

B40654

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF ELKHART
ELKHART COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
07/31/2012

This report was reissued on
8-2-2012 adding the Official
Response.

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Stephen J. Malone	01-01-11 to 12-31-12
Mayor	Dick Moore	01-01-08 to 12-31-15
President of the Board of Public Works	Michael C. Machlan	01-01-11 to 12-31-12
President of the Common Council	Brent Curry Tonda L. Hines	01-01-11 to 12-31-11 01-01-12 to 12-31-12



INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the City of Elkhart (City), for the year ended December 31, 2011. This financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

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

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated July 9, 2012, 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
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by 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 financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Included in the financial statement are the receipts and disbursements activity from emergency telephone system fees (IC 36-8-16) and enhanced wireless emergency telephone fees (IC 36-8-16.5). In accordance with Indiana Code 36-8-16-14 and Indiana Code 36-8-16.5-41 these fees have been subject to an annual audit performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, 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

July 9, 2012



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the financial statement of the City of Elkhart (City), for the year ended December 31, 2011, and have issued our report thereon dated July 9, 2012. 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 opinion on the financial statement, 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 deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

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

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, 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

July 9, 2012

FINANCIAL STATEMENT

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

CITY OF ELKHART
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 22,351,073	\$ 31,890,708	\$ 31,463,009	\$ 22,778,772
Motor Vehicle Highway	850,473	3,787,275	3,524,968	1,112,780
Local Road And Street	305,289	489,494	533,198	261,585
Aviation	606,708	985,047	787,453	804,302
Park Program	242,582	298,230	183,486	357,326
Parking Enforcement	71,944	10,742	-	82,686
Community Development	(4,090)	754,553	749,964	499
Law Enforcement Continuing Ed	218,154	81,835	79,717	220,272
Unsafe Building	145,263	68,819	120,594	93,488
Riverboat Gaming	658,433	324,629	276,701	706,361
E-911	210,745	86,909	138,805	158,849
Park And Recreation	522,844	1,037,365	1,065,634	494,575
Rainy Day	4,505,119	271,093	-	4,776,212
Levy Excess	91,455	-	91,455	-
Major Moves Construction	6,493,559	1,412,225	-	7,905,784
Cum Cap Development	653,321	712,179	869,607	495,893
Cum Cap Fire	996,422	318,386	1,096,618	218,190
Cum Cap Sewer	630,872	311,766	207,300	735,338
Cum Cap Improvement	194,713	176,080	255,400	115,393
Police Pension	1,730,812	2,089,621	2,038,440	1,781,993
