

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

ANNUAL FINANCIAL REPORT

2010

CITY OF HUNTINGTON

HUNTINGTON COUNTY, INDIANA



**FILED**  
05/19/2011



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Christi A. Scher	01-01-08 to 12-31-11
Mayor	Steven D. Updike	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Steven D. Updike	01-01-08 to 12-31-11
President of the Common Council	Ervin R. Ebersole Stephen W. McIntyre	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Water Utility	Darold L. Harlan, Jr.	01-01-10 to 12-31-11
Superintendent of Wastewater Utility	Collin E. Bullock	01-01-10 to 12-31-11
Operations Manager	Ruth A. Marsh	01-01-10 to 12-31-11



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF HUNTINGTON, HUNTINGTON COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington (City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2010, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 20, 2011, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS  
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress and Schedule of Contributions From the Employer and Other Contributing Entities, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. 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 audit the information and express no opinion on it.

The City has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 20, 2011



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF HUNTINGTON, HUNTINGTON COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Huntington (City), as of and for the year ended December 31, 2010, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 20, 2011. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON  
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS  
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS  
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are 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.

This report is intended solely for the information and use of the City's management, Common Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 20, 2011

CITY OF HUNTINGTON  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2010

Functions/Programs	Program Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 3,331,490	\$ 198,501	\$ -	\$ 37,943	\$ (3,095,046)	\$ -	\$ (3,095,046)
Public safety	5,150,404	101,710	51,006	475,283	(4,522,405)	-	(4,522,405)
Highways and streets	1,061,840	21,099	453,955	78,117	(508,669)	-	(508,669)
Sanitation	851,631	774,082	-	-	(77,549)	-	(77,549)
Economic development	2,176,162	-	-	-	(2,176,162)	-	(2,176,162)
Culture and recreation	490,003	86,883	-	-	(403,120)	-	(403,120)
Urban redevelopment and housing	81,525	-	-	81,525	-	-	-
Principal and interest on indebtedness	1,081,630	-	-	-	(1,081,630)	-	(1,081,630)
Total governmental activities	<u>14,224,685</u>	<u>1,182,275</u>	<u>504,961</u>	<u>672,868</u>	<u>(11,864,581)</u>	<u>-</u>	<u>(11,864,581)</u>
Business-type activities:							
Wastewater	4,695,840	3,660,840	-	-	-	(1,035,000)	(1,035,000)
Water	2,233,520	2,454,984	-	-	-	221,464	221,464
Total business-type activities	<u>6,929,360</u>	<u>6,115,824</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(813,536)</u>	<u>(813,536)</u>
Total primary government	<u>\$ 21,154,045</u>	<u>\$ 7,298,099</u>	<u>\$ 504,961</u>	<u>\$ 672,868</u>	<u>(11,864,581)</u>	<u>(813,536)</u>	<u>(12,678,117)</u>
General receipts:							
Property taxes					8,611,809	-	8,611,809
Intergovernmental					4,352,866	-	4,352,866
Other local sources					509,932	119,719	629,651
Net proceeds from borrowings					-	1,981,000	1,981,000
Grants and contributions not restricted to specific programs					45,239	-	45,239
Investment earnings					45,910	10,064	55,974
Total general receipts					<u>13,565,756</u>	<u>2,110,783</u>	<u>15,676,539</u>
Change in net assets					1,701,175	1,297,247	2,998,422
Net assets - beginning					<u>8,521,324</u>	<u>3,114,975</u>	<u>11,636,299</u>
Net assets - ending					<u>\$ 10,222,499</u>	<u>\$ 4,412,222</u>	<u>\$ 14,634,721</u>
<u>Assets</u>							
Cash and investments					\$ 7,544,889	\$ 803,943	\$ 8,348,832
Restricted assets:							
Cash and investments					<u>2,677,610</u>	<u>3,608,279</u>	<u>6,285,889</u>
Total assets					<u>\$ 10,222,499</u>	<u>\$ 4,412,222</u>	<u>\$ 14,634,721</u>
<u>Net Assets</u>							
Restricted for:							
Highways and streets					\$ 116,569	\$ -	\$ 116,569
Culture and recreation					600	-	600
Debt service					523,056	1,746,044	2,269,100
Capital outlay					2,037,385	-	2,037,385
Other purposes					-	1,862,235	1,862,235
Unrestricted					<u>7,544,889</u>	<u>803,943</u>	<u>8,348,832</u>
Total net assets					<u>\$ 10,222,499</u>	<u>\$ 4,412,222</u>	<u>\$ 14,634,721</u>

