

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF CRAWFORDSVILLE
MONTGOMERY COUNTY, INDIANA

January 1, 2016 to December 31, 2016



FILED
12/06/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Terri Gadd	01-01-16 to 12-31-19
Mayor	Todd Barton	01-01-16 to 12-31-19
President Pro Tempore of the Common Council	Andrew Biddle	01-01-16 to 12-31-18
Superintendent of Electric Utility	Phillip R. Goode	01-01-16 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Crawfordsville (City), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 7, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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.


Paul D. Joyce, CPA
State Examiner

November 7, 2018



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Crawfordsville (City), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement, and have issued our report thereon dated November 7, 2018, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or 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. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001, that we consider to be a material weakness.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Crawfordsville's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

November 7, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

CITY OF CRAWFORDSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments		Cash and Investments	
	01-01-16	Receipts	Disbursements	12-31-16
General	\$ 5,407,990	\$ 10,628,311	\$ 10,476,591	\$ 5,559,710
Street	1,618,530	1,573,747	1,880,319	1,311,958
Local Road And Street	225,996	56,068	37,000	245,064
Aviation	96,298	192,877	231,492	57,683
Park Nonreverting Operating	96,213	216,576	197,266	115,523
Trash Service	32,099	249,788	251,711	30,176
Civil Defense	202,851	-	-	202,851
Law Enforcement Continuing Ed	84,186	13,641	3,423	94,404
Riverboat	652,801	94,276	-	747,077
Parks And Recreation	1,042,914	877,741	873,214	1,047,441
CEL&P Electric	550	400	550	400
Rainy Day	468,837	-	-	468,837
LOIT Special Distribution	-	530,672	-	530,672
Police/Drug Seizure Fund	1,969	-	-	1,969
Cumulative Capl Imprv Cigarette Tax	356,556	102,876	203,093	256,339
Cumulative Capital Development	1,462,513	271,071	247,487	1,486,097
Park Nonreverting Capital	5,338	-	-	5,338
Sunshine Van Fund	123,810	137,149	113,493	147,466
Police Equipment (Not Debt Service)	24,005	27,541	11,098	40,448
Fire Equipment (Not Debt Service)	10,668	4,164	5,684	9,148
Cumulative Building	150	-	-	150
Cumulative Cap Imprv (Special Fire)	995,410	173,564	-	1,168,974
Central Garage	(34,296)	216,703	209,479	(27,072)
Police Pension	313,851	481,133	495,245	299,739
Fire Pension	584,293	409,789	428,056	566,026
Sugar Creek Nature Park	668	-	-	668
Civil Defense Donations	100	-	-	100
Police Copy Fee Fund	3,799	1,572	-	5,371
Firearms Training Fund	13,965	10,790	1,512	23,243
Ivy Tech Bond & Int	383,000	244,000	353,000	274,000
Commerce Park TIF	2,060	-	-	2,060
Aviation Fuel Non-Rev	2,188	89,883	70,459	21,612
Aviation Aircraft Rental	6,543	32,144	33,829	4,858
Aviation Flight Instruct	211	7,525	7,032	704
Aviation Aircraft Maintenance	2,574	49,960	52,200	334
Mayor's Promotion Fund	806	-	770	36
2015 Bond Project Proceeds	527,285	22	328,536	198,771
2015 Bond Proj Debt Reserve	74,250	-	-	74,250
Community Paramedic Grant	37,776	132,467	161,222	9,021
Safer Retention Fund	(44,170)	488,962	444,792	-
Power Plant TIF	-	1,060	-	1,060

