,053.44

NOTE V - DETAIL OF OTHER OPERATING INCOME

	<u>2005</u>	<u>2004</u>
Forfeited Discounts	\$ 73,297.19	\$ 63,952.68
Sale of Scrap, etc.	76,032.31	55,797.63
Surge Protection, Fiber Lease	57,108.34	48,743.82
	\$ 206,437.84	\$ 168,494.13

NOTE VI - INTEREST INCOME

	<u>2005</u>	<u>2004</u>
General Fund	\$ 37,797	\$ 37,033
Depreciation Fund	90,715	47,550
Cash Reserve Fund	11,481	5,949
Bond & Interest Fund	13,252	6,907
Meter Deposit Fund	3,412	1,523
	\$ 156,657	\$ 98,961

NOTE VII CAPACITY PAYMENT AND PURCHASED POWER

To conform with generally accepted accounting practices, sales of our generation to IMPA should be reflected as wholesale sales of electricity and not as credit to the purchased power account (expense).

**CRAWFORDSVILLE ELECTRIC LIGHT AND POWER
NOTES TO FINANCIAL STATEMENTS**

DECEMBER 31, 2005

**Summary of Accounting Policies
(Continued)**

NOTE VIII - DETAIL OF DECEMBER 31, 2005 INVENTORIES

	<u>2005</u>	<u>2004</u>
Line, Meter Stock	\$ 510,691.66	\$ 568,891.39
Boiler Parts	187,641.72	206,532.51
	\$ 698,333.38	\$ 775,423.90

NOTE IX- DETAIL OF SALES FOR RESALE OF IMPA

		<u>KWH</u>	<u>Cents Per KWH</u>
Demand Charged (Capacity Payments)	Energy Charges (Fuel Expenses)		
1,569,479.03	1,416,706.34	39,783,000	0.075062

NOTE X - DETAIL OF PURCHASED POWER

			<u>Cents Per KWH</u>
<u>Demand Charges</u>	<u>Energy Charges</u>	<u>Other Charges</u>	
11,269,498.60	7,357,860.76	253,307.42	0.042098

NOTE XI- RATE INCREASE

The most recent general rate increase proceedings were instituted during the year of 1992 with the Indiana Utility Regulatory Commission. Formal approval of Cause #39381 representing an average increase of 1.11% was approved December 2, 1992. Revenues in this financial statement reflect the implementation of the rates as approved in Cause #39381.

NOTE XII - ECA FACTOR APPLIED 2004-2005

Pursuant to Rate Tariffs as approved by the Indiana Utility Regulatory Commission in Cause #39381. Energy Cost Adjustment Factors have been applied to customer's billing on a per KWH basis and on a per KVA/KWH basis for Primary Power customers.

NOTE XIII - CONSTRUCTION WORK IN PROGRESS

The Construction Work in Progress balance at December 31, 2005, consists of projects worked on by outside contracts and utility personnel. All costs are accumulated until the projects are completed and then are transferred to fixed assets and depreciation is begun. Individual projects within this account are:

Kentucky Street Tie	\$	22,451.20
Power Plant Projects		7,405.49
Walmart New Service		9,419.78
Kentucky Street Double Spacer		1,047.15
Washington & W Market Street Lights		234,796.82
New Office Building/Warehouse		1,626,942.07
Dr. Spencer Building		4,937.42
Active Adult Subdivision		8,731.27
New Jail MAN		1,252.87
Chestnut Street Bridge		10,690.37
FIJI Fraternity		3,246.71
New County Jail		41,973.89
		41,973.89
Total	\$	1,972,895.04

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2005

Summary of Accounting Policies

(Continued)

NOTE XIV - REVENUE RECOGNIZED

Crawfordsville Electric Light and Power records total revenues as billed to its customers. The utility does not recognize any unbilled portion which exists at year-end.

NOTE XV - PENSIONS

The utility contributes to the Public Power Employees' Retirement Fund (PERF), an agent multiple-employer public employee retirement system which acts as a common investment and administrative agent for state employees of the various subdivisions of the State of Indiana.

All full-time employees are eligible to participate in this defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) govern most requirements of the system, including the benefits which vest after ten years of service and give the utility authority to contribute. Employees who have reached fifty years of age may receive retirement benefits with fifteen years of service. An employee may receive benefits at age sixty-five with ten years of service.

Employees are required to contribute 3% of compensation to an annuity savings account. These accumulated employee contributions and allocated interest income are maintained by PERF in a separate system wide fund for all members. Upon retirement, members may select a lump sum distribution of all or part of the savings account. Employees who leave employment before qualifying for benefits receive a refund of this savings account.

Since employees may receive a refund of this savings account, and the employer financed pension is not effected by it, the corresponding information for the savings account is not included in the determination of the pension benefit obligation or related funding and has not been included in this report.

No obligation is attributed to the utility because PERF pools the risk related to retired employees for all employers. Accordingly, the utility's separate actuarial valuation covers only current and terminated employees.

NOTE XVI - BAD DEBTS

Crawfordsville Electric Light & Power's policy in regards to write off of uncollectible accounts is that an account will be declared uncollectible if after pursuit of all legal collection action has been completed and no contact is made, bankruptcies which have been completed, and deceased accounts are written off at year end.

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

NOTES TO FINANCIAL STATEMENTS

December 31, 2005

Summary of Accounting Policies
(Continued)

Note XVII- Deferred Debits

Bond issuance costs are amortized using straight-line method over the terms of the related issues.

Note XVIII - 1992 Revenue Bonds

On October 7, 1992, the Crawfordsville Electric Light and Power Utility issued \$3,160,000.00 in Electric Revenue Bonds with an average interest rate of 5.49%. The net proceeds of \$3,112,600.00 (after issuance cost of \$47,400.00 representing underwriter discount) was used to finance a capital improvement project necessary to comply with environmental regulations contained in an Agreed Order with the Indiana Department of Environmental Management and certain costs relative to the issuance of the bonds.

NOTE XIX - RISK MANAGEMENT

The Utility is 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 and nature disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were not significant reductions in insurance by major category of risk.

