

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

ANNUAL FINANCIAL REPORT

2010

CITY OF WABASH

WABASH COUNTY, INDIANA



FILED
06/16/2011

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Meredith A. Brown	01-01-08 to 12-31-11
Mayor	Robert E. Vanlandingham	01-01-08 to 12-31-11
President of the Board of Public Works	Robert E. Vanlandingham	01-01-08 to 12-31-11
President of the Common Council	Marc Shelley Scott A. Long	01-01-10 to 12-31-10 01-01-11 to 12-31-11
Superintendent of Wastewater Utility	John Wonderly	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 WABASH, WABASH 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 Wabash (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 May 25, 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.

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

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

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 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

May 25, 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 WABASH, WABASH 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 Wabash (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 May 25, 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

May 25, 2011

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

Functions/Programs	Program Receipts				Net Disbursements 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	\$ 4,088,397	\$ 630,066	\$ -	\$ 649,103	\$ (2,809,228)	\$ -	\$ (2,809,228)
Public safety	4,465,057	834,778	4,200	437,424	(3,188,655)	-	(3,188,655)
Highways and streets	1,516,830	295	304,497	1,026,209	(185,829)	-	(185,829)
Sanitation	770,652	-	-	-	(770,652)	-	(770,652)
Economic development	527,784	-	5,200	-	(522,584)	-	(522,584)
Culture and recreation	500,233	30,150	-	-	(470,083)	-	(470,083)
Principal and interest on indebtedness	474,976	-	-	-	(474,976)	-	(474,976)
Total governmental activities	<u>12,343,929</u>	<u>1,495,289</u>	<u>313,897</u>	<u>2,112,736</u>	<u>(8,422,007)</u>	<u>-</u>	<u>(8,422,007)</u>
Business-type activities:							
Wastewater Utility	<u>2,818,218</u>	<u>2,716,997</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(101,221)</u>	<u>(101,221)</u>
Total primary government	<u>\$ 15,162,147</u>	<u>\$ 4,212,286</u>	<u>\$ 313,897</u>	<u>\$ 2,112,736</u>	<u>(8,422,007)</u>	<u>(101,221)</u>	<u>(8,523,228)</u>
General receipts:							
Property taxes					6,153,966	-	6,153,966
Intergovernmental					3,198,513	-	3,198,513
Other local sources					95,933	-	95,933
Net proceeds from borrowings					-	1,742,938	1,742,938
Investment earnings					59,373	13,303	72,676
Special items:							
Refund of self-insurance premiums					<u>225,000</u>	<u>-</u>	<u>225,000</u>
Total general receipts and special items					<u>9,732,785</u>	<u>1,756,241</u>	<u>11,489,026</u>
Change in net assets					1,310,778	1,655,020	2,965,798
Net assets - beginning					<u>13,446,604</u>	<u>1,641,467</u>	<u>15,088,071</u>
Net assets - ending					<u>\$ 14,757,382</u>	<u>\$ 3,296,487</u>	<u>\$ 18,053,869</u>
Assets							
Cash and investments					\$ 9,803,931	\$ 938,334	\$ 10,742,265
Restricted assets:							
Cash and investments					<u>4,953,451</u>	<u>2,358,153</u>	<u>7,311,604</u>
Total assets					<u>\$ 14,757,382</u>	<u>\$ 3,296,487</u>	<u>\$ 18,053,869</u>
Net Assets							
Restricted for:							
General government					\$ 1,963,604	\$ -	\$ 1,963,604
Highways and streets					1,539,883	-	1,539,883
Economic development					439,516	-	439,516
Culture and recreation					586,615	-	586,615
Debt service					323,574	703,692	1,027,266
Capital outlay					100,259	-	100,259
Other purposes					-	1,654,461	1,654,461
Unrestricted					<u>9,803,931</u>	<u>938,334</u>	<u>10,742,265</u>
Total net assets					<u>\$ 14,757,382</u>	<u>\$ 3,296,487</u>	<u>\$ 18,053,869</u>