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

CITY OF HUNTINGTON  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2010

	General Fund	2008 Consolidated TIF	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 5,208,199	\$ 1,784,302	\$ 1,619,308	\$ 8,611,809
Special assessments	1,260	-	10,700	11,960
Licenses and permits	3,623	-	5,720	9,343
Intergovernmental	3,026,520	-	2,510,775	5,537,295
Charges for services	350,142	-	773,596	1,123,738
Fines and forfeits	25,273	-	11,961	37,234
Other	477,748	-	100,380	578,128
	<u>9,092,765</u>	<u>1,784,302</u>	<u>5,032,440</u>	<u>15,909,507</u>
<b>Total receipts</b>				
<b>Disbursements:</b>				
General government	2,854,407	-	462,095	3,316,502
Public safety	4,216,870	-	347,698	4,564,568
Highways and streets	571,279	-	446,828	1,018,107
Sanitation	-	-	401,631	401,631
Economic development	-	1,057,963	1,118,199	2,176,162
Culture and recreation	-	-	487,640	487,640
Urban redevelopment and housing	-	-	81,525	81,525
<b>Debt service:</b>				
Principal	87,325	296,701	439,595	823,621
Interest	22,564	55,738	179,707	258,009
<b>Capital outlay:</b>				
General government	-	-	22,265	22,265
Public safety	110,554	-	475,282	585,836
Highways and streets	-	-	43,733	43,733
Sanitation	-	-	450,000	450,000
Culture and recreation	-	-	2,363	2,363
	<u>7,862,999</u>	<u>1,410,402</u>	<u>4,958,561</u>	<u>14,231,962</u>
<b>Total disbursements</b>				
Excess of receipts over disbursements	<u>1,229,766</u>	<u>373,900</u>	<u>73,879</u>	<u>1,677,545</u>
<b>Other financing sources (uses):</b>				
Transfers in	-	-	28,935	28,935
Transfers out	-	-	(28,935)	(28,935)
Other receipts	9,867	-	6,486	16,353
	<u>9,867</u>	<u>-</u>	<u>6,486</u>	<u>16,353</u>
<b>Total other financing sources (uses)</b>				
Excess of receipts and other financing sources over disbursements and other financing uses	1,239,633	373,900	80,365	1,693,898
Cash and investment fund balance - beginning	<u>44,945</u>	<u>3,372,696</u>	<u>4,969,097</u>	<u>8,386,738</u>
Cash and investment fund balance - ending	<u>\$ 1,284,578</u>	<u>\$ 3,746,596</u>	<u>\$ 5,049,462</u>	<u>10,080,636</u>
<b>Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:</b>				
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				<u>141,863</u>
Net assets of governmental activities				<u>\$ 10,222,499</u>
<b>Cash and Investment Assets - Ending</b>				
Cash and investments	\$ 1,284,578	\$ 3,746,596	\$ 2,371,852	\$ 7,403,026
<b>Restricted assets:</b>				
Cash and investments	<u>-</u>	<u>-</u>	<u>2,677,610</u>	<u>2,677,610</u>
Total cash and investment assets - ending	<u>\$ 1,284,578</u>	<u>\$ 3,746,596</u>	<u>\$ 5,049,462</u>	<u>\$ 10,080,636</u>
<b>Cash and Investment Fund Balance - Ending</b>				
<b>Restricted for:</b>				
Highways and streets	\$ -	\$ -	\$ 116,569	\$ 116,569
Culture and recreation	-	-	600	600
Debt service	-	-	523,056	523,056
Capital outlay	-	-	2,037,385	2,037,385
Unrestricted	<u>1,284,578</u>	<u>3,746,596</u>	<u>2,371,852</u>	<u>7,403,026</u>
Total cash and investment fund balance - ending	<u>\$ 1,284,578</u>	<u>\$ 3,746,596</u>	<u>\$ 5,049,462</u>	<u>\$ 10,080,636</u>

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

CITY OF HUNTINGTON  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As of and for the Year Ended December 31, 2010

	Wastewater Utility	Water Utility	Totals	Internal Service Fund
Operating receipts:				
Metered/measured	\$ 3,660,840	\$ 2,424,401	\$ 6,085,241	\$ -
Employer/employee contributions	-	-	-	1,600,362
<b>Total operating receipts</b>	<b><u>3,660,840</u></b>	<b><u>2,424,401</u></b>	<b><u>6,085,241</u></b>	<b><u>1,600,362</u></b>
Operating disbursements:				
Salaries and wages	1,257,783	1,294,578	2,552,361	-
Material and supplies	1,067,062	763,893	1,830,955	-
Insurance claims and expense	-	-	-	1,593,085
Equipment and capital improvements	1,332,789	156,586	1,489,375	-
<b>Total operating disbursements</b>	<b><u>3,657,634</u></b>	<b><u>2,215,057</u></b>	<b><u>5,872,691</u></b>	<b><u>1,593,085</u></b>
Excess of operating receipts over operating disbursements	<u>3,206</u>	<u>209,344</u>	<u>212,550</u>	<u>7,277</u>
Nonoperating receipts (disbursements):				
Investment income	5,221	4,843	10,064	-
Net proceeds from borrowings	1,981,000	-	1,981,000	-
Proceeds from sale of capital assets	119,719	-	119,719	-
Debt issuance costs paid	(29,030)	-	(29,030)	-
Debt service of principal	(641,000)	(18,404)	(659,404)	-
Interfund loans repaid	-	30,583	30,583	-
Interest disbursements	(368,176)	(59)	(368,235)	-
<b>Total nonoperating receipts (disbursements)</b>	<b><u>1,067,734</u></b>	<b><u>16,963</u></b>	<b><u>1,084,697</u></b>	<b><u>-</u></b>
Excess of receipts over disbursements and nonoperating receipts (disbursements)	<u>1,070,940</u>	<u>226,307</u>	<u>1,297,247</u>	<u>7,277</u>
Cash and investment fund balance - beginning	<u>2,514,195</u>	<u>600,780</u>	<u>3,114,975</u>	<u>134,586</u>
Cash and investment fund balance - ending	<b><u>\$ 3,585,135</u></b>	<b><u>\$ 827,087</u></b>	<b><u>\$ 4,412,222</u></b>	<b><u>\$ 141,863</u></b>
<b><u>Cash and Investment Assets - December 31</u></b>				
Cash and investments	\$ 366,738	\$ 437,205	\$ 803,943	\$ 141,863
Restricted assets:				
Cash and investments	<u>3,218,397</u>	<u>389,882</u>	<u>3,608,279</u>	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 3,585,135</u></b>	<b><u>\$ 827,087</u></b>	<b><u>\$ 4,412,222</u></b>	<b><u>\$ 141,863</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>				
Restricted for:				
Debt service	\$ 1,746,044	\$ -	\$ 1,746,044	\$ -
Other purposes	1,472,353	389,882	1,862,235	-
Unrestricted	<u>366,738</u>	<u>437,205</u>	<u>803,943</u>	<u>141,863</u>
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 3,585,135</u></b>	<b><u>\$ 827,087</u></b>	<b><u>\$ 4,412,222</u></b>	<b><u>\$ 141,863</u></b>

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

CITY OF HUNTINGTON  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2010

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 8,425	
State	1,728,438	
Total additions	1,736,863	
Deductions:		
Benefits	1,727,220	
Administrative and general	16,407	
Total deductions	1,743,627	
Deficiency of total additions over total deductions	(6,764)	
Cash and investment fund balance - beginning	274,258	
Cash and investment fund balance - ending	\$ 267,494	\$ 75,118

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

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS

I. 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 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, and urban redevelopment.