Job Related Illnesses or Injuries To Employees

During 1990, the Utility joined together with other governmental entities to form the Indiana Public Employers' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for seven hundred sixty-two member governmental entities. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The Utility pays an annual premium to the risk pool for its job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

NOTE XX - POST EMPLOYMENT BENEFITS

In additions to the pension benefits described in note XIV, the Utility provides postemployment health insurance benefits until the age of sixty-five, as authorized by IC 5-10-8, to all employees who retire from the Utility on or after attaining age sixty with at least fifteen years of service whose years of service plus their age equals eighty-five or greater. Benefits are based on the employee's age at retirement according to the following schedule:

	Age 55-59	Age 60	Age 61	Age 62-65
Utility Pays	-0-	25%	50%	100%

Currently, no retirees meets these eligibility requirements. The Utility also sponsors a Utility Retirement Payment. This payment is based upon the number of years of service for the utility and the number of unused sick days at the time of retirement. The employee must meet PERF eligibility requirements. The Utility will pay \$20 per each year of service and \$5 per day of unused sick leave if 110 days or greater or \$3 per day of unused sick leave if less than 110 days. In 2005, we had no employees meet the requirements for this payment. Expenditures are recognized on a pay-as-you-go basis and we recognized \$0 for this benefit in 2005. The liability recognized was reduced as we had two employees retire prior to meeting the eligibility requirements.

NOTE XXI - REVENUE BONDS

Crawfordsville Electric Light & Power did not incur any additional long-term debt during the year of 2005. During the year the following changes occurred for the year ending December 31, 2005.

Balance			Balance
January-05	Additions	Reductions	December-05
930,000.00	0	290,000.00	640,000.00

NOTE XXII - SUBSEQUENT EVENT

In June 2006, Accelplus issued \$16,660,000 in Communication Lease Revenue Bonds. The proceeds from these bonds will be used to construct a fiber optic communications network and are being held with a fiscal agent.

**CRAWFORDSVILLE ELECTRIC
LIGHT & POWER**

ACCELPLUS

2005 ANNUAL REPORT

SUPPLEMENTAL INFORMATION

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

**STATEMENT OF FINANCIAL POSITION
YEAR ENDED DECEMBER 31, 2005**

	<u>1/1/2005</u>	<u>12/31/2005</u>	<u>CHANGE</u>
<u>Assets</u>			
Cash	592,786.88	567,223.68	(25,563.20)
Bond & Interest Cash Fund		-	-
Investments	6,341,914.76	5,035,771.64	(1,306,143.12)
Fuel Stock	69,033.83	197,870.88	128,837.05
Plant Materials & Supplies	775,423.90	698,333.88	(77,090.02)
Prepaid Expenses	241,942.81	260,840.18	18,897.37
Deferred Debits	1,016,017.50	1,276,828.63	260,811.13
Interest Receivable	14,108.41	17,306.08	3,197.67
Accounts Receivable (Net)	717,988.44	840,745.33	122,756.89
Utility Plant in Service		-	-
(Net of Depr. And Amort.)	18,284,033.07	18,019,241.37	(264,791.70)
Construction Work in Progress	345,325.90	1,972,895.04	1,627,569.14
Unamortized Debt Discount	<u>19,727.52</u>	<u>14,152.32</u>	<u>(5,575.20)</u>
Total Assets	<u>28,418,303.02</u>	<u>28,901,209.03</u>	<u>482,906.01</u>
<u>Liabilities</u>			
Accounts Payable	2,301,843.84	2,875,883.72	574,039.88
Customer Meter Deposits	129,847.23	134,597.23	4,750.00
Accrued Interest	-	-	-
Accrued Taxes	3,419.68	9,656.45	6,236.77
Tax Collection Payable	52,237.28	58,025.55	5,788.27
Misc. Accruals	181,700.57	195,756.38	14,055.81
Unemployment Reserve	4,830.66	4,830.66	-
Bonds Payable	<u>930,000.00</u>	<u>640,000.00</u>	<u>(290,000.00)</u>
Total Liabilities	<u>3,603,879.26</u>	<u>3,918,749.99</u>	<u>314,870.73</u>
<u>Capital</u>			
Retained Earnings	23,664,936.29	23,832,971.57	168,035.28
Contributions	<u>1,149,487.47</u>	<u>1,149,487.47</u>	-
Total Capital	<u>24,814,423.76</u>	<u>24,982,459.04</u>	<u>168,035.28</u>
TOTAL LIABILITIES & CAPITAL	<u>28,418,303.02</u>	<u>28,901,209.03</u>	<u>482,906.01</u>

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

Utility Plant In Service 2005
December 31, 2005

	Beginning Balance 12/31/2005	Additions	Retirements	Ending Balance 12/31/2005
INTANGIBLE PLANT				
Organization	183,203.25	-	-	183,203.25
Franchises and Consent	386.29	-	-	386.29
Misc. Tangible Plant	125.00	-	-	125.00
Total Intangible Plant	<u>183,714.54</u>	-	-	<u>183,714.54</u>
PRODUCTION PLANT				
Steam Production				
Land and Land Rights	48,978.22	-	-	48,978.22
Structures and Improvements	2,734,438.78	-	-	2,734,787.78
Boiler Plant Equipment	6,886,255.43	15,841.81	-	6,902,097.24
Engine Driven Generators	309,738.81	-	-	309,738.81
Turbogenerator Units	1,939,070.13	-	-	1,939,070.13
Accessory Electric Equipment	329,214.45	8,632.00	-	337,846.45
Misc. Power Plant Equipment	938,849.18	11,992.00	-	950,841.18
Total Steam Production	<u>13,186,545.00</u>	<u>36,465.81</u>	-	<u>13,223,359.81</u>
TRANSMISSION PLANT				
Land and Land Rights	194,781.65	-	-	194,781.65
Station Equipment	2,235.19	-	-	2,235.19
Structures and Improvements	58,074.68	-	-	58,074.68
Poles and Fixtures	651,601.48	23,756.88	2,504.91	672,853.45
Overhead Conductor & Devices	610,495.07	92,126.07	681.38	701,939.76
Total Transmission Plant	<u>1,517,188.07</u>	<u>115,882.95</u>	<u>3,186.29</u>	<u>1,629,884.73</u>
DISTRIBUTION PLANT				
Land and Land Rights	128,097.00	-	-	128,097.00
Structures & Improvements	81,279.98	-	-	81,279.98
Station Equipment	10,428,739.96	7,577.00	2,689.16	10,433,627.80
Poles, Towers, and Fixtures	3,107,988.17	61,301.20	6,318.08	3,162,971.29
Overhead Conductors & Devices	2,458,698.21	205,320.82	12,678.50	2,651,340.53
Underground Conduit	316,241.54	4,118.25	6.37	320,353.42
Underground Conductors & Devices	904,608.04	13,475.28	-	918,083.32
Line Transformers	3,697,647.51	165,549.28	36,095.05	3,827,101.74
Services	300,944.48	9,839.09	49.46	310,734.11
Meters	1,439,624.94	34,739.64	8,941.88	1,465,422.70
Installation on Customer Premises	338,027.18	9,919.47	699.91	347,246.74
Leased Property	2,890.71	-	-	2,890.71
Street Lighting & Signal System	1,312,286.96	71,859.39	8,470.98	1,375,675.37
Total Distribution Plant	<u>24,517,074.68</u>	<u>583,699.42</u>	<u>75,949.39</u>	<u>25,024,824.71</u>