Fire Pension	2,806,694	2,793,474	2,794,879	2,805,289
Dangerous Driving Enforcement	-	2,189	619	1,570
BCCE Seat Belt Grant	-	13,630	13,224	406
Park Bond 09 Reserve	-	232,728	-	232,728
TIF Southwest Capital	-	800,000	800,000	-
TIF Bayer/Tech Park Allocation	88,556	28,410	7,743	109,223
Lerner Ticket Account	9,281	531,113	516,968	23,426
City Clerk State Shares Sweep Account	69,889	932,836	938,598	64,127
Elkhart City Court - Regular Account	195,578	2,190,904	2,212,169	174,313
City Clerk - Probation User Fees	15,572	276,041	278,272	13,341
Cemetery	304,480	390,210	421,150	273,540
Probation User Fees	563,896	278,128	327,414	514,610
Federal Grant Human Relations	55,168	20,211	15,254	60,125
State Grant IDEM Small Mentor	61,013	-	-	61,013
Central Garage	322,459	1,349,743	1,348,214	323,988
Park Grants	3,634	791	-	4,425
Theft Program	119,158	10,160	7,600	121,718
Stu Statler Crime Fund	48,687	28,823	60,657	16,853
Record Perpetuation	100,568	59,803	51,566	108,805
High Dive Park Grant	19,644	-	-	19,644
Tax Abatement	87,935	56,974	300	144,609
Drunk Driving Grant	620	5,691	11,365	(5,054)
CSBG (Comm Svcs Block Grant)	1,736	-	-	1,736
Environmental Center	73,714	90,000	115,333	48,381
Greater Elkhart	2,128,293	1,404,878	1,771,392	1,761,779
License Examination	21,199	5,355	3,920	22,634
Mausoleum Operating	120,809	11,585	65,570	66,824
NYCRR Museum	86,186	104,475	99,992	90,669
Sidewalk Improvement	112,441	15,789	84,758	43,472
Washington Gardens	12,787	27,222	29,739	10,270
Elco/Lerner Theatre	356,567	495,744	462,726	389,585
Redevelopment	149,264	49,964	52,335	146,893
UMPTA	12,917	75,000	75,150	12,767
Tolson Drug Elimination	35	-	-	35
Energy Efficiency Block Grant	306,175	251,125	557,300	-
IDEM Grant St Joe River	17,292	-	-	17,292
Wheel Tax	386,336	1,040,586	1,050,000	376,922
CD Rehab	34,389	12,547	16,351	30,585
CD Business Loan Grant	198,509	100,911	11,569	287,851
DEA Asset Sharing	17,175	16,121	30,654	2,642
Noise Ordinance	94,907	170,714	254,524	11,097
Curb And Gutter Construction	38,215	10,024	6,600	41,639
Elco Capital	111,107	-	-	111,107
TIF Downtown Reserve	503,500	-	-	503,500
TIF Pierre Moran Allocation	546,656	343,322	1,346	888,632
TIF Southwest Allocation	1,758,190	840,533	1,189,277	1,409,446
TIF Aeroplex Allocation	409,641	180,100	1,172	588,569
TIF Sterling Allocation	66,000	293,511	9,563	349,948
TIF Cassopolis Allocation	972,292	1,761,954	1,152,894	1,581,352
Aviation Insurance Settlement	18,435	32,556	49,633	1,358
Insurance Fire Department	29,966	-	3,368	26,598
Insurance Police Dept	11,724	40,284	29,045	22,963
Insurance Public Works	49,845	1,401	8,335	42,911
Insurance Street Dept	11,330	23,819	32,197	2,952
Insurance Cemetery	100	-	-	100
Insurance Park And Recreation	18,001	53,793	22,887	48,907
Insurance NYCRR Museum	61	-	-	61
Insurance Oak Hills	490	-	-	490
Insurance Central Garage	4,126	969	1,969	3,126
Insurance Sewer	14,677	-	-	14,677
Donation Mayors Office	684	1,500	750	1,434
Donation Mayors Food Drive	277	700	650	327
Donation Character First	52	-	-	52
Donation Spread The Warmth	100	-	-	100
Donation Safety Champions	142	-	-	142
Animal Control Ordinance	39,258	75,495	15,082	99,671
Donation Bayer Corp	1,127	-	-	1,127

