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

ANNUAL FINANCIAL REPORT

2009

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES

CITY OF HUNTINGBURG

DUBOIS COUNTY, INDIANA



**FILED**  
09/28/2010



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OFFICIALS

| <u>Office</u>   | <u>Official</u>                   | <u>Term</u>  |
|---|-----------------------------------|--|
| Clerk-Treasurer                                       | Thomas A. Dippel                  | 01-01-08 to 12-31-11   |
| Mayor   | Marvin R. Belcher                 | 01-01-08 to 12-31-11   |
| President of the Board of<br>Public Works and Safety  | Marvin R. Belcher                 | 01-01-08 to 12-31-11   |
| President of the<br>Common Council                    | Marvin Boeglin                    | 01-01-09 to 12-31-10   |
| Water, Gas, and Electric<br>Operations Superintendent | Ron McDonald<br>Tony Traylor      | 01-01-08 to 05-15-09<br>05-16-09 to 12-31-10                         |
| Wastewater Utility Superintendent                     | Ron Hall<br>(Vacant)<br>Mike Kemp | 01-01-09 to 06-11-10<br>06-12-10 to 07-23-10<br>07-24-10 to 12-31-10 |



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE WATER, WASTEWATER, ELECTRIC, AND GAS  
UTILITIES, CITY OF HUNTINGBURG, DUBOIS COUNTY, INDIANA

We have examined the accompanying statement of net assets and statement of revenues, expenses, and changes in fund net assets of the Water, Wastewater, Electric, and Gas Utilities, departments of the City of Huntingburg, for the period of January 1, 2009 to December 31, 2009. The Utilities' management is responsible for the financial statements presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note I, the financial statements of the Water, Wastewater, Electric, and Gas Utilities, City of Huntingburg, are intended to present the financial position, and the changes in financial position of only that portion of the business-type activities of the City that is attributable to the transactions of the Utilities. They do not purport to, and do not, present fairly the financial position of the City of Huntingburg as of December 31, 2009, and the changes in its financial position, where applicable, for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The Utilities did not prepare a statement of cash flows for the year ended December 31, 2009. Presentation of such statement summarizing the utilities operating, investing, and financing activities is required by accounting principles generally accepted in the United States of America.

In our opinion, except that the omission of a statement of cash flows results in an incomplete presentation as explained in the preceding paragraph, the financial statements referred to above presents fairly, in all material respects, the financial position of the Utilities for the year ended December 31, 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not examine the information and express no opinion on it.

The Utilities have not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

STATE BOARD OF ACCOUNTS

July 20, 2010

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
STATEMENT OF NET ASSETS  
December 31, 2009