*See Note 2

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

Utility Plant In Service 2005
(Continued)

	Beginning Balance <u>12/31/2005</u>	<u>Additions</u>	<u>Retirements</u>	Ending Balance <u>12/31/2005</u>
GENERAL PLANT				
Land and Land Rights	1,452.50	-	-	1,452.50
Structures and Improvements	1,998,541.59	-	-	1,998,541.59
Office Furniture	858,027.93	82,208.20	-	940,236.13
Transportation Equipment	886,667.28	115,598.00	93,446.77	908,818.51
Stores Equipment	45,232.01	6,264.55	-	51,496.56
Tools, Shop, & Garage Equip.	194,335.24	4,498.49	-	198,833.73
Laboratory Equipment	260,339.49	580.65	-	260,920.14
Power Operated Equipment	82,953.24	247.96	333.00	82,868.20
Communication Equipment	823,019.34	6,164.86	-	829,184.20
Miscellaneous Equipment	<u>119,166.59</u>	<u>13,311.49</u>	<u>-</u>	<u>132,478.08</u>
Total General Plant	5,269,735.21	228,874.20	93,779.77	5,404,829.64
Other Tangible Property	<u>142,087.04</u>	<u>-</u>	<u>-</u>	<u>142,087.04</u>
Total Plant in Service	<u><u>44,816,344.54</u></u>	<u><u>964,922.38</u></u>	<u><u>172,915.45</u></u>	<u><u>45,608,700.47</u></u>

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

DEBT SERVICE REQUIREMENTS SCHEDULE

BOND & INTEREST REQUIREMENTS SCHEDULE REFUNDING ISSUE OF 1992

Dated October 1, 1992

	<u>Principal Balance</u>		<u>Principal Payment</u>		<u>Interest Payment</u>
July 1, 2006	\$ 640,000	\$	155,000	\$	17,200.00
January 1, 2007	\$ 485,000	\$	160,000	\$	13,034.37
July 1, 2007	\$ 325,000	\$	165,000	\$	8,734.37
January 1, 2008	\$ 160,000	\$	160,000	\$	4,300.00

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

COMBINED DEBT SERVICE REQUIREMENT SCHEDULE

1990, 1991, & 1992 ISSUES

	<u>PRINCIPAL</u>	<u>INTEREST</u>	<u>TOTAL</u>
July 1, 2006	\$ 155,000	\$ 17,200.00	\$ 172,200.00
January 1, 2007	\$ 160,000	\$ 13,034.37	\$ 173,034.37
July 1, 2007	\$ 165,000	\$ 8,734.37	\$ 173,734.37
January 1, 2008	<u>\$ 160,000</u>	<u>\$ 4,300.00</u>	<u>\$ 164,300.00</u>
	<u>\$ 640,000.00</u>	<u>\$ 43,268.74</u>	<u>\$ 683,268.74</u>

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

COMPARATIVE RETAIL SALES/KWH & DOLLARS BY CLASS

YEAR OF 2005

	<u>2005</u>	<u>2004</u>	<u>% CHANGE</u>
<u>KWH</u>			
Residential Service	84,542,664	78,480,145	7.72%
General Power Service	50,501,257	47,365,390	6.62%
Primary Power Service	300,032,899	283,473,098	5.84%
Outdoor Lights	1,109,989	1,079,010	2.87%
Municipal Street Lights	1,149,834	1,143,394	0.56%
Traffic Signals	248,867	296,841	-16.16%
Municipal Electric Service	<u>1,186,234</u>	<u>1,533,450</u>	<u>-22.64%</u>
	<u>438,771,744</u>	<u>413,371,328</u>	6.14%
<u>REVENUE</u>			
Residential Service	6,173,401.45	5,107,015.11	20.88%
General Power Service	3,533,417.47	2,902,596.80	21.73%
Primary Power Service	14,894,484.91	12,153,717.45	22.55%
Outdoor Lights	92,743.98	87,143.18	6.43%
Municipal Street Lights	134,613.57	125,234.10	7.49%
Traffic Signals	13,762.60	12,887.64	6.79%
Municipal Electric Service	<u>88,561.50</u>	<u>95,436.34</u>	<u>-7.20%</u>
	<u>24,930,985.48</u>	<u>20,484,030.62</u>	21.71%

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

SALES GENERATED PER KWH - 2005

	Average Customers Billed	KWH	Sales	Sales Per KWH	Sales Per Customer Billed
RESIDENTIAL SALES					
Residential Sales	7,962	84,542,664	6,173,401.45	0.073021	775.36
COMMERCIAL & INDUSTRIAL SALES					
General Power	1,486	50,501,257	3,533,417.47	0.069967	2,377.80
Primary Power	93	300,032,899	14,894,484.91	0.049643	160,155.75
Outdoor Lighting	1,344	1,109,989	92,743.98	0.083554	69.01
PUBLIC STREET & HIGHWAY LIGHTING					
Municipal Street Lighting	1	1,149,834	134,307.78	0.116806	134,307.78
Traffic Signals	2	248,867	13,762.60	0.055301	6,881.30
OTHER SALES TO OTHER AUTHORITIES					
Municipal Electric Services	49	1,186,234	86,427.93	0.072859	1,763.84
Total Retail Sales	9,536	438,771,744	24,928,546.12	0.056814	2,614.15
Sales to IMPA (Wholesale)	<u>1</u>	<u>39,783,000</u>	<u>2,986,182.37</u>	0.075062	
Total Sales	<u>9,537</u>	<u>478,554,744</u>	<u>27,914,728.49</u>	0.058331	<u>2,614.15</u>

*(w/o outdoor lights)

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

**MONTHLY DEMANDS & NET GENERATION
2005**

	System Maximum Peak Kilowatts	Co-incident Peak Kilowatts	System Peak Day	System Peak Hour	Net KWH	Additional KWH Purchased
January	63,474	63,474	1/18	8:00 AM	4,342,920	32,737,788
February	59,642	58,726	2/1	11:00 AM	3,330,170	29,880,540
March	59,216	58,292	3/1	11:00 AM	5,460,070	30,726,504
April	59,372	58,716	4/20	3:00PM	2,375,310	31,238,856
May	66,424	66,424	5/11	2:00 PM	329,170	34,726,356
June	79,142	79,142	6/30	4:00 PM	4,813,450	35,996,292
July	83,694	83,694	7/25	4:00 PM	3,478,430	39,419,172
August	81,424	81,424	8/12	3:00 PM	4,018,340	40,596,084
September	74,966	74,966	9/13	3:00 PM	1,607,930	37,164,384
October	69,944	69,944	10/4	3:00 PM	980,010	34,907,508
November	62,366	62,366	11/30	10:00 AM	3,045,260	31,705,740
December	<u>63,510</u>	<u>63,510</u>	12/7	8:00 AM	<u>6,001,940</u>	<u>30,837,276</u>
	<u>823,174</u>	<u>820,678</u>			<u>39,783,000</u>	<u>409,936,500</u>