CITY OF CRAWFORDSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
Plan Dept Escrow Fund	-	42,000	-	42,000
Storm Water Fees	-	280	-	280
Ambulance/Ems Nonreverting	606,639	257,694	275,523	588,810
Golf Course	(31,230)	298,990	337,090	(69,330)
Civil Defense Copier Fund	40,608	3,200	6,858	36,950
Communication Center	18,694	-	-	18,694
Park & Rec Muffy	19,781	20,875	8,096	32,560
Park & Rec Title III	1,009	11,246	9,129	3,126
Police/Child Victim	1,808	-	-	1,808
Rehabilitation	139,241	3,120	59,429	82,932
Wheel Tax Fund	174,971	128,271	57,362	245,880
Udag	112	12,716	-	12,828
Aviation Grant Fund	20,146	528,187	540,861	7,472
Golf Course Improvement Fund	2,808	1,554	3,003	1,359
Commerce Park Operating	36,409	23,254	6,872	52,791
Commerce Park Bond & Int Fund	174,793	375,761	1,500	549,054
Kroger Pace Dairy Bond & Int	445,234	173,250	86,122	532,362
Cville Historic Dist/Cap Impr	85,509	8,766	17,000	77,275
Aviation Hanger Rent	15,979	66,058	48,192	33,845
Downtown Sidwtk & Streetsc	92	-	-	92
Sidewalk Maint/Improvement	41,218	5,781	8,600	38,399
Cville Sq Allocation Fund	4,317,105	959,918	711,004	4,566,019
Payroll Fund	179,902	13,490,258	13,407,724	262,436
Drainage Permits	15	-	-	15
CEL&P General MM	2,812,163	38,658,899	37,604,737	3,866,325
CEL&P Deprec MM	615,247	1,235	-	616,482
CEL&P Gen Operating	33,497	6,465,601	6,450,449	48,649
CEL&P Meter Deposit	264,336	145,576	132,629	277,283
Stormwater O/M	727,906	514,216	630,817	611,305
SRF WW Crawfordsville DRS	-	12,930	-	12,930
SRF WW Crawfordsville B & I	-	21,512	-	21,512
Wastewater Utility-Operating	2,308,232	2,597,037	2,632,149	2,273,120
Wastewater Util-Bond And Interest	55	1,068,809	1,068,864	-
Wastewater Utility-Construction	10,784	257,340	268,124	-
Wastewater Utility-Debt Reserve	574,785	-	574,785	-
Totals	<u>\$ 28,422,435</u>	<u>\$ 83,470,806</u>	<u>\$ 82,065,472</u>	<u>\$ 29,827,769</u>

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

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as receipts in the year of the sale of the investment.

D. Receipts

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

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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 nonbusinesses that must be licensed before doing business within the government's jurisdiction, or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.

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.

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

E. Disbursements

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

Personal services. 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: 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 City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. 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 other 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.

F. 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.

G. 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 City. 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 unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the City to invest in securities including, but not limited to, 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 City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is a cost-sharing multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Plan Description

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

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

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

Indiana Public Retirement System
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. The Central Garage and Golf Course funds had deficits as of December 31, 2016, as a result of expenditures exceeding revenues.

Note 8. Restatements

For the year ended December 31, 2016, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of December 31, 2015	Prior Period Adjustment	Balance as of January 1, 2016
General Fund	\$ 5,409,340	\$ (1,350)	\$ 5,407,990
CEL&P Gen Operating	34,567	(1,070)	33,497
CEL&P Telecommunications	200	(200)	-

CITY OF CRAWFORDSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporation*

The City has entered into a capital lease with 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 to be a related-party of the City.

OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the City's Annual Financial Report referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General	Street	Local Road And Street	Aviation	Park Nonreverting Operating	Trash Service
Cash and investments - beginning	\$ 5,407,990	\$ 1,618,530	\$ 225,996	\$ 96,298	\$ 96,213	\$ 32,099
Receipts:						
Taxes	5,994,412	855,216	-	143,983	1,272	-
Licenses and permits	178,872	3,550	-	-	-	-
Intergovernmental receipts	3,094,913	599,374	56,068	8,020	-	-
Charges for services	1,034,744	6,804	-	23,706	209,292	249,788
Fines and forfeits	3,318	9,983	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	322,052	98,820	-	17,168	6,012	-
Total receipts	10,628,311	1,573,747	56,068	192,877	216,576	249,788
Disbursements:						
Personal services	7,267,053	1,084,232	-	126,985	-	132,804
Supplies	259,798	251,761	-	17,023	122,813	20,921
Other services and charges	1,934,392	281,414	37,000	87,484	3,024	95,305
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	219,144	262,711	-	-	25,322	2,681
Utility operating expenses	-	-	-	-	-	-
Other disbursements	796,204	201	-	-	46,107	-
Total disbursements	10,476,591	1,880,319	37,000	231,492	197,266	251,711
Excess (deficiency) of receipts over disbursements	151,720	(306,572)	19,068	(38,615)	19,310	(1,923)
Cash and investments - ending	\$ 5,559,710	\$ 1,311,958	\$ 245,064	\$ 57,683	\$ 115,523	\$ 30,176