| <u>Assets</u>   | <u>Water<br/>Utility</u> | <u>Wastewater<br/>Utility</u> | <u>Electric<br/>Utility</u> | <u>Gas<br/>Utility</u> |
|---|--------------------------|-------------------------------|-----------------------------|------------------------|
| <b>Current assets:</b>  |                          |                               |                             |                        |
| Operating cash and cash equivalents   | \$ 55,664                | \$ 77,125                     | \$ 2,466,671                | \$ 1,022,186           |
| Reserve cash and cash equivalents   | -                        | -                             | 997,500                     | 5,000                  |
| Investments   | -                        | -                             | 1,500,000                   | 500,000                |
| Accounts receivable (net of allowance)  | 43,782                   | 42,973                        | 87,278                      | 160,095                |
| <b>Interfund receivables:</b>   |                          |                               |                             |                        |
| Interfund services provided and used  | -                        | -                             | -                           | 28                     |
| Inventories   | 88,230                   | 9,060                         | 898,261                     | 1,242,244              |
| <b>Total current assets</b>   | <b>187,676</b>           | <b>129,158</b>                | <b>5,949,710</b>            | <b>2,929,553</b>       |
| <b>Noncurrent assets:</b>   |                          |                               |                             |                        |
| <b>Restricted cash and investments:</b>   |                          |                               |                             |                        |
| Customer deposits cash and investments  | 27,830                   | 42,210                        | 75,800                      | 61,465                 |
| Bond and interest cash and investments  | 36,522                   | 157,626                       | -                           | -                      |
| Debt service reserve cash and investments   | 707,531                  | 340,000                       | -                           | -                      |
| Construction cash and investments   | -                        | 4,485                         | -                           | -                      |
| <b>Total restricted assets</b>  | <b>771,883</b>           | <b>544,321</b>                | <b>75,800</b>               | <b>61,465</b>          |
| Deferred charges  | 4,619                    | -                             | -                           | -                      |
| <b>Capital assets:</b>  |                          |                               |                             |                        |
| Land, improvements to land and construction in progress                               | 98,398                   | 589,785                       | 169,827                     | 1,009,724              |
| Other capital assets (net of accumulated depreciation)                                | 10,473,869               | 9,633,082                     | 5,576,048                   | 1,475,987              |
| <b>Total capital assets</b>   | <b>10,572,267</b>        | <b>10,222,867</b>             | <b>5,745,875</b>            | <b>2,485,711</b>       |
| <b>Total noncurrent assets</b>  | <b>11,348,769</b>        | <b>10,767,188</b>             | <b>5,821,675</b>            | <b>2,547,176</b>       |
| <b>Total assets</b>   | <b>11,536,445</b>        | <b>10,896,346</b>             | <b>11,771,385</b>           | <b>5,476,729</b>       |
| <b>Liabilities</b>  |                          |                               |                             |                        |
| <b>Current liabilities:</b>   |                          |                               |                             |                        |
| Accounts payable  | 60,383                   | 33,007                        | 948,903                     | 398,945                |
| <b>Interfund payables:</b>  |                          |                               |                             |                        |
| Interfund services provided and used  | -                        | -                             | 28                          | -                      |
| Taxes payable   | 6,534                    | -                             | 28,074                      | 16,356                 |
| Accrued wages payable   | 13,222                   | 14,677                        | 17,661                      | 13,622                 |
| Compensated absences  | 30,601                   | 43,082                        | 44,816                      | 37,703                 |
| <b>Current liabilities payable from restricted assets:</b>                            |                          |                               |                             |                        |
| Customer deposits   | 27,830                   | 42,210                        | 75,800                      | 61,465                 |
| Loans payable   | -                        | 153,000                       | -                           | -                      |
| Revenue bonds payable   | -                        | 41,000                        | -                           | -                      |
| Accrued interest payable  | -                        | 41,226                        | -                           | -                      |
| <b>Total current liabilities</b>  | <b>138,570</b>           | <b>368,202</b>                | <b>1,115,282</b>            | <b>528,091</b>         |
| <b>Noncurrent liabilities:</b>  |                          |                               |                             |                        |
| Revenue bonds payable (net of unamortized discounts and deferred amount on refunding) | 232,724                  | 1,791,000                     | -                           | -                      |
| Bond anticipation notes payable   | -                        | 211,000                       | -                           | -                      |
| Loans payable   | 5,670,000                | 2,003,000                     | -                           | -                      |
| <b>Total noncurrent liabilities</b>   | <b>5,902,724</b>         | <b>4,005,000</b>              | <b>-</b>                    | <b>-</b>               |
| <b>Total liabilities</b>  | <b>6,041,294</b>         | <b>4,373,202</b>              | <b>1,115,282</b>            | <b>528,091</b>         |
| <b>Net Assets</b>   |                          |                               |                             |                        |
| Invested in capital assets, net of related debt                                       | 4,642,267                | 6,023,867                     | 5,745,875                   | 2,485,711              |
| Restricted for debt service   | 744,053                  | 497,626                       | -                           | -                      |
| Unrestricted  | 108,831                  | 1,651                         | 4,910,228                   | 2,462,927              |
| <b>Total net assets</b>   | <b>\$ 5,495,151</b>      | <b>\$ 6,523,144</b>           | <b>\$ 10,656,103</b>        | <b>\$ 4,948,638</b>    |

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

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS  
As Of And For The Year Ended December 31, 2009