**CRAWFORDSVILLE ELECTRIC LIGHT AND POWER
COMPARATIVE OPERATING REPORT**

	<u>2005</u> <u>TONS OF</u> <u>COAL</u>	<u>COST OF</u> <u>COAL</u>	<u>2004</u> <u>TONS OF</u> <u>COAL</u>	<u>COST OF</u> <u>COAL</u>
PRODUCTION PLANT				
Balance January 1	1,826.20	67,381.51	1,914.55	70,269.90
Received during year	30,221.07	1,486,991.90	24,885.02	920,750.79
Total Available	32,047.27	1,554,373.41	26,799.57	991,020.69
Used during year	29,336.73	1,394,038.04	24,482.80	905,494.18
Adjustment	528.88	26,022.95	490.57	18,144.99
Balance December 31	2,181.66	134,312.42	1,826.20	67,381.57
Coal per KWH Generated		1.33LB		1.30LB
Coal per KWH Net		1.47LB		1.45LB
Additional KWH Purchased From IMPA		409,936,500		396,801,900
Highest Peak Registered		83,694 KW JULY 25 @ 4:00PM		77,736 KW JULY 22@2:00PM
Co-incidental Peak Registered		83,694 KW JULY 25 @ 4:00PM		76,972 KW JULY 22@3:00PM
Cost of Coal Per Ton		49.20		37.00
Total Generation		44,519,500		37,811,700
Station Power From Generation		4,736,500		3,945,980
Net Generation		39,783,000		33,865,720
Additional Purchased		409,936,500		396,801,900
Station Power Purchased From IMPA		1,229,390		1,414,850
Total Salable		448,490,110		429,252,770
Total Sold - Retail		438,771,744		413,371,328
Unaccounted For		9,718,366		15,881,442
Less: Service Building Use		762,263		722,283
Net Unaccounted For		8,956,103		15,159,159

ELECTRIC UTILITY
CITY OF CRAWFORDSVILLE
TEN YEAR STATISTICAL SUMMARY

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
OPERATING REVENUES	28,121,245	24,683,020	22,499,407	22,228,433	22,709,853	21,576,195	20,840,606	19,518,339	19,170,737	20,802,287
OPERATING EXPENSES	<u>27,893,084</u>	<u>24,095,026</u>	<u>22,320,785</u>	<u>20,493,162</u>	<u>21,629,040</u>	<u>20,554,808</u>	<u>19,944,892</u>	<u>18,328,766</u>	<u>17,825,380</u>	<u>19,170,917</u>
NET OPERATING INCOME	228,161	587,994	178,622	1,735,271	1,080,813	1,021,387	895,714	1,189,573	1,345,357	1,631,370
NONOPERATING REVENUES	223,022	148,787	137,567	235,092	440,869	624,852	566,434	500,320	453,634	364,855
NONOPERATING EXPENSES	273,648	288,734	341,472	406,990	526,184	449,164	522,054	564,253	605,367	642,351
EXTRAORDINARY INCOME	-	-	-	-	-	-	-	-	-	-
EXTRAORDINARY EXPENSE	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET INCOME (LOSS)	<u>177,535</u>	<u>448,047</u>	<u>(25,283)</u>	<u>1,563,374</u>	<u>995,498</u>	<u>1,197,075</u>	<u>940,094</u>	<u>1,125,640</u>	<u>1,193,624</u>	<u>1,353,874</u>
UNRESTRICTED ASSETS	5,800,955	5,138,933	5,098,651	6,001,135	4,992,779	5,970,709	6,387,806	6,331,618	6,208,422	5,820,738
RESTRICTED ASSETS	2,878,553	4,629,984	4,568,594	4,383,662	4,811,317	5,515,485	4,995,930	4,594,591	4,095,827	3,533,422
UTILITY PLANT IN SERVICE	45,608,700	44,816,694	43,525,503	41,798,069	38,339,794	36,045,158	35,087,467	34,202,832	33,511,568	32,957,594
ACCUMULATED DEPRECIATION	(27,914,818)	(26,736,886)	(25,507,311)	(24,653,782)	(23,514,756)	(22,451,575)	(21,481,171)	(20,630,926)	(19,648,860)	(18,600,684)
CONSTRUCTION WORK IN PROCESS	1,972,895	345,626	202,580	281,165	2,367,955	1,508,307	1,147,843	611,396	236,694	125,606
UTILITY PLANT ACQUISITIONS (NET)	24,825	24,825	24,825	24,625	17,620	17,620	27,806	91,167	158,162	234,823
UTILITY PLANT PURCHASED	-	-	-	-	-	-	-	-	-	-
OTHER ASSETS	300,535	179,400	140,158	140,158	140,158	140,158	140,158	140,158	140,158	140,144
DEFERRED ASSETS	<u>229,564</u>	<u>19,728</u>	<u>32,803</u>	<u>92,972</u>	<u>111,691</u>	<u>228,475</u>	<u>319,960</u>	<u>403,794</u>	<u>509,903</u>	<u>615,863</u>
TOTAL ASSETS	<u>28,901,209</u>	<u>28,418,303</u>	<u>28,085,803</u>	<u>28,068,004</u>	<u>27,266,558</u>	<u>26,974,337</u>	<u>26,625,799</u>	<u>25,744,630</u>	<u>25,211,874</u>	<u>24,827,506</u>
CURRENT LIABILITIES	3,433,750	2,818,879	2,741,938	2,441,658	3,049,637	2,952,192	2,974,054	2,556,788	2,394,836	2,496,001
LONG-TERM LIABILITIES	485,000	785,000	1,070,000	1,340,000	1,580,000	2,425,000	3,315,000	4,150,000	4,925,000	5,660,000
CONTRIBUTIONS	1,149,487	1,149,487	1,056,975	1,048,756	967,874	923,596	860,271	501,462	481,298	454,388
RETAINED EARNINGS	<u>23,832,972</u>	<u>23,664,936</u>	<u>23,216,890</u>	<u>23,237,590</u>	<u>21,669,047</u>	<u>20,673,549</u>	<u>19,476,474</u>	<u>18,536,380</u>	<u>17,410,740</u>	<u>16,217,117</u>
TOTAL LIABILITIES, CONTRIBUTIONS AND RETAINED EARNINGS	<u>28,901,209</u>	<u>28,418,303</u>	<u>28,085,803</u>	<u>28,068,004</u>	<u>27,266,558</u>	<u>26,974,337</u>	<u>26,625,799</u>	<u>25,744,630</u>	<u>25,211,874</u>	<u>24,827,506</u>
NUMBER OF CUSTOMERS	9,586	9,536	9,490	9,444	9,378	9,251	9,116	9,086	9,058	8,994