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

CITY OF WABASH
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	Motor Vehicle Highway	Other Governmental Funds	Totals
Receipts:				
Taxes	\$ 4,695,208	\$ 871,506	\$ 587,252	\$ 6,153,966
Licenses and permits	14,055	-	3,457	17,512
Intergovernmental	2,249,485	362,675	3,012,986	5,625,146
Charges for services	141,227	1,030	1,327,135	1,469,392
Fines and forfeits	11,709	-	133	11,842
Other	88,874	6,000	56,875	151,749
	<u>7,200,558</u>	<u>1,241,211</u>	<u>4,987,838</u>	<u>13,429,607</u>
Total receipts				
Disbursements:				
General government	2,399,632	-	846,381	3,246,013
Public safety	3,237,208	-	453,333	3,690,541
Highways and streets	34,080	1,263,804	24,874	1,322,758
Sanitation	489,840	-	280,812	770,652
Economic development	-	-	62,845	62,845
Culture and recreation	1,000	-	400,020	401,020
Debt service:				
Principal	84,512	-	303,865	388,377
Interest	7,266	-	79,333	86,599
Capital outlay:				
General government	17,447	-	824,937	842,384
Public safety	29,135	-	745,381	774,516
Highways and streets	-	144,072	50,000	194,072
Economic development	-	-	464,939	464,939
Culture and recreation	-	-	99,213	99,213
	<u>6,300,120</u>	<u>1,407,876</u>	<u>4,635,933</u>	<u>12,343,929</u>
Total disbursements				
Excess (deficiency) of receipts over disbursements	<u>900,438</u>	<u>(166,665)</u>	<u>351,905</u>	<u>1,085,678</u>
Other financing sources (uses):				
Transfers in	-	-	1,538	1,538
Transfers out	-	-	(1,538)	(1,538)
Other receipts	-	-	100	100
	<u>-</u>	<u>-</u>	<u>100</u>	<u>100</u>
Total other financing sources (uses)				
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>900,438</u>	<u>(166,665)</u>	<u>352,005</u>	<u>1,085,778</u>
Cash and investment fund balance - beginning	<u>5,773,067</u>	<u>1,675,247</u>	<u>4,263,900</u>	<u>11,712,214</u>
Cash and investment fund balance - ending	<u>\$ 6,673,505</u>	<u>\$ 1,508,582</u>	<u>\$ 4,615,905</u>	<u>12,797,992</u>
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:				
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>1,959,390</u>
Net assets of governmental activities				<u>\$ 14,757,382</u>
Cash and Investment Assets - Ending				
Cash and investments	\$ 6,673,505	\$ -	\$ 3,130,426	\$ 9,803,931
Restricted assets:				
Cash and investments	-	1,508,582	1,485,479	2,994,061
	<u>\$ 6,673,505</u>	<u>\$ 1,508,582</u>	<u>\$ 4,615,905</u>	<u>\$ 12,797,992</u>
Total cash and investment assets - ending				
Cash and Investment Fund Balance - Ending				
Restricted for:				
General government	\$ -	\$ -	\$ 4,214	\$ 4,214
Highways and streets	-	1,508,582	31,301	1,539,883
Economic development	-	-	439,516	439,516
Culture and recreation	-	-	586,615	586,615
Debt service	-	-	323,574	323,574
Capital outlay	-	-	100,259	100,259
Unrestricted	6,673,505	-	3,130,426	9,803,931
	<u>\$ 6,673,505</u>	<u>\$ 1,508,582</u>	<u>\$ 4,615,905</u>	<u>\$ 12,797,992</u>
Total cash and investment fund balance - ending				