The City's financial reporting entity is composed of the following:

Primary Government: City of Huntington

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The 2008 consolidated TIF fund accounts for financial resources from property taxes for public improvements, economic development, and debt retirement within the tax increment financing district.

The City reports the following major enterprise funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations and collection systems.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the City reports the following fund types:

The internal service fund accounts for health insurance provided to other departments on a cost-reimbursement basis. Utility funds and the general fund contribute to the health insurance fund.

The pension trust funds account for the activities of the 1925 police officers' and 1937 firefighters' pension plans, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for federal and state revenue agencies and serve as control of accounts for cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City and its enterprise funds. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

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

3. Property Taxes

Normally, property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. 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. Taxable property is assessed at 100% 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 may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

4. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

5. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as a liability in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

6. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is eliminated or reclassified in the government-wide financial statements. Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

G. Rounding Differences

The financial statements may contain immaterial differences due to rounding of amounts when the statements were compiled. These differences are considered trivial and do not affect the overall presentation of the financial statements.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. Prior to November 1, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. 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. IC 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. Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. IC 5-13-18-1 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 City does not have a deposit policy for custodial credit risk. At December 31, 2010, the City had deposit balances in the amount of \$14,977,333.

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.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the City to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust has a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the City's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years. The City does not have a formal investment policy for interest rate risk for investments.

CITY OF HUNTINGTON  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City's investment policy for credit risk permits the City to invest in federal insured banks.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The City does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2010, were as follows:

Transfer From	Transfer To	2010
Other governmental funds	Other governmental funds	\$ <u>28,935</u>

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; 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 risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. By going exclusively with one preferred provider organization in 2010, the city significantly reduced insurance expense for medical benefits for employees.

The City has chosen to establish a risk-financing fund for risks associated with medical benefits for employees. The risk-financing fund is accounted for in the Health Insurance Claim Fund, an internal service fund, where assets are set aside for claim settlements. The City purchases commercial insurance for claims in excess of coverage provided by the fund. The amounts are paid into the fund by the General Fund, including all departments, and the Utility funds. Claims are paid out as submitted.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

During 2002, the City joined the Indiana Public Employers' Plan Inc., a public entity risk pool currently operating as a common risk management and insurance program for approximately 350 member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related injuries to employees. The City pays an annual premium to the risk pool for its job related 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. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Other Postemployment Benefits

Single-Employer Defined Benefit Healthcare Plan

Plan Description

Parkview Signature Care is a single-employer defined benefit healthcare plan administered by Group Administrators, Inc. The plan provides medical and dental insurance to eligible retirees and their spouses. IC 5-10-8-2.1 assigns the authority to establish and amend benefit provisions to the City. The Parkview Signature Care issues a publicly available financial report that includes financial statements and required supplementary information for the plan as a whole and for the participants. That report may be obtained by contacting the plan administrator:

Group Administrators, Inc  
P.O. Box 957945  
Hoffman Estates, IL 60195-7945  
1-800-323-1683

Funding Policy

The contribution requirements of plan members for the Parkview Signature Care are established by the City's governing board. The required contribution is based on projected pay-as-you-go financing requirements. For the year ended December 31, 2010, the City contributed \$17,655 to the plan for current premiums (approximately 24% of total premiums). Plan members receiving benefits contributed \$55,111, or approximately 76% of the total premiums, through their required contribution of \$566 per month for retiree-only coverage and \$687 for retiree and spouse coverage.

C. Loans Receivable – Economic Development

The City makes low interest loans to local businesses for economic development through the Revolving Loan Fund. Loans receivable under this program are as follows:

Borrower	Date of Loan	Amount	Rate	Annual Payment	Loan Balance December 31, 2010
Fogwell #1	02-16-10	\$ 62,500	2.00%	\$ 9,576	\$ 55,510
Fogwell #2	08-16-10	85,000	2.00%	13,023	81,216
Residential Rehabilitations	various	-	3.00%	-	23,720

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Rate Structure – Enterprise Funds

Water Utility

On May 14, 1991, the City Council adopted Ordinance 9-C-91 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the City Council on October 30, 2007.

Wastewater Utility

The current rate structure was approved by the City Council on March 30, 2010.

E. Receipts Pledged

Wastewater Utility Receipts Pledged

The City has pledged future customer collections, net of specified operating expenditures, to repay revenue bonds issued in 2003. Proceeds from the bonds provided financing for refunding. The bonds are payable solely from customer collections net receipts and are payable through 2019.

The City has pledged future customer collections, net of specified operating expenditures, to repay revenue bonds issued in 2008. Proceeds from the bonds provided financing for refunding. The bonds are payable solely from customer collections net receipts and are payable through 2019.

Tax Increment Receipts Pledged

The City has pledged a portion of tax incremental financing receipts to repay \$1,395,000 in tax increment bonds issued in 1997 to finance the 1997 redevelopment district. The bonds are payable solely from the incremental tax financing generated by property taxes. Incremental tax financing was projected to produce 100% of the debt service requirements over the life of the bonds.

The City has pledged a portion of tax incremental financing receipts to repay \$675,000 in tax increment bonds issued in 2000 to finance the 2000 redevelopment district. The bonds are payable solely from the incremental tax financing generated by property taxes. Incremental tax financing was projected to produce 100% of the debt service requirements over the life of the bonds.