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Civil Defense	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation	CEL&P Electric	Rainy Day
Cash and investments - beginning	\$ 202,851	\$ 84,186	\$ 652,801	\$ 1,042,914	\$ 550	\$ 468,837
Receipts:						
Taxes	-	-	-	793,436	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	94,276	44,197	-	-
Charges for services	-	2,840	-	40,108	400	-
Fines and forfeits	-	10,801	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	13,641	94,276	877,741	400	-
Disbursements:						
Personal services	-	-	-	517,844	-	-
Supplies	-	-	-	70,544	-	-
Other services and charges	-	-	-	196,318	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	3,423	-	88,508	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	550	-
Total disbursements	-	3,423	-	873,214	550	-
Excess (deficiency) of receipts over disbursements	-	10,218	94,276	4,527	(150)	-
Cash and investments - ending	\$ 202,851	\$ 94,404	\$ 747,077	\$ 1,047,441	\$ 400	\$ 468,837

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	LOIT Special Distribution	Police/Drug Seizure Fund	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Park Nonreverting Capital	Sunshine Van Fund
Cash and investments - beginning	\$ -	\$ 1,969	\$ 356,556	\$ 1,462,513	\$ 5,338	\$ 123,810
Receipts:						
Taxes	-	-	-	255,288	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	530,672	-	40,563	14,220	-	-
Charges for services	-	-	-	-	-	110,420
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	62,313	1,563	-	26,729
Total receipts	530,672	-	102,876	271,071	-	137,149
Disbursements:						
Personal services	-	-	-	-	-	103,763
Supplies	-	-	-	-	-	517
Other services and charges	-	-	177,295	247,487	-	9,213
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	25,798	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	203,093	247,487	-	113,493
Excess (deficiency) of receipts over disbursements	530,672	-	(100,217)	23,584	-	23,656
Cash and investments - ending	\$ 530,672	\$ 1,969	\$ 256,339	\$ 1,486,097	\$ 5,338	\$ 147,466

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Police Equipment (Not Debt Service)	Fire Equipment (Not Debt Service)	Cumulative Building	Cumulative Cap Imprv (Special Fire)	Central Garage	Police Pension
Cash and investments - beginning	\$ 24,005	\$ 10,668	\$ 150	\$ 995,410	\$ (34,296)	\$ 313,851
Receipts:						
Taxes	-	-	-	164,406	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	9,158	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	1,036	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	26,505	4,164	-	-	216,703	481,133
Total receipts	27,541	4,164	-	173,564	216,703	481,133
Disbursements:						
Personal services	-	-	-	-	141,735	3,264
Supplies	-	-	-	-	66,223	-
Other services and charges	-	-	-	-	294	491,891
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	11,098	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	5,684	-	-	1,227	90
Total disbursements	11,098	5,684	-	-	209,479	495,245
Excess (deficiency) of receipts over disbursements	16,443	(1,520)	-	173,564	7,224	(14,112)
Cash and investments - ending	\$ 40,448	\$ 9,148	\$ 150	\$ 1,168,974	\$ (27,072)	\$ 299,739

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Fire Pension	Sugar Creek Nature Park	Civil Defense Donations	Police Copy Fee Fund	Firearms Training Fund	Ivy Tech Bond & Int
Cash and investments - beginning	\$ 584,293	\$ 668	\$ 100	\$ 3,799	\$ 13,965	\$ 383,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	10,790	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	1,572	-	244,000
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	409,789	-	-	-	-	-
Total receipts	409,789	-	-	1,572	10,790	244,000
Disbursements:						
Personal services	3,264	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	424,702	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	353,000
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	90	-	-	-	1,512	-
Total disbursements	428,056	-	-	-	1,512	353,000
Excess (deficiency) of receipts over disbursements	(18,267)	-	-	1,572	9,278	(109,000)
Cash and investments - ending	\$ 566,026	\$ 668	\$ 100	\$ 5,371	\$ 23,243	\$ 274,000