|   | <u>Water<br/>Utility</u> | <u>Wastewater<br/>Utility</u> | <u>Electric<br/>Utility</u> | <u>Gas<br/>Utility</u> |
|---|--------------------------|-------------------------------|-----------------------------|------------------------|
| Operating revenues:                                       |                          |                               |                             |                        |
| Metered water revenue:                                    |                          |                               |                             |                        |
| Residential   | \$ 519,930               | \$ -                          | \$ -                        | \$ -                   |
| Commercial and industrial sales                           | 1,606,514                | -                             | -                           | -                      |
| Residential sales   | -                        | -                             | 2,371,154                   | 1,579,078              |
| Commercial and industrial sales                           | -                        | -                             | 5,447,466                   | 2,477,285              |
| Public street and highway lighting                        | -                        | -                             | 46,542                      | -                      |
| Fire protection revenue                                   | 118,154                  | -                             | -                           | -                      |
| Penalties   | 6,651                    | 19,469                        | 28,257                      | 10,970                 |
| Measured revenue:   |                          |                               |                             |                        |
| Residential   | -                        | 475,679                       | -                           | -                      |
| Commercial  | -                        | 835,929                       | -                           | -                      |
| Other   | 5,563                    | 3,423                         | 18,418                      | 8,675                  |
| Total operating revenues                                  | <u>2,256,812</u>         | <u>1,334,500</u>              | <u>7,911,837</u>            | <u>4,076,008</u>       |
| Operating expenses:                                       |                          |                               |                             |                        |
| Source of supply and expense - operations and maintenance | 489,012                  | -                             | -                           | -                      |
| Water treatment expense - operations and maintenance      | 155,485                  | -                             | -                           | -                      |
| Production and supply                                     | -                        | -                             | -                           | 2,411,557              |
| Power production  | -                        | -                             | 5,930,248                   | -                      |
| Transmission and distribution                             | 363,629                  | -                             | 581,388                     | 423,033                |
| Collection system - operations and maintenance            | -                        | 147,624                       | -                           | -                      |
| Pumping - operations and maintenance                      | -                        | 10,178                        | -                           | -                      |
| Treatment and disposal - operations and maintenance       | -                        | 404,014                       | -                           | -                      |
| Customer accounts   | 36,758                   | 35,281                        | 42,270                      | 38,808                 |
| Administration and general                                | 413,588                  | 331,774                       | 598,798                     | 506,209                |
| Depreciation and amortization                             | 388,830                  | 246,532                       | 354,501                     | 121,098                |
| Total operating expenses                                  | <u>1,847,302</u>         | <u>1,175,403</u>              | <u>7,507,205</u>            | <u>3,500,705</u>       |
| Operating income  | <u>409,510</u>           | <u>159,097</u>                | <u>404,632</u>              | <u>575,303</u>         |
| Nonoperating revenues (expenses):                         |                          |                               |                             |                        |
| Interest and investment revenue                           | 17,864                   | 13,426                        | 81,977                      | 28,045                 |
| Miscellaneous revenue                                     | 13,789                   | 4,687                         | 117,429                     | 20,449                 |
| Interest expense  | (213,090)                | (147,989)                     | -                           | -                      |
| Miscellaneous expense                                     | (3,221)                  | -                             | (19,979)                    | (5,586)                |
| Total nonoperating revenues (expenses)                    | <u>(184,658)</u>         | <u>(129,876)</u>              | <u>179,427</u>              | <u>42,908</u>          |
| Income (loss) before contributions and transfers          | 224,852                  | 29,221                        | 584,059                     | 618,211                |
| Capital contributions                                     | 29,768                   | 100,000                       | 104,840                     | -                      |
| Transfers out   | (95,990)                 | (88,275)                      | (278,513)                   | (188,593)              |
| Change in net assets                                      | 158,630                  | 40,946                        | 410,386                     | 429,618                |
| Total net assets - beginning                              | <u>5,336,521</u>         | <u>6,482,198</u>              | <u>10,245,717</u>           | <u>4,519,020</u>       |
| Total net assets - ending                                 | <u>\$ 5,495,151</u>      | <u>\$ 6,523,144</u>           | <u>\$ 10,656,103</u>        | <u>\$ 4,948,638</u>    |

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

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The financial statements reflect only the activity of the Utilities and are not intended to present fairly the position of the City of Huntingburg (City), and the results of its operations of its enterprise funds. The Utilities, whose operations are controlled by the City, represent a substantial portion of the City's enterprise funds.

B. Fund Financial Statements

Business-type activity financial statements consist of the Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Fund Net Assets. Business-type activities rely to a significant extent on fees and charges for support.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The accounts of the business-type activity are maintained and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance for their enterprise funds.

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The Utilities' cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (IC 5-13-9) authorizes the Utilities to invest in securities, including but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Inventories

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

3. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets balance sheet because their use is limited by applicable bond covenants.

4. Capital Assets

Capital assets, which include property, plant, and equipment, are reported in the financial statements.

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.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets are as follows:

|                                   | Capitalization<br>Threshold | Depreciation<br>Method | Estimated<br>Useful Life |
|-----------------------------------|-----------------------------|------------------------|--------------------------|
| <b>Water Utility:</b>             |                             |                        |                          |
| Buildings                         | \$ 1,000                    | Straight-line          | 66.7 years               |
| Improvements other than buildings | 1,000                       | Straight-line          | 33.3 to 66.7 years       |
| Machinery and equipment           | 1,000                       | Straight-line          | 10.0 years               |
| Transportation equipment          | 1,000                       | Straight-line          | 10.0 years               |
| <b>Wastewater Utility:</b>        |                             |                        |                          |
| Buildings                         | 1,000                       | Straight-line          | 50.0 years               |
| Improvements other than buildings | 1,000                       | Straight-line          | 66.7 years               |
| Machinery and equipment           | 1,000                       | Straight-line          | 10.0 years               |
| Transportation equipment          | 1,000                       | Straight-line          | 10.0 years               |
| <b>Electric Utility:</b>          |                             |                        |                          |
| Buildings                         | 1,000                       | Straight-line          | 33.3 years               |
| Improvements other than buildings | 1,000                       | Straight-line          | 20.0 years               |
| Machinery and equipment           | 1,000                       | Straight-line          | 10.0 years               |
| Transportation equipment          | 1,000                       | Straight-line          | 10.0 years               |
| <b>Gas Utility:</b>               |                             |                        |                          |
| Buildings                         | 1,000                       | Straight-line          | 33.3 years               |
| Improvements other than buildings | 1,000                       | Straight-line          | 33.3 years               |
| Machinery and equipment           | 1,000                       | Straight-line          | 20.0 years               |
| Transportation equipment          | 1,000                       | Straight-line          | 10.0 years               |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed.