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

CITY OF WABASH
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	Internal Service Funds
Operating receipts:		
Metered/measured	\$ 2,611,670	\$ -
Fees	9,825	-
Miscellaneous	95,502	-
	<u>2,716,997</u>	<u>-</u>
Total operating receipts		
Operating disbursements:		
Salaries and wages	299,761	-
Employee pensions and benefits	160,563	-
Purchased power	189,367	-
Material and supplies	210,872	-
Contractual services	85,212	-
Transportation	40,542	-
Insurance claims and expense	77,255	-
Equipment and capital improvements	366,283	-
Miscellaneous	691,186	-
	<u>2,121,041</u>	<u>-</u>
Total operating disbursements		
Excess of operating receipts over operating disbursements	<u>595,956</u>	<u>-</u>
Nonoperating receipts (disbursements):		
Investment income	13,303	-
Net proceeds from borrowings	1,742,938	-
Refund of self-insurance premiums	-	225,000
Debt service of principal	(605,000)	-
Interest disbursements	(92,177)	-
	<u>1,059,064</u>	<u>225,000</u>
Total nonoperating receipts		
Excess of receipts over disbursements and nonoperating receipts	1,655,020	225,000
Transfers in	660,000	-
Transfers out	(660,000)	-
	<u>660,000</u>	<u>-</u>
Excess of receipts and transfers in over disbursements and transfers out	1,655,020	225,000
Cash and investment fund balance - beginning	<u>1,641,467</u>	<u>1,734,390</u>
Cash and investment fund balance - ending	<u>\$ 3,296,487</u>	<u>\$ 1,959,390</u>
<u>Cash and Investment Assets - December 31</u>		
Cash and investments	\$ 938,334	\$ -
Restricted assets:		
Cash and investments	<u>2,358,153</u>	<u>1,959,390</u>
Total cash and investment assets - December 31	<u>\$ 3,296,487</u>	<u>\$ 1,959,390</u>
<u>Cash and Investment Fund Balance - December 31</u>		
Restricted for:		
Debt service	\$ 703,692	\$ -
Other purposes	1,654,461	1,959,390
Unrestricted	<u>938,334</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 3,296,487</u>	<u>\$ 1,959,390</u>

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

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

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 897	\$ -	
State	1,199,202	-	
Other	-	275	
Total additions	1,200,099	275	
Deductions:			
Benefits	1,688,918	-	
Administrative and general	2,357	-	
Total deductions	1,691,275	-	
Excess (deficiency) of total additions over total deductions	(491,176)	275	
Cash and investment fund balance - beginning	3,040,225	4,147	
Cash and investment fund balance - ending	\$ 2,549,049	\$ 4,422	\$ 84,837

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

CITY OF WABASH
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, wastewater, and urban redevelopment.

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

Primary Government: City of Wabash

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 Motor Vehicle Highway Fund (MVH) accounts for state and local monies collected for highway and street construction and improvements.

The City reports the following major enterprise fund:

The Wastewater Utility Fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

CITY OF WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the City reports the following fund types:

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.

The private-purpose trust funds report trust arrangements under which principal and income benefit the citizens and employees of the City.

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 WABASH
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 WABASH
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 WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. 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.

B. Disbursements in Excess of Appropriations

For the ended December 31, 2010, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2010
Firefighters' Pension	\$ 217,329
Police Pension	120,746
Aviation	4,324
Total	\$ 342,399

These disbursements were funded by available fund balance.

C. Cash Balance Deficits

At December 31, 2010, the following funds reported deficits in cash, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2010
Lighting Grant	\$ 43,540
Streetscape	256,334
Aviation Grant	9,475

CITY OF WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Cash and investment deficits arose primarily from disbursements exceeding receipts due to time-lines of projects and waiting on grant money, these deficits are to be repaid from future grant proceeds and transfers from general fund.

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. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a deposit policy for custodial credit risk. At December 31, 2010, the City had deposit balances in the amount of \$18,688,532.

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.

2. Investments

As of December 31, 2010, the City had the following investments:

Investment Type	Primary Government Market Value
U.S. treasuries and securities	\$ 502,305
U.S. agencies	1,501,340
Total	\$ 2,003,645

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

CITY OF WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 have 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.

Primary Government:

Investment Type	2010 Not in the Government's Name
U.S. treasuries and securities	\$ 502,305
U.S. agencies	1,501,340
Total	<u>\$ 2,003,645</u>

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 WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Investment Maturities (in Years) Less Than 1
U.S. agencies	\$ 1,501,340

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The City does not have a formal investment policy for credit risk for investments.