CRAWFORDSVILLE ELECTRIC LIGHT & POWER

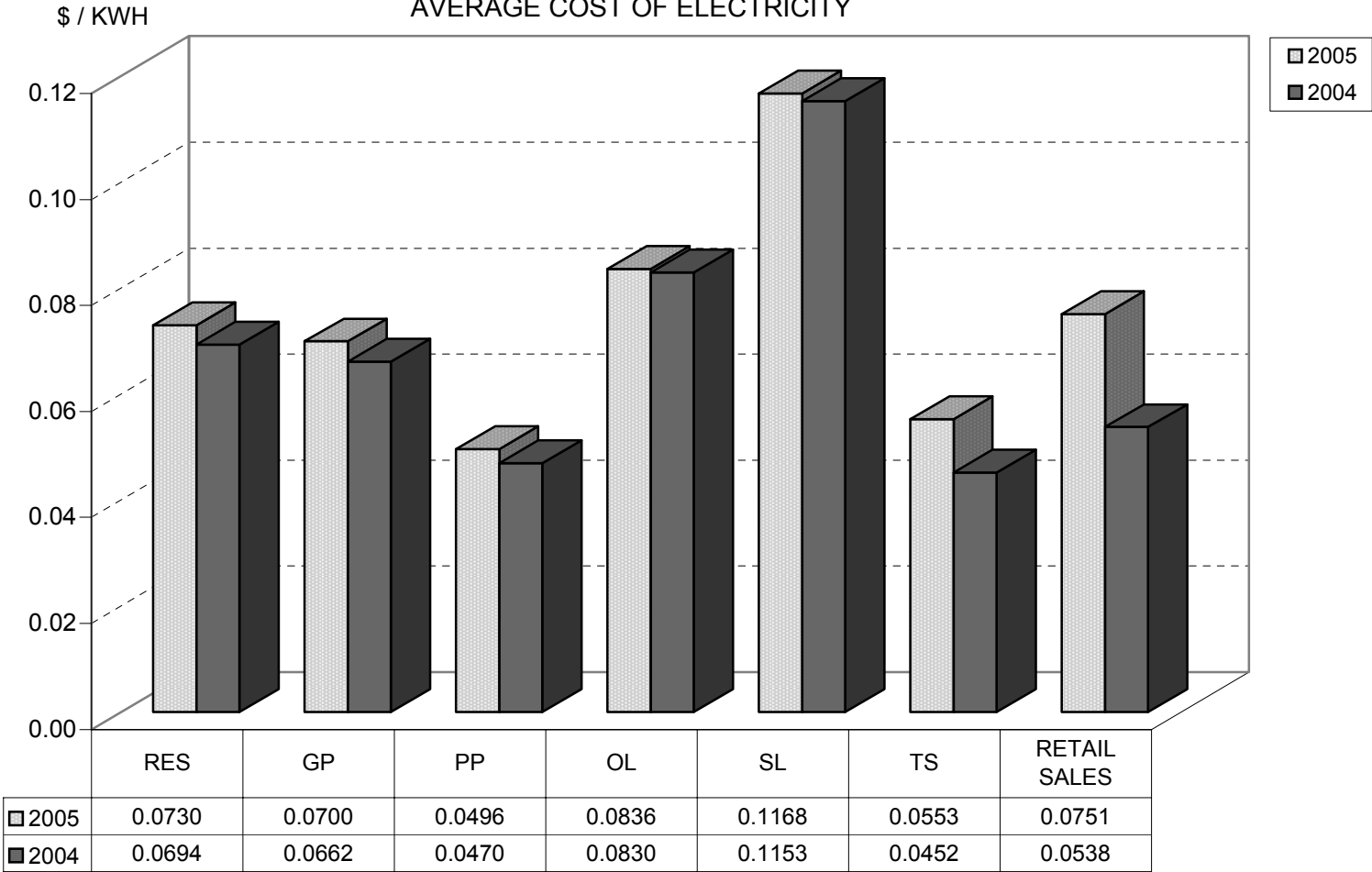
COMPARISON TO BUDGET

A comparison of the income statement to the 2005 budget is presented on the following table.

ACCOUNT	BUDGETED AMOUNT	ACTUAL AMOUNT	VARIANCE
INCOME			
RETAIL SALES	\$ 24,134,673	\$24,928,622	\$ 793,949
OTHER REVENUE	<u>2,526,136</u>	<u>3,192,623</u>	<u>666,487</u>
TOTAL REVENUE	26,660,809	28,121,245	1,460,436
OPERATING EXPENSES			
STEAM POWER GENERATION	2,347,890	3,231,070	883,180
PURCHASED POWER	17,634,293	18,880,667	1,246,374
DISTRIBUTION	1,241,210	1,149,097	(92,113)
CUSTOMER ACCOUNTS	396,179	465,237	69,058
ADMINISTRATIVE AND GENERAL	2,014,075	2,050,941	36,866
TAXES AND DEPRECIATION	<u>2,057,978</u>	<u>2,116,072</u>	<u>58,094</u>
TOTAL EXPENSES	25,691,625	27,893,084	2,201,459
NON-OPERATING INCOME	144,403	223,022	78,619
NON-OPERATING EXPENSE	52,466	52,148	(318)
TRANSFER TO CITY	<u>260,486</u>	<u>221,500</u>	<u>(38,986)</u>
NET INCOME	<u><u>800,635</u></u>	<u><u>177,535</u></u>	<u><u>(623,100)</u></u>