5. Compensated Absences

- a. Sick Leave – The Utilities' employees earn 30 hours of sick leave on January 1 and an additional 26 hours on July 1 of each year. Unused sick leave may be accumulated to a maximum of 172 hours. Accumulated sick leave is paid to employees upon separation from employment if the employee is not terminated for cause.
- b. Vacation Leave – The Utilities' employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Vacation leave must be used before the next employment anniversary date with the exception that 5 days of vacation leave, not taken by the employment anniversary date, may be carried over to the next 12 months. Unused vacation leave is paid to employees upon separation from employment.
- c. Personal Leave – The Utilities' employees earn personal leave at the rate of 2 days per year. Personal leave does not accumulate from year to year.

Vacation and sick leave is accrued when incurred.

No liability is reported for personal leave.

6. Long-Term Obligations

Long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

II. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The utilities do not have a deposit policy for custodial credit risk; however, the Utilities are not exposed to custodial credit risk at this time. At December 31, 2009, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

|  | Beginning<br>Balance | Increases           | Decreases        | Ending<br>Balance    |
|--|----------------------|---------------------|------------------|----------------------|
| Water Utility:                               |                      |                     |                  |                      |
| Capital assets, not being depreciated:       |                      |                     |                  |                      |
| Land   | \$ 98,398            | \$ -                | \$ -             | \$ 98,398            |
| Capital assets, being depreciated:           |                      |                     |                  |                      |
| Buildings                                    | 5,422,173            | -                   | 6,926            | 5,415,247            |
| Improvements other than buildings            | 7,471,591            | 34,817              | 483,767          | 7,022,641            |
| Machinery and equipment                      | 1,714,352            | 10,840              | 107,464          | 1,617,728            |
| Transportation equipment                     | 263,751              | 4,940               | 44,381           | 224,310              |
| Less accumulated depreciation for:           |                      |                     |                  |                      |
| Buildings                                    | (380,549)            | (80,582)            | (6,925)          | (454,206)            |
| Improvements other than buildings            | (2,618,655)          | (154,543)           | (483,767)        | (2,289,431)          |
| Machinery and equipment                      | (883,442)            | (138,110)           | (107,464)        | (914,088)            |
| Transportation equipment                     | (172,730)            | (15,595)            | (39,993)         | (148,332)            |
| Total Water Utility capital assets, net      | <u>\$ 10,914,889</u> | <u>\$ (338,233)</u> | <u>\$ 4,389</u>  | <u>\$ 10,572,267</u> |
| Wastewater Utility:                          |                      |                     |                  |                      |
| Capital assets, not being depreciated:       |                      |                     |                  |                      |
| Land   | \$ 234,249           | \$ 5,000            | \$ -             | \$ 239,249           |
| Construction in progress                     | 60,187               | 290,349             | -                | 350,536              |
| Capital assets, being depreciated:           |                      |                     |                  |                      |
| Buildings                                    | 1,433,172            | -                   | 68,632           | 1,364,540            |
| Improvements other than buildings            | 10,902,745           | -                   | 28,535           | 10,874,210           |
| Machinery and equipment                      | 1,272,795            | 12,163              | 130,248          | 1,154,710            |
| Transportation equipment                     | 91,194               | 4,940               | 16,961           | 79,173               |
| Less accumulated depreciation for:           |                      |                     |                  |                      |
| Buildings                                    | (398,498)            | (28,530)            | (63,982)         | (363,046)            |
| Improvements other than buildings            | (2,400,980)          | (163,493)           | (24,073)         | (2,540,400)          |
| Machinery and equipment                      | (962,702)            | (49,622)            | (129,516)        | (882,808)            |
| Transportation equipment                     | (65,371)             | (4,887)             | (16,961)         | (53,297)             |
| Total Wastewater Utility capital assets, net | <u>\$ 10,166,791</u> | <u>\$ 65,920</u>    | <u>\$ 9,844</u>  | <u>\$ 10,222,867</u> |
| Electric Utility:                            |                      |                     |                  |                      |
| Capital assets, not being depreciated:       |                      |                     |                  |                      |
| Land   | \$ 169,827           | \$ -                | \$ -             | \$ 169,827           |
| Capital assets, being depreciated:           |                      |                     |                  |                      |
| Buildings                                    | 739,515              | 38,100              | 19,024           | 758,591              |
| Improvements other than buildings            | 8,229,630            | 36,600              | 394,450          | 7,871,780            |
| Machinery and equipment                      | 2,364,692            | 9,639               | 147,043          | 2,227,288            |
| Transportation equipment                     | 677,263              | 181,011             | 62,579           | 795,695              |
| Less accumulated depreciation for:           |                      |                     |                  |                      |
| Buildings                                    | (525,414)            | (23,053)            | (19,024)         | (529,443)            |
| Improvements other than buildings            | (3,663,265)          | (232,338)           | (375,890)        | (3,519,713)          |
| Machinery and equipment                      | (1,642,829)          | (56,799)            | (87,553)         | (1,612,075)          |
| Transportation equipment                     | (494,415)            | (42,311)            | (120,651)        | (416,075)            |
| Total Electric Utility capital assets, net   | <u>\$ 5,855,004</u>  | <u>\$ (89,151)</u>  | <u>\$ 19,978</u> | <u>\$ 5,745,875</u>  |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