The City has pledged a portion of tax incremental financing receipts to repay \$877,979 in tax increment bonds issued in 2003 to finance the 2003 redevelopment district. The bonds are payable solely from the incremental tax financing generated by property taxes. Incremental tax financing was projected to produce 100% of the debt service requirements over the life of the bonds.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Pension Plan

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City 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 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 member's contributions, set by state statute at 3% 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the City during the period were \$246,046.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which 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.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

On Behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11. The State of Indiana has contributed \$719,188 on behalf of the City. On behalf contributions from the State of Indiana approximates the amount paid out for benefits.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which 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 Public Employees' Retirement Fund as provided under IC 5-10.3-11. The State of Indiana has contributed \$1,009,250 on behalf of the City. On behalf contributions from the State of Indiana approximates the amount paid out for benefits.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The City contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) 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.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

PERF 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:

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

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan during the period were \$608,973.

CITY OF HUNTINGTON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 4,250,336	\$ 4,782,488	\$ (532,152)	89%	\$ 3,798,876	(14%)
07-01-08	4,645,831	5,078,265	(432,434)	91%	3,955,441	(11%)
07-01-09	4,484,271	5,445,231	(960,960)	82%	4,348,916	(22%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 717,997	\$ 11,580,900	\$ (10,862,903)	6%	\$ 251,100	(4,326%)
01-01-05	494,268	11,379,900	(10,885,632)	4%	254,800	(4,272%)
01-01-06	554,092	11,834,600	(11,280,508)	5%	258,500	(4,364%)
01-01-07	470,369	11,724,300	(11,253,931)	4%	264,400	(4,256%)
01-01-08	453,448	10,801,200	(10,347,752)	4%	180,300	(5,739%)
01-01-09	256,353	10,421,200	(10,164,847)	2%	-	No Covered Payroll

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 840,066	\$ 13,682,000	\$ (12,841,934)	6%	\$ 209,300	(6,136%)
01-01-05	515,888	13,310,300	(12,794,412)	4%	212,400	(6,024%)
01-01-06	386,445	12,107,300	(11,720,855)	3%	129,300	(9,065%)
01-01-07	272,157	10,641,600	(10,369,443)	3%	-	No Covered Payroll
01-01-08	371,458	10,232,200	(9,860,742)	4%	-	No Covered Payroll
01-01-09	(15,596)	14,047,400	(14,062,996)	0%	-	No Covered Payroll

CITY OF HUNTINGTON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS FROM THE  
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-04	\$ 1,385,500	5%	24%
	12-31-05	877,700	38%	39%
	12-31-06	910,400	22%	38%
	12-31-07	913,600	44%	47%
	12-31-08	844,300	14%	48%
	12-31-09	778,700	0%	95%
1937 Firefighters' Pension Plan	12-31-04	1,617,300	5%	27%
	12-31-05	999,900	34%	44%
	12-31-06	900,700	63%	49%
	12-31-07	771,400	51%	86%
	12-31-08	752,700	14%	65%
	12-31-09	1,049,600	0%	98%