Standard and Poor's Rating	Moody's Rating	U.S. Agencies
AAA	Aaa	\$ 1,501,340

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.

The City held the following investments that were exposed to concentration of credit risk:

Primary Government:

Issuer	2010
Federal Home Loan Banks	\$ 1,501,340

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	\$ 1,538

CITY OF WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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. There were no significant reductions in insurance by major category of risk.

Medical benefits to employees

The City has chose to establish a risk financing fund for excess funds accumulated for risks associated with medical benefits to employees, retirees, and dependents (excluding postemployment benefits). The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where accumulated assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Premiums are paid to a private entity, who maintains claims reserves, and pays administrative costs of the program. Premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as external transactions.

B. Rate Structure – Enterprise Funds

Wastewater Utility

The current rate structure was approved by the City Council on January 11, 2010.

C. Receipts Pledged

Wastewater Utility Receipts Pledged

The City has pledged future customer collection receipts, net of specified operating expenditures, to repay revenue bonds issued in 2009. Proceeds from the bonds provided financing for 2009 sewage works refunding revenue bonds which were used to refund 1998 sewage works refunding revenue bonds. The bonds are payable solely from customer collections. The 2009 sewage works refunding revenue bond will be paid in 2014. Annual principal and interest payments are expected to require less than 30 percent of net receipts.

CITY OF WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

The City has pledged future customer collection receipts, net of specified operating expenditures, to repay revenue bonds issued in 2010. Proceeds from the bonds provided financing for a storm water separation project on Manchester Avenue. The bonds are payable solely from customer collections. The 2010 sewage works revenue bond will be paid in 2016. Annual principal and interest payments are expected to require less than 30 percent of net receipts.

D. Pension Plans

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.

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.

CITY OF WABASH
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

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

On Behalf Payments

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

CITY OF WABASH
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	\$ 1,372,694	\$ 1,444,580	\$ (71,886)	95%	\$ 1,235,929	(6%)
07-01-08	1,498,944	1,592,782	(93,838)	94%	1,289,515	(7%)
07-01-09	1,020,778	1,473,017	(452,239)	69%	1,270,012	(36%)

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	\$ 988,366	\$ 8,949,100	\$ (7,960,734)	11%	\$ 112,500	(7,076%)
01-01-05	1,019,656	9,213,700	(8,194,044)	11%	115,800	(7,076%)
01-01-06	1,095,060	9,196,000	(8,100,940)	12%	79,500	(10,190%)
01-01-07	1,114,522	9,184,500	(8,069,978)	12%	81,900	(9,853%)
01-01-08	1,197,173	8,976,400	(7,779,227)	13%	84,400	(9,217%)
01-01-09	1,247,204	7,108,600	(5,861,396)	18%	-	-

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	\$ 908,658	\$ 12,008,100	\$ (11,099,442)	8%	\$ -	No Covered Payroll
01-01-05	1,001,541	11,786,400	(10,784,859)	8%	-	No Covered Payroll
01-01-06	1,081,838	11,784,700	(10,702,862)	9%	-	No Covered Payroll
01-01-07	1,104,582	11,988,700	(10,884,118)	9%	-	No Covered Payroll
01-01-08	1,155,384	10,895,900	(9,740,516)	11%	-	No Covered Payroll
01-01-09	1,174,016	11,414,100	(10,240,084)	10%	-	No Covered Payroll

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

	<u>Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed</u>
1925 Police Officers' Pension Plan	12-31-04	\$ 1,052,700	51%
	12-31-05	687,400	81%
	12-31-06	683,800	73%
	12-31-07	692,000	78%
	12-31-08	680,600	81%
	12-31-09	531,200	146%
1937 Firefighters' Pension Plan	12-31-04	\$ 1,371,700	54%
	12-31-05	832,000	92%
	12-31-06	842,500	84%
	12-31-07	868,900	82%
	12-31-08	801,400	91%
	12-31-09	852,900	128%