|   | Beginning<br>Balance | Increases   | Decreases | Ending<br>Balance |
|---|----------------------|-------------|-----------|-------------------|
| Gas Utility:                              |                      |             |           |                   |
| Capital assets, not being depreciated:    |                      |             |           |                   |
| Land                                      | \$ 14,324            | \$ -        | \$ -      | \$ 14,324         |
| Gas storage leases and rights*            | 995,400              | -           | -         | 995,400           |
| Capital assets, being depreciated:        |                      |             |           |                   |
| Buildings                                 | 289,462              | -           | 28,014    | 261,448           |
| Improvements other than buildings         | 3,805,592            | -           | 521,707   | 3,283,885         |
| Machinery and equipment                   | 763,509              | 13,353      | 257,847   | 519,015           |
| Transportation equipment                  | 193,523              | 36,252      | 52,147    | 177,628           |
| Cushion gas in place*                     | 493,253              | -           | -         | 493,253           |
| Less accumulated depreciation for:        |                      |             |           |                   |
| Buildings                                 | (141,524)            | (8,635)     | (28,014)  | (122,145)         |
| Improvements other than buildings         | (3,054,233)          | (72,615)    | (512,254) | (2,614,594)       |
| Machinery and equipment                   | (621,534)            | (25,911)    | (257,848) | (389,597)         |
| Transportation equipment                  | (146,366)            | (8,987)     | (52,147)  | (103,206)         |
| Cushion gas in place*                     | (24,750)             | (4,950)     | -         | (29,700)          |
| <br>Total Gas Utility capital assets, net | <br>\$ 2,566,656     | \$ (71,493) | \$ 9,452  | \$ 2,485,711      |

\*Gas storage leases and rights include the development of the gas storage field including all leases, easements, storage rights and equipment. Cushion gas in place is an amount of gas needed to be maintained in order to maintain enough gas pressure to operate the Gas Utility.

Depreciation expense was charged to functions/programs of the Utilities as follows:

|                            |              |
|----------------------------|--------------|
| Water                      | \$ 388,830   |
| Wastewater                 | 246,532      |
| Electric                   | 354,501      |
| Gas                        | 121,098      |
| Total depreciation expense | \$ 1,110,961 |

C. Construction Commitments

Construction work in progress is composed of the following:

| Project             | Total<br>Project<br>Authorized | Expended to<br>December 31,<br>2009 | Committed | Required<br>Future<br>Funding |
|---------------------|--------------------------------|-------------------------------------|-----------|-------------------------------|
| Wastewater Utility: |                                |                                     |           |                               |
| Inflow infiltration | \$ 34,500                      | \$ 34,500                           | \$ -      | \$ -                          |
| Facilities planning | 25,097                         | 25,097                              | -         | -                             |
| Sewer construction  | 290,939                        | 290,939                             | -         | -                             |
| <br>Totals          | <br>\$ 350,536                 | \$ 350,536                          | \$ -      | \$ -                          |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
 CITY OF HUNTINGBURG  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

D. Interfund Balances and Activity

1. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2009, is as follows:

| <u>Due To</u> | <u>Electric<br/>Utility</u> |
|---------------|-----------------------------|
| Gas Utility   | <u>\$ 28</u>                |

Interfund balances resulted from the time lag between the dates that (1) interfund loans are repaid, (2) interfund goods and services are provided or reimbursable expenditures occur, (3) transactions are recorded in the accounting system and (4) payments between funds are made.

2. Interfund Transfers

Interfund transfers at December 31, 2009, were as follows:

| <u>Transfer From</u> | <u>Transfer To<br/>General<br/>Fund</u> |
|----------------------|---|
| Water Utility        | \$ 95,990                               |
| Wastewater Utility   | 88,275                                  |
| Electric Utility     | 278,513                                 |
| Gas Utility          | <u>188,593</u>                          |
| Total                | <u>\$ 651,371</u>                       |

The Utilities typically use transfers to fund ongoing operating subsidies.

E. Long-Term Liabilities

1. Revenue Bonds

The Utilities issue bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

| <u>Purpose</u>   | <u>Interest<br/>Rates</u> | <u>Amount</u>       |
|--|---------------------------|---------------------|
| 1998 Waterworks refunding revenue bonds                    | 4.95%                     | \$ 260,000          |
| 1994 Wastewater improvement revenue bonds, treatment plant | 4.50%                     | <u>1,832,000</u>    |
| Total  |                           | <u>\$ 2,092,000</u> |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Revenue bonds debt service requirements to maturity are as follows:

| Year Ended<br>December 31 | Water Utility     |                  | Wastewater Utility  |                     |
|---------------------------|-------------------|------------------|---------------------|---------------------|
|                           | Principal         | Interest         | Principal           | Interest            |
| 2010                      | \$ -              | \$ 6,435         | \$ 41,000           | \$ 82,442           |
| 2011                      | 125,000           | 9,776            | 43,000              | 80,596              |
| 2012                      | 135,000           | 3,341            | 44,000              | 78,662              |
| 2013                      | -                 | -                | 47,000              | 76,682              |
| 2014                      | -                 | -                | 49,000              | 74,566              |
| 2015-2019                 | -                 | -                | 279,000             | 337,732             |
| 2020-2024                 | -                 | -                | 350,000             | 268,880             |
| 2025-2029                 | -                 | -                | 437,000             | 182,614             |
| 2030-2034                 | -                 | -                | 542,000             | 75,244              |
| Totals                    | <u>\$ 260,000</u> | <u>\$ 19,552</u> | <u>\$ 1,832,000</u> | <u>\$ 1,257,418</u> |