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

AVERAGE COST OF ELECTRICITY

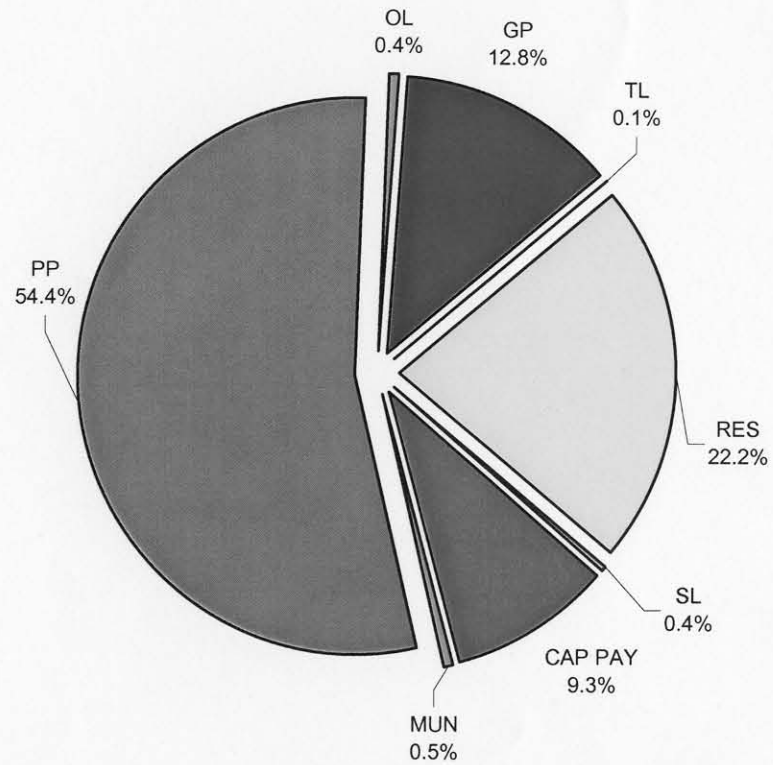
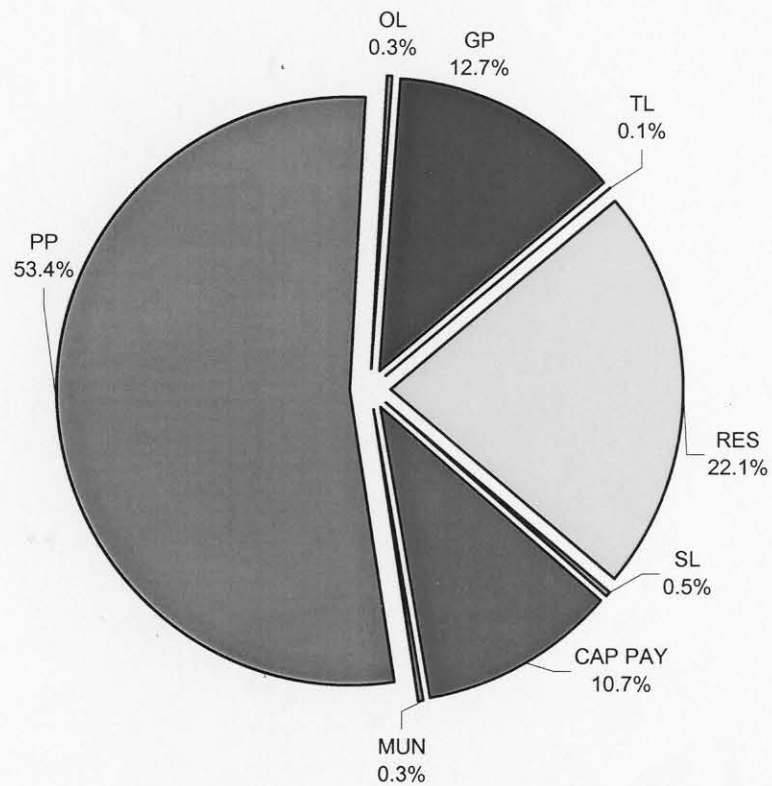


CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

ELECTRIC REVENUES

2005

2004



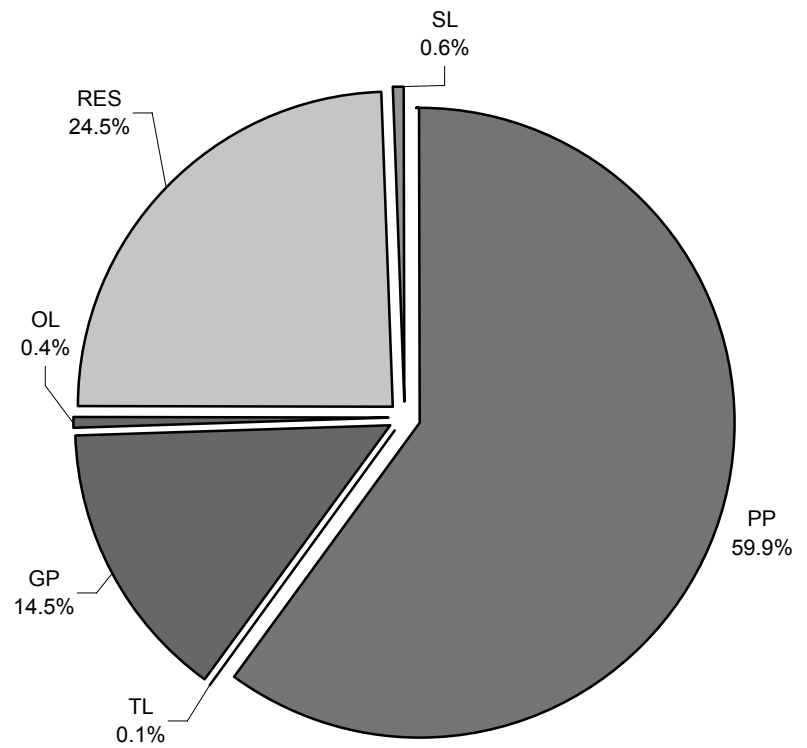
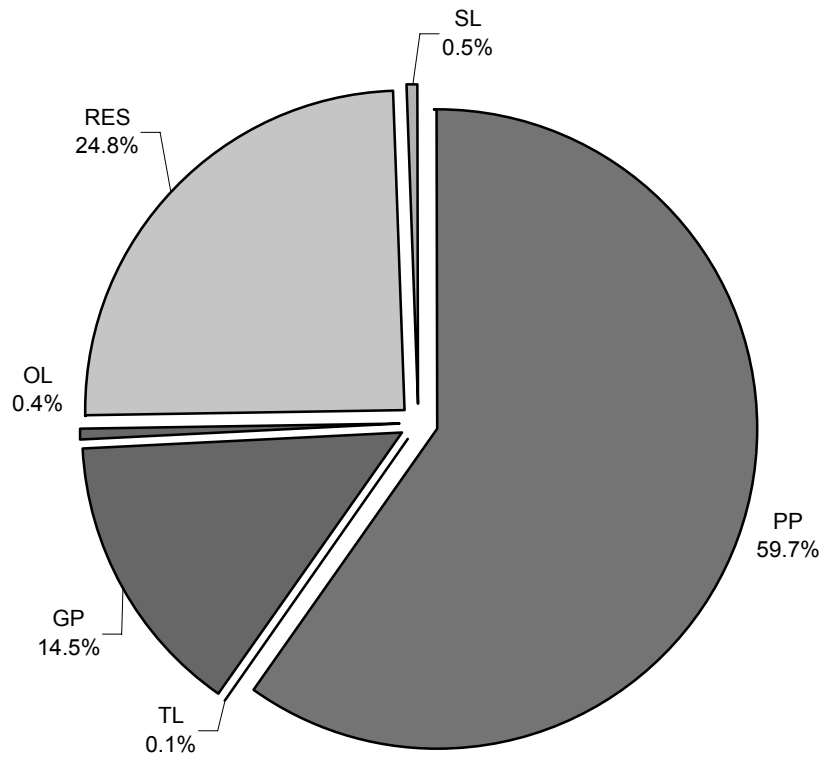
TOTAL REVENUES