CITY OF WABASH
 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

	Local Road and Street	Aviation	Park and Recreation Nonreverting	Storm Water	Law Enforcement Continuing Education	Clerk's Perpetuation	Park and Recreation
Receipts:							
Taxes	\$ -	\$ 118,700	\$ -	\$ -	\$ -	\$ -	\$ 468,552
Licenses and permits	-	-	-	-	3,457	-	-
Intergovernmental	47,709	7,925	-	-	-	-	31,278
Charges for services	-	-	880	469,893	3,990	-	29,270
Fines and forfeits	-	-	-	-	-	133	-
Other	-	293	-	1,800	-	-	-
Total receipts	<u>47,709</u>	<u>126,918</u>	<u>880</u>	<u>471,693</u>	<u>7,447</u>	<u>133</u>	<u>529,100</u>
Disbursements:							
General government	-	125,393	-	-	-	-	-
Public safety	-	-	-	-	188	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	280,812	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	1,079	-	-	-	396,862
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	5,130	-	-	-	-	-
Public safety	-	-	-	-	9,078	-	-
Highways and streets	50,000	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	99,213
Total disbursements	<u>50,000</u>	<u>130,523</u>	<u>1,079</u>	<u>280,812</u>	<u>9,266</u>	<u>-</u>	<u>496,075</u>
Excess (deficiency) of receipts over disbursements	<u>(2,291)</u>	<u>(3,605)</u>	<u>(199)</u>	<u>190,881</u>	<u>(1,819)</u>	<u>133</u>	<u>33,025</u>
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(2,291)</u>	<u>(3,605)</u>	<u>(199)</u>	<u>190,881</u>	<u>(1,819)</u>	<u>133</u>	<u>33,025</u>
Cash and investment fund balance - beginning	<u>33,592</u>	<u>345,609</u>	<u>199</u>	<u>889,939</u>	<u>17,244</u>	<u>4,081</u>	<u>553,590</u>
Cash and investment fund balance - ending	<u>\$ 31,301</u>	<u>\$ 342,004</u>	<u>\$ -</u>	<u>\$ 1,080,820</u>	<u>\$ 15,425</u>	<u>\$ 4,214</u>	<u>\$ 586,615</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ -	\$ 342,004	\$ -	\$ 1,080,820	\$ 15,425	\$ -	\$ -
Restricted assets:							
Cash and investments	31,301	-	-	-	-	4,214	586,615
Total cash and investment assets - ending	<u>\$ 31,301</u>	<u>\$ 342,004</u>	<u>\$ -</u>	<u>\$ 1,080,820</u>	<u>\$ 15,425</u>	<u>\$ 4,214</u>	<u>\$ 586,615</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,214	\$ -
Highways and streets	31,301	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	586,615
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	342,004	-	1,080,820	15,425	-	-
Total cash and investment fund balance - ending	<u>\$ 31,301</u>	<u>\$ 342,004</u>	<u>\$ -</u>	<u>\$ 1,080,820</u>	<u>\$ 15,425</u>	<u>\$ 4,214</u>	<u>\$ 586,615</u>

CITY OF WABASH
 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)