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Commerce Park TIF	Aviation Fuel Non-Rev	Aviation Aircraft Rental	Aviation Flight Instruct	Aviation Aircraft Maintenance	Mayor's Promotion Fund
Cash and investments - beginning	\$ 2,060	\$ 2,188	\$ 6,543	\$ 211	\$ 2,574	\$ 806
Receipts:						
Taxes	-	1,597	2,038	-	613	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	72,935	30,106	7,525	49,347	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	15,351	-	-	-	-
Total receipts	-	89,883	32,144	7,525	49,960	-
Disbursements:						
Personal services	-	-	-	7,032	28,751	-
Supplies	-	31,581	-	-	-	-
Other services and charges	-	4,603	18,830	-	22,051	770
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	34,275	14,999	-	1,398	-
Total disbursements	-	70,459	33,829	7,032	52,200	770
Excess (deficiency) of receipts over disbursements	-	19,424	(1,685)	493	(2,240)	(770)
Cash and investments - ending	\$ 2,060	\$ 21,612	\$ 4,858	\$ 704	\$ 334	\$ 36

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	2015 Bond Project Proceeds	2015 Bond Proj Debt Reserve	Community Paramedic Grant	Safer Retention Fund	Power Plant TIF	Plan Dept Escrow Fund
Cash and investments - beginning	\$ 527,285	\$ 74,250	\$ 37,776	\$ (44,170)	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	1,060	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	22	-	132,467	488,962	-	42,000
Total receipts	22	-	132,467	488,962	1,060	42,000
Disbursements:						
Personal services	-	-	90	444,792	-	-
Supplies	-	-	-	-	-	-
Other services and charges	187,942	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	140,519	-	161,132	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	75	-	-	-	-	-
Total disbursements	328,536	-	161,222	444,792	-	-
Excess (deficiency) of receipts over disbursements	(328,514)	-	(28,755)	44,170	1,060	42,000
Cash and investments - ending	\$ 198,771	\$ 74,250	\$ 9,021	\$ -	\$ 1,060	\$ 42,000

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Storm Water Fees	Ambulance/Ems Nonreverting	Golf Course	Civil Defense Copier Fund	Communication Center	Park & Rec Muffy
Cash and investments - beginning	\$ -	\$ 606,639	\$ (31,230)	\$ 40,608	\$ 18,694	\$ 19,781
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	280	-	282,833	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	257,694	16,157	3,200	-	20,875
Total receipts	280	257,694	298,990	3,200	-	20,875
Disbursements:						
Personal services	-	-	145,417	-	-	-
Supplies	-	261	106,300	1,089	-	-
Other services and charges	-	675	47,471	264	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	274,572	25,098	5,505	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	15	12,804	-	-	8,096
Total disbursements	-	275,523	337,090	6,858	-	8,096
Excess (deficiency) of receipts over disbursements	280	(17,829)	(38,100)	(3,658)	-	12,779
Cash and investments - ending	\$ 280	\$ 588,810	\$ (69,330)	\$ 36,950	\$ 18,694	\$ 32,560

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Park & Rec Title III	Police/Child Victim	Rehabilitation	Wheel Tax Fund	Udag	Aviation Grant Fund
Cash and investments - beginning	\$ 1,009	\$ 1,808	\$ 139,241	\$ 174,971	\$ 112	\$ 20,146
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	128,271	-	521,735
Charges for services	11,246	-	3,120	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	12,716	6,452
Total receipts	11,246	-	3,120	128,271	12,716	528,187
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	57,362	-	-
Other services and charges	-	-	33,429	-	-	21,973
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	26,000	-	-	518,888
Utility operating expenses	-	-	-	-	-	-
Other disbursements	9,129	-	-	-	-	-
Total disbursements	9,129	-	59,429	57,362	-	540,861
Excess (deficiency) of receipts over disbursements	2,117	-	(56,309)	70,909	12,716	(12,674)
Cash and investments - ending	\$ 3,126	\$ 1,808	\$ 82,932	\$ 245,880	\$ 12,828	\$ 7,472