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010

	Motor Vehicle Highway	Local Road and Street	Aviation	Park Nonrefundable Building Deposit	Building Demolition and Repair
Receipts:					
Taxes	\$ 68,140	\$ -	\$ 71,340	\$ -	\$ -
Special assessments	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental	460,580	78,117	6,938	-	-
Charges for services	2,160	-	38,302	-	-
Fines and forfeits	-	-	-	-	-
Other	-	-	7,614	350	25,154
	<u>530,880</u>	<u>78,117</u>	<u>124,194</u>	<u>350</u>	<u>25,154</u>
Total receipts					
Disbursements:					
General government	-	-	113,864	-	-
Public safety	-	-	-	-	13,950
Highways and streets	446,828	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	12,777	30,956	-	-	-
Sanitation	-	-	-	-	-
Culture and recreation	-	-	-	-	-
	<u>459,605</u>	<u>30,956</u>	<u>113,864</u>	<u>-</u>	<u>13,950</u>
Total disbursements					
Excess (deficiency) of receipts over disbursements	<u>71,275</u>	<u>47,161</u>	<u>10,330</u>	<u>350</u>	<u>11,204</u>
Other financing sources (uses):					
Transfers in	-	-	10,000	-	-
Transfers out	-	-	-	-	-
Other receipts	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)					
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	71,275	47,161	20,330	350	11,204
Cash and investment fund balance - beginning	<u>296,387</u>	<u>69,408</u>	<u>36,879</u>	<u>250</u>	<u>6,438</u>
Cash and investment fund balance - ending	<u>\$ 367,662</u>	<u>\$ 116,569</u>	<u>\$ 57,209</u>	<u>\$ 600</u>	<u>\$ 17,642</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ 367,662	\$ -	\$ 57,209	\$ -	\$ 17,642
Restricted assets:					
Cash and investments	-	116,569	-	600	-
Total cash and investment assets - ending	<u>\$ 367,662</u>	<u>\$ 116,569</u>	<u>\$ 57,209</u>	<u>\$ 600</u>	<u>\$ 17,642</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ 116,569	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	600	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	<u>367,662</u>	<u>-</u>	<u>57,209</u>	<u>-</u>	<u>17,642</u>
Total cash and investment fund balance - ending	<u>\$ 367,662</u>	<u>\$ 116,569</u>	<u>\$ 57,209</u>	<u>\$ 600</u>	<u>\$ 17,642</u>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Solid Waste	Parking Lot	Federal Drug Seizure	Law Enforcement Continuing Education	Riverboat	Police LACE
<b>Receipts:</b>						
Taxes	\$ 199,623	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	5,720	-	-
Intergovernmental	19,411	-	4,027	10,000	109,203	2,956
Charges for services	478,735	18,939	-	2,420	-	-
Fines and forfeits	-	-	-	2,495	-	-
Other	300	-	-	-	-	-
<b>Total receipts</b>	<b>698,069</b>	<b>18,939</b>	<b>4,027</b>	<b>20,635</b>	<b>109,203</b>	<b>2,956</b>
<b>Disbursements:</b>						
General government	-	4	-	-	199,839	-
Public safety	-	-	1,642	14,362	-	2,956
Highways and streets	-	-	-	-	-	-
Sanitation	401,631	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	54,595	-	-	-	-	-
Interest	15,441	-	-	-	15,872	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>471,667</b>	<b>4</b>	<b>1,642</b>	<b>14,362</b>	<b>215,711</b>	<b>2,956</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>226,402</b>	<b>18,935</b>	<b>2,385</b>	<b>6,273</b>	<b>(106,508)</b>	<b>-</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	(18,935)	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(18,935)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>226,402</b>	<b>-</b>	<b>2,385</b>	<b>6,273</b>	<b>(106,508)</b>	<b>-</b>
<b>Cash and investment fund balance - beginning</b>	<b>113,010</b>	<b>-</b>	<b>13,606</b>	<b>24,558</b>	<b>638,869</b>	<b>190</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 339,412</b>	<b>\$ -</b>	<b>\$ 15,991</b>	<b>\$ 30,831</b>	<b>\$ 532,361</b>	<b>\$ 190</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 339,412	\$ -	\$ 15,991	\$ 30,831	\$ 532,361	\$ 190
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 339,412</b>	<b>\$ -</b>	<b>\$ 15,991</b>	<b>\$ 30,831</b>	<b>\$ 532,361</b>	<b>\$ 190</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	339,412	-	15,991	30,831	532,361	190
<b>Total cash and investment fund balance - ending</b>	<b>\$ 339,412</b>	<b>\$ -</b>	<b>\$ 15,991</b>	<b>\$ 30,831</b>	<b>\$ 532,361</b>	<b>\$ 190</b>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Park and Recreation	Fire Department Donations	Park Donation	Street Vending	Park Building Deposit	Fire Department Grant
<b>Receipts:</b>						
Taxes	\$ 565,918	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	55,029	-	-	-	-	475,283
Charges for services	23,444	1,450	-	-	10,988	-
Fines and forfeits	9,466	-	-	-	-	-
Other	-	18,394	9,225	391	-	-
<b>Total receipts</b>	<b>653,857</b>	<b>19,844</b>	<b>9,225</b>	<b>391</b>	<b>10,988</b>	<b>475,283</b>
<b>Disbursements:</b>						
General government	-	-	-	331	-	-
Public safety	-	10,278	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	417,239	-	7,885	-	11,617	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	475,282
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	2,363	-	-	-	-	-
<b>Total disbursements</b>	<b>419,602</b>	<b>10,278</b>	<b>7,885</b>	<b>331</b>	<b>11,617</b>	<b>475,282</b>
Excess (deficiency) of receipts over disbursements	234,255	9,566	1,340	60	(629)	1
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	6,486	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>6,486</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	240,741	9,566	1,340	60	(629)	1
Cash and investment fund balance - beginning	152,177	4,052	33,602	59	4,628	-
Cash and investment fund balance - ending	\$ 392,918	\$ 13,618	\$ 34,942	\$ 119	\$ 3,999	\$ 1
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 392,918	\$ 13,618	\$ 34,942	\$ 119	\$ 3,999	\$ 1
Restricted assets:						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 392,918</b>	<b>\$ 13,618</b>	<b>\$ 34,942</b>	<b>\$ 119</b>	<b>\$ 3,999</b>	<b>\$ 1</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	392,918	13,618	34,942	119	3,999	1
<b>Total cash and investment fund balance - ending</b>	<b>\$ 392,918</b>	<b>\$ 13,618</b>	<b>\$ 34,942</b>	<b>\$ 119</b>	<b>\$ 3,999</b>	<b>\$ 1</b>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Aviation - Federal Grants	Indiana Housing Grant	City Revitalization Grant	Rainy Day	K-9 Training	Levy Excess
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 215,561	\$ -	\$ 28,141
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	37,943	81,525	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	4,537	-
<b>Total receipts</b>	<b>37,943</b>	<b>81,525</b>	<b>-</b>	<b>215,561</b>	<b>4,537</b>	<b>28,141</b>
<b>Disbursements:</b>						
General government	-	-	169	5,324	-	-
Public safety	-	-	-	-	2,951	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	81,525	-	-	-	-
<b>Debt service:</b>						
Principal	-	-	-	94,676	-	-
Interest	-	-	-	-	-	-
<b>Capital outlay:</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>81,525</b>	<b>169</b>	<b>100,000</b>	<b>2,951</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>37,943</b>	<b>-</b>	<b>(169)</b>	<b>115,561</b>	<b>1,586</b>	<b>28,141</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>37,943</b>	<b>-</b>	<b>(169)</b>	<b>115,561</b>	<b>1,586</b>	<b>28,141</b>
<b>Cash and investment fund balance - beginning</b>	<b>10,013</b>	<b>-</b>	<b>2,766</b>	<b>193,901</b>	<b>269</b>	<b>-</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 47,956</b>	<b>\$ -</b>	<b>\$ 2,597</b>	<b>\$ 309,462</b>	<b>\$ 1,855</b>	<b>\$ 28,141</b>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 47,956	\$ -	\$ 2,597	\$ 309,462	\$ 1,855	\$ 28,141