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

CITY OF ELKHART
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Donation Civil Rights	692	-	-	692
Donation Community Violence	176	-	-	176
Donation Fire Education	1,488	-	-	1,488
Donation Smoke Detectors	526	-	-	526
Donation Ambulance Escrow	10,035	-	-	10,035
Donation Survive Alive	4,377	10,915	11,573	3,719
Donation Historical Preservation	11,836	-	680	11,156
Donation Building	251	-	-	251
Donation Downtown Improvements	1,203	50	-	1,253
Donation Riverwalk	126,845	-	-	126,845
Donation Police Community Relations	567	-	-	567
Donation Police Dare	5,765	-	-	5,765
Donation Police Misc	8,642	47,624	16,351	39,915
Donation Intersection Improvements	650	-	-	650
Donation Beardsley Memorial	4,537	-	-	4,537
Lerner Concessions	681	33	-	714
Donation Comm Center	31	-	21	10
Donation EMS	1,783	-	-	1,783
Donation Tree Planting	260	279	185	354
Donation NYCRR Museum	-	2,195	70	2,125
Donation Cemetery	42,517	-	-	42,517
Donation Park And Recreation	46,927	18,896	12,606	53,217
Donation Elco/Lerner Theatre	32,649	78,556	77,660	33,545
Donation Agenda 2010	171	-	-	171
Tolson Scholarship	2,179	-	-	2,179
Donation Enviro Education	25,586	7,256	2,654	30,188
Donation DESS	597	-	-	597
Donation Botanical Gardens	119	-	-	119
Donation Public Works	4,161	-	125	4,036
Neighborhood Stabilization Program	(161,659)	713,611	550,856	1,096
CDBG-R	858	-	858	-
G.O. Bond 06 Allocation	-	300	300	-
Park Bond 06 Allocation	-	370,799	370,800	(1)
Park Bond 09 Allocation	244,506	764,999	656,510	352,995
TIF Downtown Allocation	2,533,015	1,832,389	1,497,149	2,868,255
Park Bond Anticipation Notes	50,549	-	-	50,549
G.O. Bond 06 Capital	44,477	-	44,477	-
Park Bond 2009 Capital	1,284,959	-	1,284,959	-
EDIT	6,297,703	2,532,760	3,240,563	5,589,900
Riverwalk Commons	1,760	-	-	1,760
Horizon	312,546	-	-	312,546
Aviation Federal	167,086	58,248	224,920	414
Downtown Development	8,177	-	-	8,177
Highway Improvement	95,904	1,830	2,288	95,446
Park Capital	6,524	-	-	6,524
TIF Downtown Capital	62,913	-	-	62,913
P/W Homeland Security Grant	8,330	-	8,272	58
Fire Department FEMA Grant	68,287	41,566	87,502	22,351
Bureau Of Justice Police Grant	15,686	90,522	37,249	68,959
RR Underpass	137,889	-	-	137,889
Cassopolis Interlocal	4,015	-	-	4,015
Build Indiana - RR Safety	50,000	-	-	50,000
Build Indiana - Elco/Lerner Theatre	4,520,441	498,053	5,006,969	11,525
CR 17 Corridor	4,446	-	-	4,446
Cemetery Perpetual	38,612	5,631	-	44,243
Mausoleum Perpetual	441,272	1,592	-	442,864
Prairie Street Cemetery	75,657	-	-	75,657
Pension Trust	2,510,615	4,330,997	5,345,756	1,495,856
Sales Tax	879	17,146	16,305	1,720
County Court Fees	-	213,592	200,348	13,244
Flex Benefit	60,648	285,312	264,547	81,413
Group Insurance	429,571	6,536,958	6,342,870	623,659
HRA Group Insurance	334,189	250,260	326,881	257,568
Liability Insurance Trust	2,952,004	2,056,826	1,178,115	3,830,715
Fuel Hedge Fund	53	8,320	8,320	53
Oak Hills Golf Course	17,535	192,740	210,276	(1)
Oak Hills Concessions	33,218	23,685	50,513	6,390
Stormwater	1,091,321	680,462	1,214,472	557,311
Wastewater Utility Operating	1,979,835	7,787,199	7,315,518	2,451,516
Wastewater Util - Bond And Interest	801,007	948,228	700,181	1,049,054
Wastewater Utility Depreciation	23,191	42,114	64,662	643
Sewer Replacement	879,204	1,759,087	1,647,106	991,185
Sewer Bond Sinking Fund	296,448	239,693	-	536,141
Sewer Insurance 655 #2	268,417	254,433	221,942	300,908
WWTP Trunk Line Ext 656 #3	1,062,025	320,318	527,640	854,703
WWTP Revenue Fund #4	2,210,825	8,057,412	9,310,990	957,247
Sewer Guarantee Deposits	116,683	24,805	-	141,488
Water Utility Operating	1,887,771	6,309,370	5,726,606	2,470,535
Water Utility Depreciation	1,644,027	1,380,000	1,992,986	1,031,041
Water Utility Tank	1,557,163	148,150	-	1,705,313
Water Revenue #4	2,968,330	7,589,295	6,791,305	3,766,320
Water Main Extension 630	560,624	214,937	506,907	268,654
WTR Guarantee Deposit	150,457	13,323	-	163,780
Aquatic Fisheries	231,809	127,007	111,783	247,033
Totals	\$ 95,802,303	\$ 119,530,565	\$ 123,706,048	\$ 91,626,820