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Golf Course Improvement Fund	Commerce Park Operating	Commerce Park Bond & Int Fund	Kroger Pace Dairy Bond & Int	Cville Historic Dist/Cap Impr	Aviation Hanger Rent
Cash and investments - beginning	\$ 2,808	\$ 36,409	\$ 174,793	\$ 445,234	\$ 85,509	\$ 15,979
Receipts:						
Taxes	-	-	375,761	173,250	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	23,254	-	-	-	64,461
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,554	-	-	-	8,766	1,597
Total receipts	1,554	23,254	375,761	173,250	8,766	66,058
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	6,872	-	-	7,000	40,444
Debt service - principal and interest	-	-	1,500	86,122	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,003	-	-	-	10,000	7,748
Total disbursements	3,003	6,872	1,500	86,122	17,000	48,192
Excess (deficiency) of receipts over disbursements	(1,449)	16,382	374,261	87,128	(8,234)	17,866
Cash and investments - ending	\$ 1,359	\$ 52,791	\$ 549,054	\$ 532,362	\$ 77,275	\$ 33,845

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Downtown Sidwik & Streetsc	Sidewalk Maint/Improvement	Cville Sq Allocation Fund	Payroll Fund	Drainage Permits	CEL&P General MM
Cash and investments - beginning	\$ 92	\$ 41,218	\$ 4,317,105	\$ 179,902	\$ 15	\$ 2,812,163
Receipts:						
Taxes	-	-	822,679	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	38,658,899
Other receipts	-	5,781	137,239	13,490,258	-	-
Total receipts	-	5,781	959,918	13,490,258	-	38,658,899
Disbursements:						
Personal services	-	-	-	6,832,554	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	8,600	-	-	-	-
Debt service - principal and interest	-	-	390,707	-	-	-
Capital outlay	-	-	320,297	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	6,575,170	-	37,604,737
Total disbursements	-	8,600	711,004	13,407,724	-	37,604,737
Excess (deficiency) of receipts over disbursements	-	(2,819)	248,914	82,534	-	1,054,162
Cash and investments - ending	\$ 92	\$ 38,399	\$ 4,566,019	\$ 262,436	\$ 15	\$ 3,866,325

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	CEL&P Deprec MM	CEL&P Gen Operating	CEL&P Meter Deposit	CEL&P Telecom	Stormwater O/M	SRFVW Crawfordsville DRS
Cash and investments - beginning	\$ 615,247	\$ 33,497	\$ 264,336	\$ -	\$ 727,906	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	6,465,601	145,019	-	513,205	-
Other receipts	1,235	-	557	-	1,011	12,930
Total receipts	1,235	6,465,601	145,576	-	514,216	12,930
Disbursements:						
Personal services	-	-	-	-	57,841	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	113	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	3,589	-
Utility operating expenses	-	-	-	-	568,256	-
Other disbursements	-	6,450,449	132,629	-	1,018	-
Total disbursements	-	6,450,449	132,629	-	630,817	-
Excess (deficiency) of receipts over disbursements	1,235	15,152	12,947	-	(116,601)	12,930
Cash and investments - ending	\$ 616,482	\$ 48,649	\$ 277,283	\$ -	\$ 611,305	\$ 12,930