2. State Revolving Loan Fund

Waterworks Revolving Loan Fund

Under the terms of the State Revolving Loan Fund, revenue bonds were purchased by the Indiana Bond Bank, the proceeds of which were used to finance the construction of improvements to the waterworks system including a water treatment plant and a water tower. Funds were loaned to the Water Utility as construction costs accrued to the maximum allowed. The 2000 loan established a maximum draw of \$8,500,000. At the completion of construction, the outstanding principal balance of \$8,500,000 was amortized over a period of 20 years. Annual debt service requirements to maturity for the loan, including interest of \$1,124,794, are as follows:

|           |                     |
|-----------|---------------------|
| 2010      | \$ 82,215           |
| 2011      | 560,601             |
| 2012      | 559,784             |
| 2013      | 559,632             |
| 2014      | 560,119             |
| 2015-2019 | 2,796,756           |
| 2020-2024 | <u>1,675,687</u>    |
| Total     | <u>\$ 6,794,794</u> |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
 CITY OF HUNTINGBURG  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Wastewater Revolving Loan Fund

Under the terms of the State Revolving Loan Fund, revenue bonds were purchased by the Indiana Bond Bank, the proceeds of which were used to finance the construction of sanitary sewers to areas adjacent to the City. Funds were loaned to the Wastewater Utility as construction costs accrued to the maximum allowed. The 1999 loan established a maximum draw of \$3,230,000. At the completion of construction, the outstanding principal balance of \$3,230,000 was amortized over a period of 20 years. Annual debt service requirements to maturity for this loan, including \$396,314 in interest, are as follows:

|           |                            |
|-----------|----------------------------|
| 2010      | \$ 184,262                 |
| 2011      | 215,087                    |
| 2012      | 215,534                    |
| 2013      | 215,836                    |
| 2014      | 214,993                    |
| 2015-2019 | 1,076,593                  |
| 2018-2022 | <u>430,009</u>             |
| Total     | <u><u>\$ 2,552,314</u></u> |

3. Bond Anticipation Note

The Wastewater Utility entered into a bond anticipation note agreement with Integra Bank on December 1, 2008, to finance wastewater system improvements. There is a maximum credit limit of \$1,000,000 with a fixed interest rate of 2.09%. The Wastewater Utility had an outstanding balance of \$211,000 as of December 31, 2009.

4. Advance Refunding

In prior years, the Water Utility defeased certain revenue bonds by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments of the old bonds. Accordingly, the trust account assets and the liability for the defeased bonds are not included in the Water Utility's financial statements. The following outstanding bonds, at December 31, 2009, were considered defeased:

|  |                          |
|--|--------------------------|
|  | <u>Amount</u>            |
| 1990 Waterworks revenue bonds,<br>Series A and B | <u><u>\$ 410,000</u></u> |

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

|                                      | Beginning<br>Balance | Additions         | Reductions        | Ending<br>Balance    | Due<br>Within<br>One Year |
|--------------------------------------|----------------------|-------------------|-------------------|----------------------|---------------------------|
| Revenue bonds payable:               |                      |                   |                   |                      |                           |
| Wastewater Utility                   | \$ 1,871,000         | \$ -              | \$ 39,000         | \$ 1,832,000         | \$ 41,000                 |
| Water Utility                        | 380,000              | -                 | 120,000           | 260,000              | -                         |
| Less unamortized discount            | 4,886                | -                 | 1,628             | 3,258                | -                         |
| Less deferred amount<br>on refunding | <u>36,029</u>        | <u>-</u>          | <u>12,011</u>     | <u>24,018</u>        | <u>-</u>                  |
| Total revenue<br>bonds payable       | 2,210,085            | -                 | 145,361           | 2,064,724            | 41,000                    |
| Loans payable:                       |                      |                   |                   |                      |                           |
| Water Utility                        | 6,060,000            | -                 | 390,000           | 5,670,000            | -                         |
| Wastewater Utility                   | 2,304,000            | -                 | 148,000           | 2,156,000            | 153,000                   |
| Bond anticipation note:              |                      |                   |                   |                      |                           |
| Wastewater Utility                   | <u>50,000</u>        | <u>261,000</u>    | <u>100,000</u>    | <u>211,000</u>       | <u>-</u>                  |
| Total long-term liabilities          | <u>\$ 10,624,085</u> | <u>\$ 261,000</u> | <u>\$ 783,361</u> | <u>\$ 10,101,724</u> | <u>\$ 194,000</u>         |

F. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

|                         | Water<br>Utility  | Wastewater<br>Utility | Electric<br>Utility | Gas<br>Utility   |
|-------------------------|-------------------|-----------------------|---------------------|------------------|
| Customer deposits       | \$ 27,830         | \$ 42,210             | \$ 75,800           | \$ 61,465        |
| Bond and interest       | 36,522            | 157,626               | -                   | -                |
| Debt service reserve    | 707,531           | 340,000               | -                   | -                |
| Construction            | <u>-</u>          | <u>4,485</u>          | <u>-</u>            | <u>-</u>         |
| Total restricted assets | <u>\$ 771,883</u> | <u>\$ 544,321</u>     | <u>\$ 75,800</u>    | <u>\$ 61,465</u> |

III. Other Information

A. Risk Management

The Utilities are 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 (excluding postemployment benefits); and natural 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 no significant reductions in insurance by major category of risk.

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Medical Benefits to Employees, Retirees, and Dependents

The Utilities have chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$45,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Job Related Illnesses and Injuries to Employees

During 1991, the Utilities joined together with other governmental entities to form the Indiana Public Employer's Plan, a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses and injuries to employees. The Utilities pay an annual premium to the risk pool for its job related illnesses and 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.

B. Subsequent Events

Wastewater Improvement Project

On February 19, 2010, the Board of Public Works and Safety awarded a bid to Graves Plumbing Company, Inc., in the amount of \$2,558,759 for the construction of flood protection and wet weather equalization and sludge system improvements to the wastewater treatment plant.

Under the terms of the State Revolving Loan Fund, revenue bonds were sold to the Indiana Bond Bank on February 17, 2010, the proceeds of which are to be used to finance the wastewater improvement project described above. Funds will be loaned to the Wastewater Utility as construction costs are incurred to a maximum of \$1,200,000. At the completion of construction, the outstanding principal balance will be amortized over a period of 20 years.

In addition to the \$1,200,000 State Revolving Loan, the City of Huntingburg was awarded a \$1,300,000 Economic Development Administration Grant, \$119,725 grant from the Office of Community and Rural Affairs, and a \$400,000 State Revolving Fund Grant to finance the project.

C. Rate Structure

1. Water Utility

On March 18, 1986, the City Council adopted Ordinance No. 86-8 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the City Council on December 15, 2009. The Utility has 2,451 customers.

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Wastewater Utility

The current rate structure was approved by the City Council on December 15, 2009. The Utility has 2,526 customers.

3. Electric Utility

On March 18, 1986, the City Council adopted Ordinance No. 86-8 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the City Council on December 12, 2006. The Utility has 3,305 customers.

4. Gas Utility

On March 18, 1986, the City Council adopted Ordinance No. 86-8 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the City Council on October 25, 2001, and amended on November 29, 2001, and on September 15, 2005. The Utility has 3,342 customers.

D. Pension Plan

Public Employees' Retirement Fund

Plan Description

The City, including the Utilities, contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Utilities 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 member's contributions, set by state statute at three 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.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund  
Harrison Building, Room 800  
143 West Market Street  
Indianapolis, IN 46204  
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The Utilities' annual pension cost and related information, as provided by the actuary, is presented in this note.

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available. Therefore, the liability for Net Pension Obligation (NPO) is considered an obligation of the City as a whole.

Actuarial Information for the Above Plan

|   | PERF        |
|---|-------------|
| Annual required contribution                  | \$ 154,091  |
| Interest on net pension obligation            | (719)       |
| Adjustment to annual required contribution    | 820         |
| Annual pension cost                           | 154,192     |
| Contributions made                            | 161,033     |
| Increase (decrease) in net pension obligation | (6,841)     |
| Net pension obligation, beginning of year     | (9,922)     |
| Net pension obligation, end of year           | \$ (16,763) |

|                                 | PERF  |
|---------------------------------|---|
| Contribution rates:             |   |
| Utilities                       | 8%  |
| Plan members                    | 3%  |
| Actuarial valuation date        | 07-01-07  |
| Actuarial cost method           | Entry age   |
| Amortization method             | Level percentage<br>of projected<br>payroll, closed |
| Amortization period             | 40 years  |
| Amortization period (from date) | 07-01-97  |
| Asset valuation method          | 4 year<br>smoothed market                           |

| <u>Actuarial Assumptions</u>       | PERF  |
|------------------------------------|-------|
| Investment rate of return          | 7.25% |
| Projected future salary increases: |       |
| Total                              | 5%    |
| Attributed to inflation            | 4%    |
| Attributed to merit/seniority      | 1%    |
| Cost-of-living adjustments         | 2%    |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
 CITY OF HUNTINGBURG  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Three Year Trend Information