<b>Restricted assets:</b>						
Cash and investments	-	-	-	-	-	-
<b>Total cash and investment assets - ending</b>	<b>\$ 47,956</b>	<b>\$ -</b>	<b>\$ 2,597</b>	<b>\$ 309,462</b>	<b>\$ 1,855</b>	<b>\$ 28,141</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
<b>Restricted for:</b>						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	47,956	-	2,597	309,462	1,855	28,141
<b>Total cash and investment fund balance - ending</b>	<b>\$ 47,956</b>	<b>\$ -</b>	<b>\$ 2,597</b>	<b>\$ 309,462</b>	<b>\$ 1,855</b>	<b>\$ 28,141</b>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Police Reserve Donations	Aviation Revolving	Park and Recreation Center	Public Safety LOIT	Revolving Loan	Storm Water Bond
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 266,164
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	304,162	-	25,881
Charges for services	-	148,083	49,075	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	300	-	-	-	32,891	-
<b>Total receipts</b>	<b>300</b>	<b>148,083</b>	<b>49,075</b>	<b>304,162</b>	<b>32,891</b>	<b>292,045</b>
<b>Disbursements:</b>						
General government	-	119,199	-	-	-	23,365
Public safety	198	-	-	301,361	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	147,500	-
Culture and recreation	-	-	50,899	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	140,324
Interest	-	-	-	-	-	128,356
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>198</b>	<b>119,199</b>	<b>50,899</b>	<b>301,361</b>	<b>147,500</b>	<b>292,045</b>
Excess (deficiency) of receipts over disbursements	102	28,884	(1,824)	2,801	(114,609)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	18,935	-
Transfers out	-	(10,000)	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(10,000)</b>	<b>-</b>	<b>-</b>	<b>18,935</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	102	18,884	(1,824)	2,801	(95,674)	-
Cash and investment fund balance - beginning	2,589	66,417	42,329	12,548	418,086	-
Cash and investment fund balance - ending	<u>\$ 2,691</u>	<u>\$ 85,301</u>	<u>\$ 40,505</u>	<u>\$ 15,349</u>	<u>\$ 322,412</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ 2,691	\$ 85,301	\$ 40,505	\$ 15,349	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	322,412	-
<b>Total cash and investment assets - ending</b>	<u>\$ 2,691</u>	<u>\$ 85,301</u>	<u>\$ 40,505</u>	<u>\$ 15,349</u>	<u>\$ 322,412</u>	<u>\$ -</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	322,412	-
Capital outlay	-	-	-	-	-	-
Unrestricted	2,691	85,301	40,505	15,349	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 2,691</u>	<u>\$ 85,301</u>	<u>\$ 40,505</u>	<u>\$ 15,349</u>	<u>\$ 322,412</u>	<u>\$ -</u>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	RDC Debt Reserve (Northside)	City Building Lease Purchase	General Obligation Bond	General Obligation Bond Debt Service	Cumulative Capital Development	Park Capital
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 132,122	\$ 72,299	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	12,847	23,906	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144,969</b>	<b>96,205</b>	<b>-</b>
<b>Disbursements:</b>						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	150,000	-	-
Interest	-	-	-	20,038	-	-
Capital outlay:						
General government	-	-	-	-	22,265	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	450,000	-
Culture and recreation	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>170,038</b>	<b>472,265</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	-	-	(25,069)	(376,060)	-
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	-	(25,069)	(376,060)	-
Cash and investment fund balance - beginning	61,093	7,859	21,411	135,350	1,081,218	20,914
Cash and investment fund balance - ending	<u>\$ 61,093</u>	<u>\$ 7,859</u>	<u>\$ 21,411</u>	<u>\$ 110,281</u>	<u>\$ 705,158</u>	<u>\$ 20,914</u>
<b><u>Cash and Investment Assets - Ending</u></b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	61,093	7,859	21,411	110,281	705,158	20,914
Total cash and investment assets - ending	<u>\$ 61,093</u>	<u>\$ 7,859</u>	<u>\$ 21,411</u>	<u>\$ 110,281</u>	<u>\$ 705,158</u>	<u>\$ 20,914</u>
<b><u>Cash and Investment Fund Balance - Ending</u></b>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Culture and recreation	-	-	-	-	-	-
Debt service	61,093	7,859	21,411	110,281	-	-
Capital outlay	-	-	-	-	705,158	20,914
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 61,093</u>	<u>\$ 7,859</u>	<u>\$ 21,411</u>	<u>\$ 110,281</u>	<u>\$ 705,158</u>	<u>\$ 20,914</u>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	General Improvement	Cumulative Capital Improvement	CEDIT	Housing and Urban Development	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 1,619,308
Special assessments	10,700	-	-	-	10,700
Licenses and permits	-	-	-	-	5,720
Intergovernmental	-	51,093	751,874	-	2,510,775
Charges for services	-	-	-	-	773,596
Fines and forfeits	-	-	-	-	11,961
Other	-	-	-	1,224	100,380
<b>Total receipts</b>	<b>10,700</b>	<b>51,093</b>	<b>751,874</b>	<b>1,224</b>	<b>5,032,440</b>
<b>Disbursements:</b>					
General government	-	-	-	-	462,095
Public safety	-	-	-	-	347,698
Highways and streets	-	-	-	-	446,828
Sanitation	-	-	-	-	401,631
Economic development	-	-	970,699	-	1,118,199
Culture and recreation	-	-	-	-	487,640
Urban redevelopment and housing	-	-	-	-	81,525
<b>Debt service:</b>					
Principal	-	-	-	-	439,595
Interest	-	-	-	-	179,707
<b>Capital outlay:</b>					
General government	-	-	-	-	22,265
Public safety	-	-	-	-	475,282
Highways and streets	-	-	-	-	43,733
Sanitation	-	-	-	-	450,000
Culture and recreation	-	-	-	-	2,363
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>970,699</b>	<b>-</b>	<b>4,958,561</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>10,700</b>	<b>51,093</b>	<b>(218,825)</b>	<b>1,224</b>	<b>73,879</b>
<b>Other financing sources (uses):</b>					
Transfers in	-	-	-	-	28,935
Transfers out	-	-	-	-	(28,935)
Other receipts	-	-	-	-	6,486
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,486</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>10,700</b>	<b>51,093</b>	<b>(218,825)</b>	<b>1,224</b>	<b>80,365</b>
<b>Cash and investment fund balance - beginning</b>	<b>127,200</b>	<b>-</b>	<b>1,341,145</b>	<b>29,876</b>	<b>4,969,097</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 137,900</b>	<b>\$ 51,093</b>	<b>\$ 1,122,320</b>	<b>\$ 31,100</b>	<b>\$ 5,049,462</b>
<b><u>Cash and Investment Assets - Ending</u></b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 31,100	\$ 2,371,852
<b>Restricted assets:</b>					
Cash and investments	137,900	51,093	1,122,320	-	2,677,610
<b>Total cash and investment assets - ending</b>	<b>\$ 137,900</b>	<b>\$ 51,093</b>	<b>\$ 1,122,320</b>	<b>\$ 31,100</b>	<b>\$ 5,049,462</b>
<b><u>Cash and Investment Fund Balance - Ending</u></b>					
<b>Restricted for:</b>					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 116,569
Culture and recreation	-	-	-	-	600
Debt service	-	-	-	-	523,056
Capital outlay	137,900	51,093	1,122,320	-	2,037,385
Unrestricted	-	-	-	31,100	2,371,852
<b>Total cash and investment fund balance - ending</b>	<b>\$ 137,900</b>	<b>\$ 51,093</b>	<b>\$ 1,122,320</b>	<b>\$ 31,100</b>	<b>\$ 5,049,462</b>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2010