	Criminal Justice Grant	FEMA Grant	Civic Activities	Ambulance	Lighting Grant	Rainy Day	Redevelopment Commission
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,200	-	-	437,424	4,000	250,458	-
Charges for services	-	-	-	804,356	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	4,979	-	4,200	25,838	-	-	-
Total receipts	9,179	-	4,200	1,267,618	4,000	250,458	-
Disbursements:							
General government	-	-	1,607	-	47,540	-	-
Public safety	11,009	-	-	442,136	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	2,845
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	84,512	-	-	-
Interest	-	-	-	7,266	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	736,303	-	-	-
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Total disbursements	11,009	-	1,607	1,270,217	47,540	-	2,845
Excess (deficiency) of receipts over disbursements	(1,830)	-	2,593	(2,599)	(43,540)	250,458	(2,845)
Other financing sources (uses):							
Transfers in	-	1,538	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	-	1,538	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,830)	1,538	2,593	(2,599)	(43,540)	250,458	(2,845)
Cash and investment fund balance - beginning	4,843	(1,538)	3,076	698,673	-	654,599	32,011
Cash and investment fund balance - ending	\$ 3,013	\$ -	\$ 5,669	\$ 696,074	\$ (43,540)	\$ 905,057	\$ 29,166
Cash and Investment Assets - Ending							
Cash and investments	\$ 3,013	\$ -	\$ 5,669	\$ 696,074	\$ (43,540)	\$ 905,057	\$ 29,166
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 3,013	\$ -	\$ 5,669	\$ 696,074	\$ (43,540)	\$ 905,057	\$ 29,166
Cash and Investment Fund Balance - Ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	3,013	-	5,669	696,074	(43,540)	905,057	29,166
Total cash and investment fund balance - ending	\$ 3,013	\$ -	\$ 5,669	\$ 696,074	\$ (43,540)	\$ 905,057	\$ 29,166

CITY OF WABASH
 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)

	Levy Excess	Aviation Revolving	Street Bond	Street Debt Reserve	Park and Recreation Nonreverting Capital	Streetscape
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	18,746	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	19,765	-	-	-	-	-
Total receipts	19,765	18,746	-	-	-	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	2,079	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	139,274
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	-	-	-	2,079	139,274
Excess (deficiency) of receipts over disbursements	19,765	18,746	-	-	(2,079)	(139,274)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(1,538)	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	(1,538)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	19,765	17,208	-	-	(2,079)	(139,274)
Cash and investment fund balance - beginning	-	59,765	90,574	233,000	31,921	(117,060)
Cash and investment fund balance - ending	<u>\$ 19,765</u>	<u>\$ 76,973</u>	<u>\$ 90,574</u>	<u>\$ 233,000</u>	<u>\$ 29,842</u>	<u>\$ (256,334)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 19,765	\$ 76,973	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	90,574	233,000	29,842	(256,334)
Total cash and investment assets - ending	<u>\$ 19,765</u>	<u>\$ 76,973</u>	<u>\$ 90,574</u>	<u>\$ 233,000</u>	<u>\$ 29,842</u>	<u>\$ (256,334)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	90,574	233,000	-	-
Capital outlay	-	-	-	-	29,842	(256,334)
Unrestricted	19,765	76,973	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 19,765</u>	<u>\$ 76,973</u>	<u>\$ 90,574</u>	<u>\$ 233,000</u>	<u>\$ 29,842</u>	<u>\$ (256,334)</u>

CITY OF WABASH
 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)