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

ELECTRIC REVENUES

2005

2004

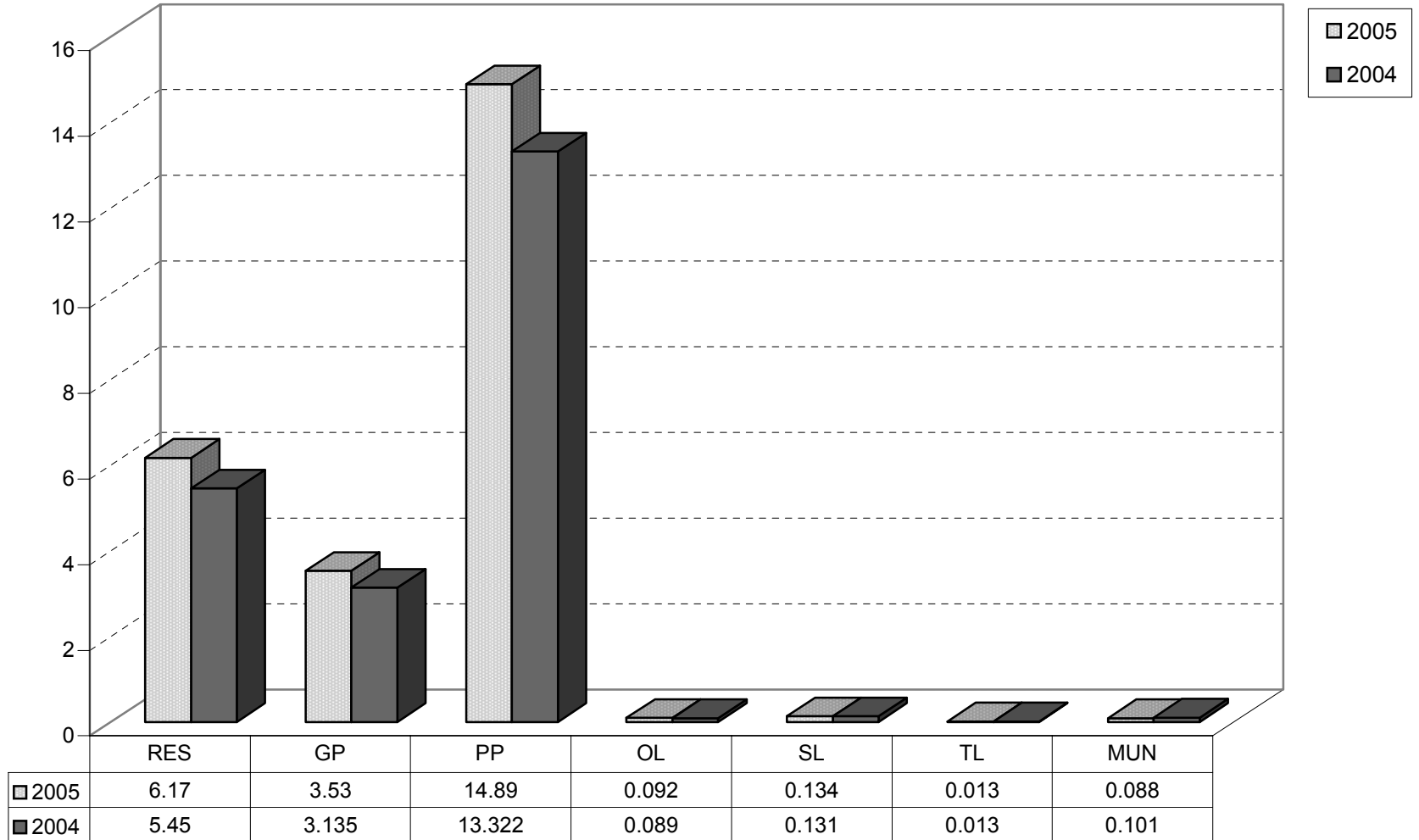


RETAIL SALES

CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

ELECTRICITY REVENUES

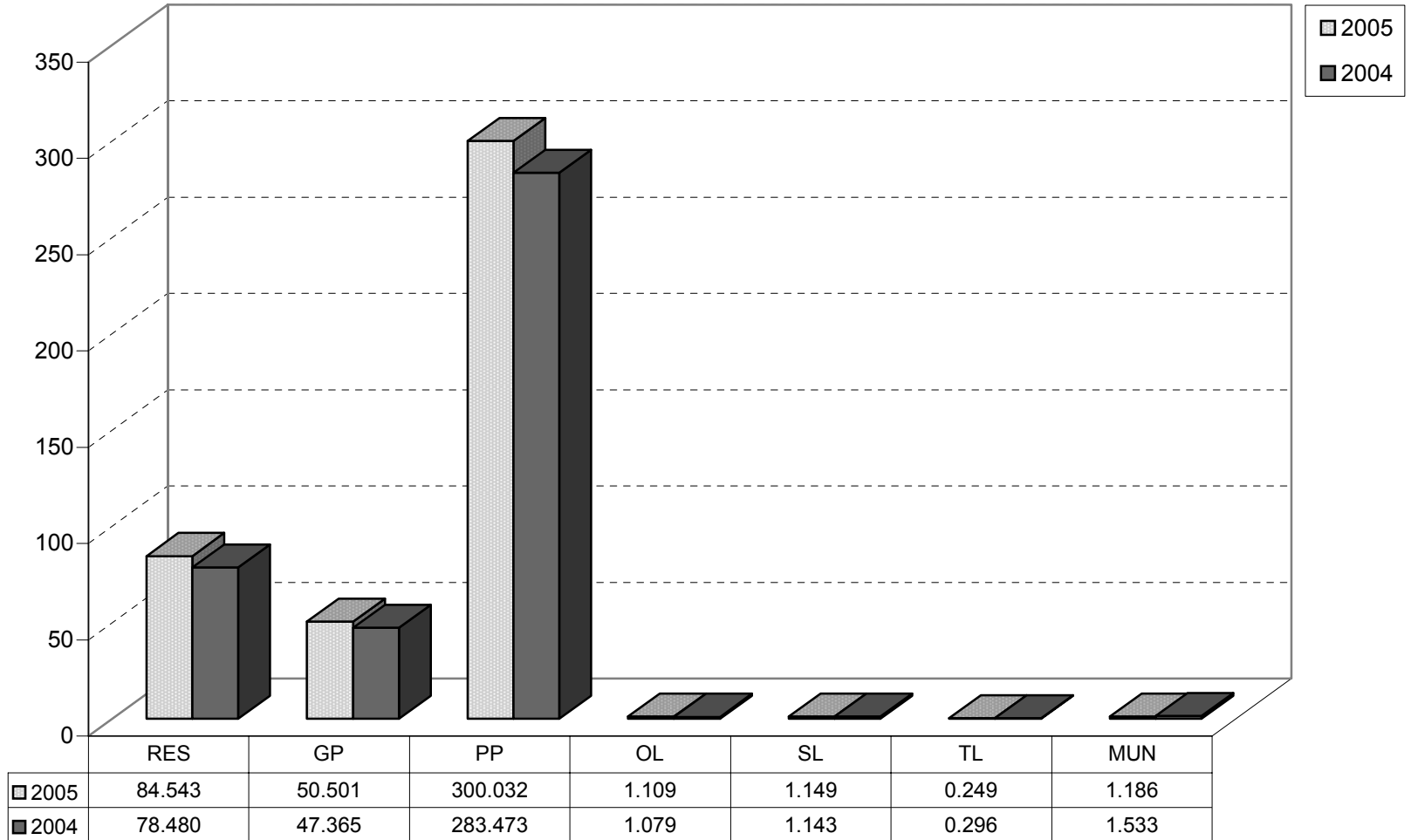
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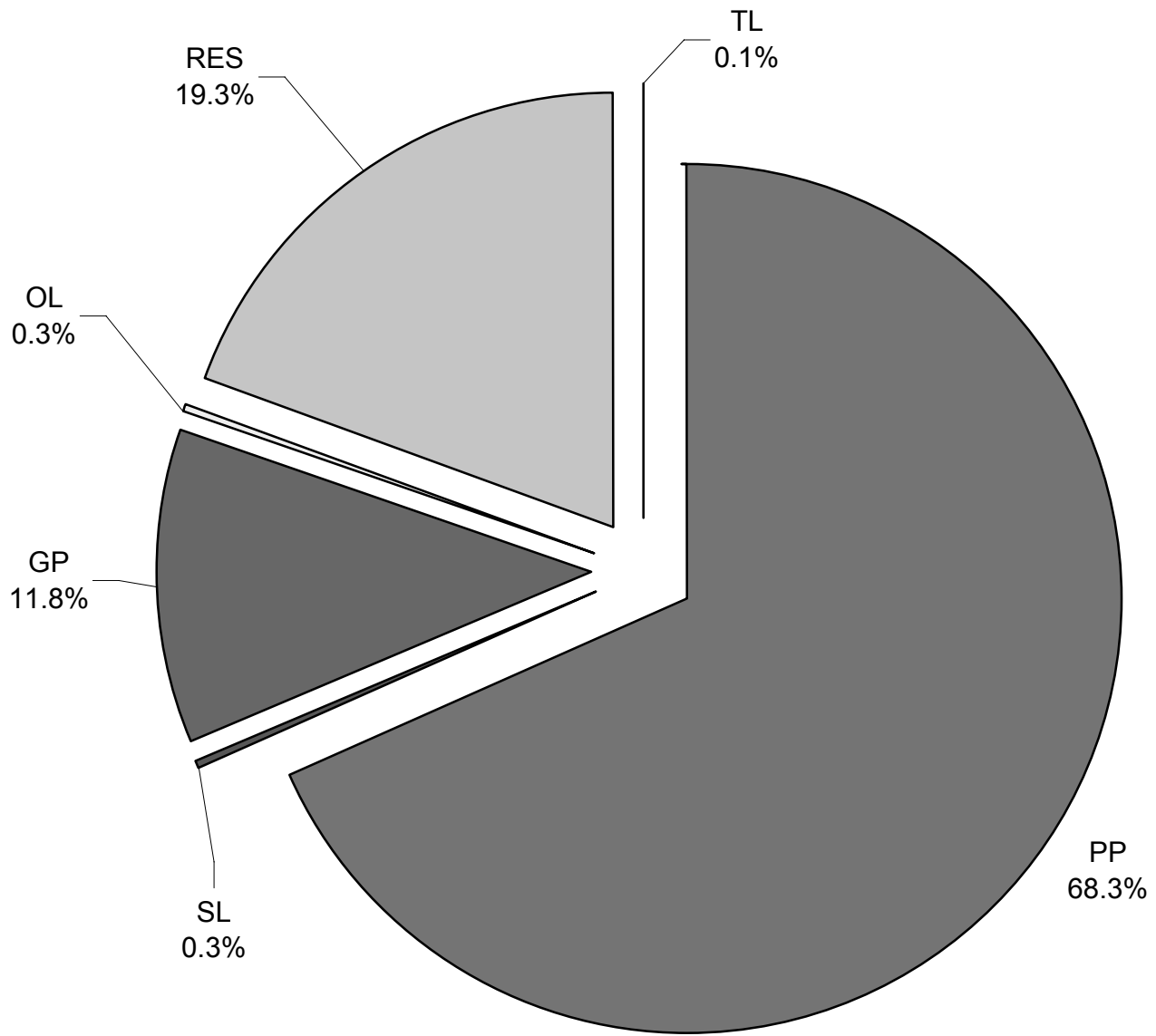


CRAWFORDSVILLE ELECTRIC LIGHT AND POWER

SALES OF ELECTRICITY

KWH (Millions)





CRAWFORDSVILLE ELECTRIC LIGHT AND POWER
EXIT CONFERENCE

The contents of this report were discussed on November 1, 2006, with Roy Kaser, Superintendent; and John Lamb, Chief Accountant. Our audit disclosed no material items that warrant comment at this time.