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ -	\$ 8,425	\$ 8,425
State	<u>719,188</u>	<u>1,009,250</u>	<u>1,728,438</u>
Total additions	<u>719,188</u>	<u>1,017,675</u>	<u>1,736,863</u>
Deductions:			
Benefits	722,852	1,004,368	1,727,220
Administrative and general	<u>3,100</u>	<u>13,307</u>	<u>16,407</u>
Total deductions	<u>725,952</u>	<u>1,017,675</u>	<u>1,743,627</u>
Deficiency of total additions over total deductions	(6,764)	-	(6,764)
Cash and investment fund balance - beginning	<u>274,258</u>	<u>-</u>	<u>274,258</u>
Cash and investment fund balance - ending	<u>\$ 267,494</u>	<u>\$ -</u>	<u>\$ 267,494</u>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2010

	Payroll	Section 125	Payroll PERF	Payroll Federal W/H	Payroll State Tax	Payroll FICA W/H	Payroll County Tax
Additions:							
Agency fund additions	\$ 340,188	\$ 45,206	\$ 358,826	\$ 833,603	\$ 282,840	\$ 420,380	\$ 111,263
Deductions:							
Agency fund deductions	<u>340,188</u>	<u>45,206</u>	<u>362,708</u>	<u>833,603</u>	<u>282,840</u>	<u>420,380</u>	<u>111,263</u>
Excess (deficiency) of total additions over total deductions	-	-	(3,882)	-	-	-	-
Cash and investment fund balance - beginning	-	-	<u>30,872</u>	-	-	-	-
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 26,990</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Payroll Life Insurance	Payroll Vision Insurance	Payroll Health Insurance	Payroll Boston Life	Payroll AUL Life	Payroll Union Dues	Payroll United Way
Additions:							
Agency fund additions	\$ 20,968	\$ 15,747	\$ 1,892,723	\$ 6,721	\$ 21,440	\$ 20,979	\$ 1,927
Deductions:							
Agency fund deductions	20,955	15,747	1,892,700	6,721	21,440	20,979	1,927
Excess (deficiency) of total additions over total deductions	13	-	23	-	-	-	-
Cash and investment fund balance - beginning	-	-	-	-	-	-	-
Cash and investment fund balance - ending	<u>\$ 13</u>	<u>\$ -</u>	<u>\$ 23</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Payroll Medicare W/H	Payroll Accident IN-AFLAC	Payroll Direct Deposit	Payroll Police PERF	Payroll Fire PERF	Payroll Garnishments
Additions:						
Agency fund additions	\$ 169,353	\$ 15,929	\$ 5,746,661	\$ 81,689	\$ 101,317	\$ 37,131
Deductions:						
Agency fund deductions	169,353	15,929	5,746,661	80,984	100,495	37,131
Excess (deficiency) of total additions over total deductions	-	-	-	705	822	-
Cash and investment fund balance - beginning	-	-	-	19,746	26,819	-
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 20,451	\$ 27,641	\$ -

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2010  
 (Continued)

	Payroll 457-AUL	Payroll 457-Amer	Payroll Fire Dues	Fire PAC	Payroll-Liberty National	Totals
Additions:						
Agency fund additions	\$ 261,547	\$ 34,859	\$ 14,923	\$ 3,440	\$ 1,801	\$ 10,841,461
Deductions:						
Agency fund deductions	261,547	34,859	14,923	3,440	1,801	10,843,780
Excess (deficiency) of total additions over total deductions	-	-	-	-	-	(2,319)
Cash and investment fund balance - beginning	-	-	-	-	-	77,437
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,118

CITY OF HUNTINGTON  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2010

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.

General infrastructure assets completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets has not been completed as of December 31, 2010

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 234,527
Infrastructure	2,176,482
Buildings	8,515,496
Improvements other than buildings	2,443,709
Machinery and equipment	<u>6,819,916</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 20,190,130</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 539,980
Construction in progress	807,005
Capital assets, being depreciated:	
Buildings	1,269,894
Improvements other than buildings	13,598,933
Machinery and equipment	2,204,144
Transportation equipment	<u>428,532</u>
Total Water Utility capital assets	<u>18,848,488</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	131,620
Construction in progress	403,757
Capital assets, being depreciated:	
Buildings	10,904,698
Improvements other than buildings	27,560,823
Machinery and equipment	1,808,529
Transportation equipment	<u>410,981</u>
Total Wastewater Utility capital assets	<u>41,220,408</u>
Total business-type activities capital assets	<u>\$ 60,068,896</u>