CITY OF CRAWFORDSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	SRFWW Crawfordsville B & I	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility-Construction	Wastewater Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ -	\$ 2,308,232	\$ 55	\$ 10,784	\$ 574,785	\$ 28,422,435
Receipts:						
Taxes	-	-	-	-	-	9,585,011
Licenses and permits	-	-	-	-	-	193,212
Intergovernmental receipts	-	-	-	-	-	5,141,467
Charges for services	-	-	-	-	-	2,468,781
Fines and forfeits	-	-	-	-	-	25,138
Utility fees	-	2,597,037	-	-	-	48,379,761
Other receipts	21,512	-	1,068,809	257,340	-	17,677,436
Total receipts	21,512	2,597,037	1,068,809	257,340	-	83,470,806
Disbursements:						
Personal services	-	583,895	-	-	-	17,481,316
Supplies	-	-	-	-	-	1,006,193
Other services and charges	-	21,922	-	-	-	4,408,778
Debt service - principal and interest	-	-	1,068,864	-	-	1,900,193
Capital outlay	-	194,332	-	-	-	2,308,617
Utility operating expenses	-	1,278,910	-	-	-	1,847,166
Other disbursements	-	553,090	-	268,124	574,785	53,113,209
Total disbursements	-	2,632,149	1,068,864	268,124	574,785	82,065,472
Excess (deficiency) of receipts over disbursements	21,512	(35,112)	(55)	(10,784)	(574,785)	1,405,334
Cash and investments - ending	\$ 21,512	\$ 2,273,120	\$ -	\$ -	\$ -	\$ 29,827,769

CITY OF CRAWFORDSVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Electric	\$ -	\$ 687,895
Storm Water	-	34,081
Wastewater	<u>-</u>	<u>121,840</u>
Totals	<u>\$ -</u>	<u>\$ 843,816</u>

CITY OF CRAWFORDSVILLE
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
TCF Equipment Finance	Golf Cart Lease	\$ 2,692	10/20/2015	9/20/2019
TCF Equipment Finance	Street Sweeper	36,817	7/17/2013	7/17/2019
Crawfordsville Fire Station Two Building Corporation	Fire Station	<u>325,500</u>	1/1/2018	1/1/2036
Total for Governmental activities:		<u>365,009</u>		
STORMWATER:				
TCF Equipment Finance	Stormwater Camera System	<u>27,416</u>	8/1/2014	8/1/2018
Total of Annual Lease Payments		<u>\$ 392,425</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	2015 Redvelopment Bond	\$ 960,000	\$ 72,375
Revenue bonds	Commerce Park TIF Bond	2,798,000	341,860
Revenue Bonds	Ivy Tech Lease Bonds	3,321,000	352,500
Notes and loans payable	Fire Department Equipment SCBA	43,443	45,850
Notes and loans payable	Aviation Terminal Mortgage	410,234	30,548
Notes and loans payable	Aviation UDAG Loan	<u>12,716</u>	<u>12,716</u>
Totals		<u>\$ 7,545,393</u>	<u>\$ 855,849</u>

CITY OF CRAWFORDSVILLE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2016

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

	Ending Balance
Governmental activities:	
Land	\$ 3,888,883
Infrastructure	64,269,907
Buildings	14,000,597
Improvements other than buildings	8,221,269
Machinery, equipment, and vehicles	<u>6,219,927</u>
 Total governmental activities	 <u>96,600,583</u>
Electric:	
Land	390,905
Infrastructure	20,749,710
Buildings	224,021
Improvements other than buildings	5,277,433
Machinery, equipment, and vehicles	<u>15,274,458</u>
 Total Electric	 <u>41,916,527</u>
Storm Water:	
Machinery, equipment, and vehicles	<u>353,843</u>
Wastewater:	
Land	106,819
Infrastructure	5,976,683
Buildings	13,839,797
Machinery, equipment, and vehicles	<u>1,440,316</u>
 Total Wastewater	 <u>21,363,615</u>
 Total capital assets	 <u>\$ 160,234,568</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for the Major Federal Program

We have audited the City of Crawfordsville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2016. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and 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). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

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

Report on Internal Control over Compliance


Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or 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. 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 consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002, that we consider to be a material weakness.

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

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


Paul D. Joyce, CPA
State Examiner

November 7, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CITY OF CRAWFORDSVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Signal Preemption			DES# 1383471	\$ -	\$ 1,563
Concord Road			DES# 1400794	-	130,193
Sugar Creek Trail			DES# 1383414	-	33,616
Downtown Trail Loop			DES# 1600605	-	28,696
Total - Highway Planning and Construction Cluster				-	194,068
Airport Improvement Program	Direct Grant	20.106			
Aviation Terminal Building			3-18-0015-014-2015	-	150,000
Extend Runway 4/22: Construction			3-18-0015-013-2014	-	344,275
Total - Airport Improvement Program				-	494,275
Total - Department of Transportation				-	688,343
<u>Department of Health and Human Services</u>					
Assistance Programs for Chronic Disease Prevention and Control	Indiana State Department of Health	93.945			
Community Paramedic			15203	-	156,218
Total - Department of Health and Human Services				-	156,218
Total federal awards expended				\$ -	\$ 844,561