	Brownfield Grant	Economic Development Income Tax	Manchester Avenue Grant	Cumulative Capital Improvement	Aviation Grant	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 587,252
Licenses and permits	-	-	-	-	-	3,457
Intergovernmental	-	572,005	978,500	34,384	645,103	3,012,986
Charges for services	-	-	-	-	-	1,327,135
Fines and forfeits	-	-	-	-	-	133
Other	-	-	-	-	-	56,875
Total receipts	-	572,005	978,500	34,384	645,103	4,987,838
Disbursements:						
General government	-	-	-	-	671,841	846,381
Public safety	-	-	-	-	-	453,333
Highways and streets	-	-	-	24,874	-	24,874
Sanitation	-	-	-	-	-	280,812
Economic development	-	60,000	-	-	-	62,845
Culture and recreation	-	-	-	-	-	400,020
Debt service:						
Principal	-	219,353	-	-	-	303,865
Interest	-	72,067	-	-	-	79,333
Capital outlay:						
General government	-	-	819,807	-	-	824,937
Public safety	-	-	-	-	-	745,381
Highways and streets	-	-	-	-	-	50,000
Economic development	-	325,665	-	-	-	464,939
Culture and recreation	-	-	-	-	-	99,213
Total disbursements	-	677,085	819,807	24,874	671,841	4,635,933
Excess (deficiency) of receipts over disbursements	-	(105,080)	158,693	9,510	(26,738)	351,905
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,538
Transfers out	-	-	-	-	-	(1,538)
Other receipts	-	100	-	-	-	100
Total other financing sources (uses)	-	100	-	-	-	100
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(104,980)	158,693	9,510	(26,738)	352,005
Cash and investment fund balance - beginning	738	544,496	-	167,285	17,263	4,263,900
Cash and investment fund balance - ending	<u>\$ 738</u>	<u>\$ 439,516</u>	<u>\$ 158,693</u>	<u>\$ 176,795</u>	<u>\$ (9,475)</u>	<u>\$ 4,615,905</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,130,426
Restricted assets:						
Cash and investments	738	439,516	158,693	176,795	(9,475)	1,485,479
Total cash and investment assets - ending	<u>\$ 738</u>	<u>\$ 439,516</u>	<u>\$ 158,693</u>	<u>\$ 176,795</u>	<u>\$ (9,475)</u>	<u>\$ 4,615,905</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,214
Highways and streets	-	-	-	-	-	31,301
Economic development	-	439,516	-	-	-	439,516
Culture and recreation	-	-	-	-	-	586,615
Debt service	-	-	-	-	-	323,574
Capital outlay	738	-	158,693	176,795	(9,475)	100,259
Unrestricted	-	-	-	-	-	3,130,426
Total cash and investment fund balance - ending	<u>\$ 738</u>	<u>\$ 439,516</u>	<u>\$ 158,693</u>	<u>\$ 176,795</u>	<u>\$ (9,475)</u>	<u>\$ 4,615,905</u>

CITY OF WABASH
 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>Firefighters' Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ -	\$ 897	\$ 897
State	<u>533,305</u>	<u>665,897</u>	<u>1,199,202</u>
Total additions	<u>533,305</u>	<u>666,794</u>	<u>1,200,099</u>
Deductions:			
Benefits	703,346	985,572	1,688,918
Administrative and general	<u>1,000</u>	<u>1,357</u>	<u>2,357</u>
Total deductions	<u>704,346</u>	<u>986,929</u>	<u>1,691,275</u>
Deficiency of total additions over total deductions	(171,041)	(320,135)	(491,176)
Cash and investment fund balance - beginning	<u>1,492,243</u>	<u>1,547,982</u>	<u>3,040,225</u>
Cash and investment fund balance - ending	<u>\$ 1,321,202</u>	<u>\$ 1,227,847</u>	<u>\$ 2,549,049</u>

CITY OF WABASH
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2010

	Park Donation	Operation Donation	Totals
Additions:			
Contributions:			
Other	\$ 275	\$ -	\$ 275
Excess of total additions over total deductions	275	-	275
Cash and investment fund balance - beginning	4,092	55	4,147
Cash and investment fund balance - ending	\$ 4,367	\$ 55	\$ 4,422

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

	User Fee	Payroll	Pension Payroll	Court Costs Due County	City Court	Totals
Additions:						
Agency fund additions	\$ 258	\$ 4,412,536	\$ 1,193,479	\$ 3,360	\$ 151,300	\$ 5,760,933
Deductions:						
Agency fund deductions	-	4,416,388	1,193,479	3,360	144,280	5,757,507
Excess (deficiency) of total additions over total deductions	258	(3,852)	-	-	7,020	3,426
Cash and investment fund balance - beginning	13,839	53,621	-	2,131	11,820	81,411
Cash and investment fund balance - ending	<u>\$ 14,097</u>	<u>\$ 49,769</u>	<u>\$ -</u>	<u>\$ 2,131</u>	<u>\$ 18,840</u>	<u>\$ 84,837</u>

CITY OF WABASH
 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 after December 31, 2003, have been reported.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,515,031
Infrastructure	5,368,417
Buildings	5,830,646
Improvements other than buildings	5,200,862
Machinery and equipment	<u>5,602,963</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 25,517,919</u>
Business-Type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 134,606
Buildings	9,769,988
Improvements other than buildings	4,503,003
Machinery and equipment	<u>1,645,950</u>
 Total business-type activities, capital assets	 <u>\$ 16,053,547</u>