CITY OF HUNTINGTON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2010

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Machinery and equipment	\$ 712,257	\$ 161,505
Notes and loans payable	1,911,000	209,348
Bonds payable:		
General obligation bonds:		
\$1,395,000 1997 tax increment financing	630,000	229,475
\$675,000 2000 tax increment financing	220,000	85,980
\$475,000 2001 storm water	340,000	41,655
\$1,545,000 2002 storm water district	1,100,000	132,650
\$877,979 2003 tax increment financing	653,629	42,117
\$550,000 2008 general obligation	<u>400,000</u>	<u>174,025</u>
Total governmental activities debt	<u>\$ 5,966,886</u>	<u>\$ 1,076,755</u>
Business-type activities:		
Wastewater Utility:		
Notes and loans payable:		
State Revolving Fund Loan	\$ 3,469,000	\$ 119,970
Revenue bonds:		
\$1,390,000 2003 wastewater refunding	900,000	122,820
\$6,530,000 2008 wastewater refunding	<u>5,525,000</u>	<u>777,757</u>
Total business-type activities debt	<u>\$ 9,894,000</u>	<u>\$ 1,020,547</u>

CITY OF HUNTINGTON  
OTHER REPORT

The annual report presented herein was prepared in addition to the other official report prepared for the individual City office for the City of Huntington Municipal Utilities.

CITY OF HUNTINGTON  
AUDIT RESULT AND COMMENT

CAPITAL ASSET RECORDS

The City was required to retroactively record infrastructure as of December 31, 2010, but failed to do so. General infrastructure assets were to be recorded if they were acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The City has not completed estimating the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year). A similar comment appeared in prior Report B37139.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF HUNTINGTON, HUNTINGTON COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Huntington (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2010. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2010. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2010-1.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

A control deficiency in a City's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The City's response to the finding identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 20, 2011

CITY OF HUNTINGTON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2010

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Housing and Community Development Authority State Administered Small Cities Program Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HD-008-029	\$ <u>81,525</u>
Total for federal grantor agency			<u>81,525</u>
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Pass-Through Indiana Department of Natural Resources Historic Preservation Fund Grants-In-Aid	15.904	21820-15 21921-3	47,379 <u>13,975</u>
Total for federal grantor agency			<u>61,354</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Bulletproof Vest Partnership Program	16.607	FY2008 FY2009	332 <u>2,700</u>
Total for program			<u>3,032</u>
Pass-Through Indiana Criminal Justice Institute Edward Byrne Memorial Justice Assistance Grant Program	16.738	09-DJ-050	<u>10,000</u>
Total for federal grantor agency			<u>13,032</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction	20.205	1000010	<u>16,875</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	OP-10-02-01-48 OP-11-02-01-42	4,900 <u>1,700</u>
Total for program			<u>6,600</u>
Total for federal grantor agency			<u>23,475</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority Capitalization Grants for Clean Water State Revolving Funds	66.458	WW08063502	<u>215,041</u>
Total for federal grantor agency			<u>215,041</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2009-FR-00331	<u>428,382</u>
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2009-FH-00102	<u>88,348</u>
Total for federal grantor agency			<u>516,730</u>
Total federal awards expended			<u>\$ 911,157</u>

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

CITY OF HUNTINGTON  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

CITY OF HUNTINGTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes
--	-----

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
97.044	Assistance to Firefighters Grant

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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

Section II – Financial Statement Findings

No matters are reportable.

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

Section III – Federal Award Findings and Questioned Costs

FINDING NUMBER 2010-1, REPORTING

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Assistance to Firefighters Grant  
CFDA Number: 97.044

The financial reports submitted were not timely and contained errors. The Federal Financial Report/SF-425, for the six months ending June 30, 2010, was not submitted until January 5, 2011. The report showed "Cash on Hand" at June 30, 2010, of \$331,849, when there was no federal cash on hand. The Federal Financial Report/SF-425, for the six months ending December 31, 2010, was timely submitted January 5, 2011. The report showed "Cash on Hand" at December 31, 2010, of \$96,533, when there was no federal cash on hand.

Due to the grant being new and staff not being familiar with its reporting requirements, the reports were not submitted timely.

The City is not in compliance with the reporting requirements of this program. Failure to comply with these requirements could cause the City to be ineligible to receive future federal awards.

Article VII – Financial Reporting, of the grant agreement, with a January 29, 2010 effective date, states in part:

"Semiannual financial reports are due within 30 days of the end of every six month period for the life of the grant."

We recommended that officials file all required reports on a timely basis and the reports reflect amounts as recorded in the City records.

CITY OF HUNTINGTON  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



CHRISTI A. SCHER  
*Clerk Treasurer*  
*City of Huntington*

City of Huntington  
300 Cherry Street  
Huntington, IN 46750  
Phone: (260) 356-1400  
Fax: (260) 358-2332

April, 2011

Corrective Action Plan for City of Huntington

State Board of Accounts  
3302 Washington St., Room E418  
Indianapolis, IN 46204-2765

In response to your audit of the financial records of City of Huntington as of December 31, 2010:

Finding 2010-1, Reporting

Corrective Action Planned:

The City will continue to work with the Fire Department clerk and implement a protocol to monitor the grant fund balances, and accurately record grant transactions and report in a timely manner to the Federal Government Agency. Attempts have been made to process the report in a timely manner, but there were issues with opening and processing the electronic version of the report. The City will prepare the financial reports to ensure the final expenditure report of the grant matches the budget history of the grant, and will make every attempt to process the report on time.

Signed: Steven D. Updike

Name: Steven D Updike

Title: Mayor

Date: 4-20-11

Signed: Christi A Scher

Name: Christi A Scher

Title: City Clerk Treasurer

Date: 4-20-11

CITY OF HUNTINGTON  
EXIT CONFERENCE

The contents of this report were discussed on April 20, 2011, with Christi A. Scher, Clerk-Treasurer; Steven D. Updike, Mayor; and Ruth A. Marsh, Operations Manager.