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF CRAWFORDSVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2016. The information in the SEFA 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 SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the 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. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF CRAWFORDSVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit finding disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
20.106	Airport Improvement Program	Unmodified

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

Auditee qualified as low-risk auditee?	no
----------------------------------------	----

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

There were several deficiencies in the internal control system of the City related to financial transactions and reporting. There was a lack of adequate segregation of duties, as the City had not separated incompatible activities related to receipts and disbursements of the financial transactions.

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

Electric Utility Receipts

An Electric Utility employee prepared a daily collection report from the Electric Utility software system, which was provided to the City. The City employee compared the daily collection report to the depository; however, documentation of the review was not provided. The City did not receive any reports from the Electric Utility software system to support the daily collections recorded.

Electric Utility Vendor Disbursements

Checks, check registers, and claims were prepared at the Electric Utility. The checks were sent to the City for the Clerk-Treasurer's review and signature; however, documentation of the review was not provided.

City Vendor Disbursements

One employee compared a transaction listing to the accounts payable vouchers; however, documentation of the review was not provided.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

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. . . ."

Cause

Management had not established a proper system of internal control. An evaluation of the City's system of internal control had not been conducted.

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

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

Recommendation

We recommended that the City's management establish a system of internal controls, including segregation of duties, related to financial transactions and reporting of receipts and disbursements.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Airport Improvement Program - Special Tests and Provisions - Wage Rate Requirements

Federal Agency: Department of Transportation

Federal Program: Airport Improvement Program

CFDA Number: 20.106

Federal Award Numbers and Years (or Other Identifying Numbers): 3-18-0015-013-2014,
3-18-0015-014-2015

Compliance Requirement: Special Tests and Provisions - Wage Rate Requirements

Audit Finding: Material Weakness

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

The City had not designed or implemented adequate internal controls to ensure that the prevailing wage rates were paid by the contractors or subcontractors of the projects. The City hired an engineering firm to oversee compliance with the wage rate requirements without proper oversight or review.

Context

The lack of controls was a systemic issue, which occurred throughout the audit period.

Criteria

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

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

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

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). . . ."

Cause

Management had not developed a system of internal controls to ensure compliance with the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Effect

The failure to establish an effective internal control system, which would include segregation of duties, placed the City at risk of noncompliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance with the grant agreement and the Special Tests and Provisions - Wage Rate Requirements compliance requirement.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

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AUDITEE-PREPARED DOCUMENTS

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

CITY OF
CRAWFORDSVILLE
P.O. Box 329
Crawfordsville, IN 47933

Terri J. Gadd, IAMC
Clerk Treasurer

City Building
(765) 364-5150

October 17, 2018

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

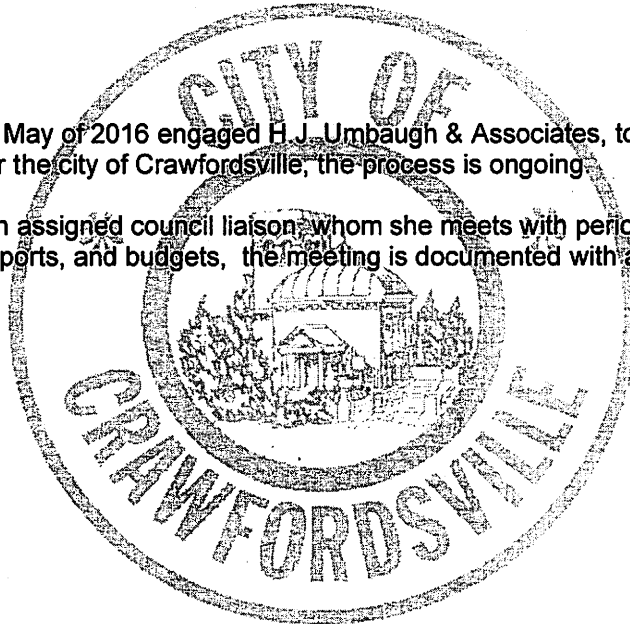
FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015
Contact Person Responsible for Corrective Action: Terri Gadd, Clerk Treasurer
Contact Phone Number: 765 364-5150