|      | <u>Year Ending</u> | <u>Annual<br/>Pension Cost<br/>(APC)</u> | <u>Percentage<br/>of APC<br/>Contributed</u> | <u>Net<br/>Pension<br/>Obligation</u> |
|------|--------------------|--|--|---------------------------------------|
| PERF | 06-30-07           | \$ 135,112                               | 91%  | \$ 15,455                             |
|      | 06-30-08           | 130,589                                  | 119%   | (9,922)                               |
|      | 06-30-09           | 154,192                                  | 104%   | (16,763)                              |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
 CITY OF HUNTINGBURG  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Plan

| Actuarial<br>Valuation<br>Date | Actuarial<br>Value of<br>Assets<br>(a) | Actuarial<br>Accrued<br>Liability<br>(AAL)<br>(b) | Unfunded<br>AAL<br>(a-b) | Funded<br>Ratio<br>(a/b) | Covered<br>Payroll<br>(c) | Unfunded<br>AAL as a<br>Percentage<br>of Covered<br>Payroll<br>((a-b)/c) |
|--------------------------------|--|---|--------------------------|--------------------------|---------------------------|--|
| 07-01-07                       | \$ 2,718,897                           | \$ 3,022,206                                      | \$ (303,309)             | 90%                      | \$ 1,872,711              | (16%)  |
| 07-01-08                       | 2,998,971                              | 3,210,557   | (211,586)                | 93%                      | 1,926,143                 | (11%)  |
| 07-01-09                       | 2,807,119                              | 3,520,564   | (713,445)                | 80%                      | 2,148,200                 | (33%)  |

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
AUDIT RESULTS AND COMMENTS

EXPENDITURE OF UTILITY FUNDS

The City used an internal service fund "City Office" to accumulate all disbursements throughout the year for expenses to operate the City Hall which houses both City and Utility offices. These expenses were prorated between City and Utility expense accounts monthly. The percentage used in calculating the proration depends on the account number the expense was posted to within the City Office account. Based on a review of the disbursements between City and Utility expense accounts, the following items were noted:

- (1) The four Utilities paid 80% and the City paid 20% of the utility bills for the City Hall building with the exception of \$3,000 per year that was paid from the Transportation Fund (transit van). City Hall utility bills charged to the Utilities for 2009 totaled \$9,360.
- (2) Charges for routine maintenance of computer software and hardware, as well as new computers, software, and computer-related equipment for the City, were paid 80% from the utility funds and 20% from the City. The charge to the Utilities for these items was \$35,413 for 2009. In addition, charges to fix specific problems were charged to the department that incurred the problem.
- (3) Charges for GIS software maintenance, painting and repairs/maintenance at City Hall, office supplies, code books, the Mayor's training and travel expenses to various conferences, chairs for the Clerk-Treasurer's office, a new copier, and various promotional items were also paid 80% from the Utility funds and 20% from the City. The charge to the Utilities for these items was \$53,993 for 2009.
- (4) Due to improper coding of claims, the utilities paid the entire portion of food for employee meetings and an oil change on the Mayor's car and for meals related to the Chestnut Street project. The charge to the Utilities for these items was \$156 for 2009.

The total costs charged to the City Office account during 2009 were \$197,456. Of this amount, the Utilities paid \$169,116 or 86%.

Also, in 2009, the Utilities paid the entire cost of the Mayor's car which totaled \$19,759.

There was no documentation to support the calculation of the percentages used for prorating expenses.

The above expenses paid by the Utilities were in addition to the residual equity transfers that were made from the Utilities' cash reserve funds to the City General Fund for 2009 that amounted to \$175,000 from the Electric Utility and \$175,000 from the Gas Utility.

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
AUDIT RESULTS AND COMMENTS  
(Continued)

Expenses paid from utility funds should be directly related to the operation of the municipally owned utility. Expenditures for city and town operating costs should not be paid from utility funds. Furthermore, the utility funds should not be used to pay for personal items. The cost of shared employees and equipment by two or more utilities should be prorated in a rational manner. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Establishment of a cash reserve fund permits transfer of surplus utility funds to the city and town general fund. After appropriation, such transferred funds may then be used for any legal general fund purpose. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment appeared in prior reports.

RECORD OF HOURS WORKED

Several officials and employees were paid salaries from more than one fund and/or department. A record of hours worked for each was not presented for audit.

IC 5-11-9-4(b) states in part: ". . . records be maintained showing which hours were worked each day by officers and employees . . . employed . . . in more than one (1) position by the same public agency . . ."

A similar comment appeared in prior reports.

ANNUAL REPORT

The Annual Report was filed on April 1, 2010, which is not considered timely.

IC 5-11-1 states in part:

"The state examiner shall require from every municipality and every state or local governmental unit, entity, or instrumentality financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year."

WATER, WASTEWATER, ELECTRIC, AND GAS UTILITIES  
CITY OF HUNTINGBURG  
EXIT CONFERENCE

The contents of this report were discussed on July 20, 2010, with Marvin R. Belcher, Mayor; Thomas A. Dippel, Clerk-Treasurer; and Marvin L. Boeglin, President of the Common Council. The officials concurred with our audit findings.

The contents of this report were also discussed on July 20, 2010, with Tony Traylor, Water, Gas, and Electric Operations Superintendent.