CITY OF WABASH
 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 Lease:		
Aerial fire truck	\$ 88,070	\$ 91,778
Police cars 2009	29,992	32,032
Loan payable:		
Indiana Development Finance Authority	188,889	49,770
Bonds payable:		
General obligation bonds:		
Acquisition and construction of capital facilities	<u>1,225,000</u>	<u>243,440</u>
Total governmental activities debt	<u>\$ 1,531,951</u>	<u>\$ 417,020</u>
Business-type activities:		
Wastewater Utility:		
Revenue Bonds:		
2009 Sewage works refunding	2,210,000	663,460
2010 Sewage works	<u>1,765,000</u>	<u>51,250</u>
Total business-type activities debt	<u>\$ 3,975,000</u>	<u>\$ 714,710</u>

CITY OF WABASH
OTHER REPORT

The annual report presented herein was prepared in addition to the official report prepared for the City of Wabash City Court.

CITY OF WABASH
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The following expenditures were in excess of budgeted appropriations:

<u>Fund</u>	<u>Excess Amount Expended</u>
Firefighters' Pension	\$ 217,329
Police Pension	120,746
Aviation	4,324

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

AIRPORT FUEL SALES

Northern Indiana Aviation (NIA) is the contractual fixed base operator for the City of Wabash airport. Per their agreement, NIA is to pay the City a portion of aviation fuel sold at the airport. During 2010, the City received no payments from fuel sales. All fuel purchases and sales are accounted for by the fuel distributor and maintained in a separate account on behalf of the City. The purchase of the fuel sold at the airport is deducted from the sales. At December 31, 2010, the City's credit balance with the fuel distributor was \$20,937. A similar comment appeared in prior Report B37726.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ORDINANCES AND RESOLUTIONS

The City has a rate ordinance establishing Storm Water rates. However, the City did not charge according to the rate ordinance for 2010.

Penalties on Wastewater Utility accounts receivable were not always charged according to the rate ordinance. A similar comment appeared in prior Report B37726.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ACCOUNTS RECEIVABLE ADJUSTMENTS

Total Wastewater Utility accounts receivable adjustments on daily reports do not agree with the total on monthly reports.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: 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 WABASH, WABASH COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Wabash (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.

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
(Continued)

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.

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

May 25, 2011

CITY OF WABASH
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 Office of Community and Rural Affairs CDBG - State Administered Small Cities Program Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	DR2-09-028	\$ 819,806
Total for federal grantor agency			<u>819,806</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety	20.600	11-02-01-32	1,131
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	10-02-01-39	<u>3,274</u>
Total for cluster			<u>4,405</u>
Direct Grant Airport Improvement Program	20.106	3-18-0084-08 3-18-0084-09 3-18-0084-10 3-18-0084-11	76,668 442,026 107,680 <u>11,872</u>
Total for program			<u>638,246</u>
Total for federal grantor agency			<u>642,651</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Pass-Through Indiana Office of Energy Development ARRA - Energy Efficiency and Conservation Block Grant Program	81.128	DE-EE-000725	<u>47,540</u>
Total for federal grantor agency			<u>47,540</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant Assistance to Firefighters Grant	97.044	EMW-2009-FR-00471	<u>437,424</u>
Total for federal grantor agency			<u>437,424</u>
Total federal awards expended			<u>\$ 1,947,421</u>

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

CITY OF WABASH
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 Wabash (City) 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 WABASH
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 no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	CDBG – State Administered Small Cities Program Cluster
97.044	Airport Improvement Program 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.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF WABASH
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF WABASH
EXIT CONFERENCE

The contents of this report were discussed on May 25, 2011, with Meredith A. Brown, Clerk-Treasurer; Robert E. Vanlandingham, Mayor; and Scott A. Long, President of the Common Council. The officials concurred with our audit findings.