Status of Audit Finding:

The city of Crawfordsville May of 2016 engaged H. J. Umbaugh & Associates, to assist with creating an internal control manual for the city of Crawfordsville, the process is ongoing

The clerk treasurer has an assigned council liaison whom she meets with periodically, to review, and discuss, audits, annual reports, and budgets, the meeting is documented with an agenda and memo.



Terri Gadd
(Signature)

Clerk Treasurer
(Title)

Oct 17, 2018
(Date)

CITY OF
CRAWFORDSVILLE
P.O. Box 329
Crawfordsville, IN 47933

Terri J. Gadd, IAMC
Clerk Treasurer

City Building
(765) 364-5150

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Terri Gadd
Contact Phone Number: 765 364-5150

Views of Responsible Official: Management agrees with findings

Description of Corrective Action Plan:

Electric Utility Receipts

Clerk Treasurer office will work with electric department to include a system generated daily collections summary report to the daily collections report submitted to the clerk treasurer office.

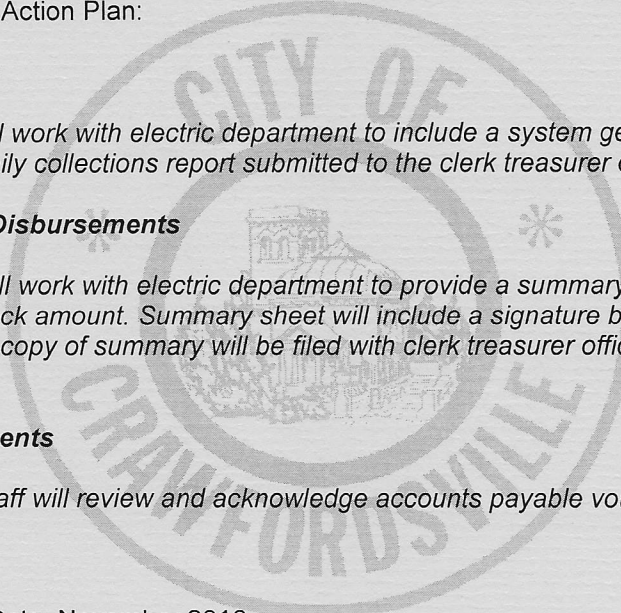
Electric Utility Vendor Disbursements

Clerk Treasurer Office will work with electric department to provide a summary sheet listing check number, vendor, and check amount. Summary sheet will include a signature block for who prepared and who reviewed, and date, copy of summary will be filed with clerk treasurer office, and a copy returned to electric department.

City Vendor Disbursements

Clerk Treasurer Office staff will review and acknowledge accounts payable voucher transaction report.

Anticipated Completion Date: November 2018


Terri Gadd
(Signature)

Clerk Treasurer
(Title)

Nov 1, 2018
(Date)

CITY OF
CRAWFORDSVILLE
P.O. Box 329
Crawfordsville, IN 47933

Terri J. Gadd, IAMC
Clerk Treasurer

City Building
(765) 364-5150

CORRECTIVE ACTION PLAN

FINDING 2016-002

Contact Person Responsible for Corrective Action: Terri Gadd
Contact Phone Number: 765 364-5150

Views of Responsible Official: Management agrees with the findings

Description of Corrective Action Plan:

An effective internal control system was not in place at the city in order to ensure compliance with requirements related to the grant agreement and Special Test and Provisions – Wage Rate Requirement compliance requirement.

The airport authority board will research, review and implement – adequate internal controls to ensure proper oversight is followed when engaging consultants, contractors and sub-contractors for all state and federal assisted projects – the oversight and review will be responsibility of the airport manager and airport board.

Anticipated Completion Date: November 2018

Terri Gadd

(Signature)

Clerk Treasurer

(Title)

Nov 1, 2018

(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.