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

CITY OF ELKHART
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

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

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the

CITY OF ELKHART
NOTES TO FINANCIAL STATEMENT
(Continued)

state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

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

E. Disbursements

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

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

CITY OF ELKHART
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

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

Note 3. Property Taxes

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

CITY OF ELKHART
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

State statutes authorize the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement any replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

CITY OF ELKHART
NOTES TO FINANCIAL STATEMENT
(Continued)

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF ELKHART
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Plan Description

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

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

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

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

Note 7. Subsequent Events

The City refinanced two TIF bond issues in order to capture savings on interest costs. The first is the Redevelopment District Tax Increment Revenue Refunding and Improvement Bonds dated March 1, 2001. Amount refunded is \$1,185,000. The second is the Special Taxing District Bonds of 2002 dated November 1, 2002. Amount refunded is \$1,695,000. The refunding bonds are Redevelopment District Special Taxing District Refunding Bonds of 2012 in the amount of \$3,230,000.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Aviation	Park Program	Parking Enforcement	Community Development	Law Enforcement Continuing Ed	Unsafe Building
Cash and investments - beginning	\$ 22,351,073	\$ 850,473	\$ 305,289	\$ 606,708	\$ 242,582	\$ 71,944	\$ (4,090)	\$ 218,154	\$ 145,263
Receipts:									
Taxes	21,930,305	2,227,413	-	715,398	-	-	-	-	-
Licenses and permits	134,636	-	-	-	-	-	-	-	-
Intergovernmental	8,189,627	1,539,793	489,494	38,674	-	-	738,782	-	-
Charges for services	12,499	4,140	-	224,232	298,230	10,742	-	81,339	68,819
Fines and forfeits	960,114	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	663,527	15,929	-	6,743	-	-	15,771	496	-
Total receipts	<u>31,890,708</u>	<u>3,787,275</u>	<u>489,494</u>	<u>985,047</u>	<u>298,230</u>	<u>10,742</u>	<u>754,553</u>	<u>81,835</u>	<u>68,819</u>
Disbursements:									
Personal services	27,521,562	2,734,424	-	584,435	68,339	-	28,831	-	20,390
Supplies	1,353,259	422,709	-	51,606	58,116	-	-	-	-
Other services and charges	2,500,593	362,835	349,961	131,868	55,481	-	721,133	79,717	100,204
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	32,962	5,000	183,237	19,544	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	54,633	-	-	-	1,550	-	-	-	-
Total disbursements	<u>31,463,009</u>	<u>3,524,968</u>	<u>533,198</u>	<u>787,453</u>	<u>183,486</u>	<u>-</u>	<u>749,964</u>	<u>79,717</u>	<u>120,594</u>
Excess (deficiency) of receipts over disbursements	<u>427,699</u>	<u>262,307</u>	<u>(43,704)</u>	<u>197,594</u>	<u>114,744</u>	<u>10,742</u>	<u>4,589</u>	<u>2,118</u>	<u>(51,775)</u>
Cash and investments - ending	\$ <u>22,778,772</u>	\$ <u>1,112,780</u>	\$ <u>261,585</u>	\$ <u>804,302</u>	\$ <u>357,326</u>	\$ <u>82,686</u>	\$ <u>499</u>	\$ <u>220,272</u>	\$ <u>93,488</u>

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Riverboat Gaming	E-911	Park And Recreation	Rainy Day	Levy Excess	Major Moves Construction	Cum Cap Development	Cum Cap Fire	Cum Cap Sewer
Cash and investments - beginning	\$ 658,433	\$ 210,745	\$ 522,844	\$ 4,505,119	\$ 91,455	\$ 6,493,559	\$ 653,321	\$ 996,422	\$ 630,872
Receipts:									
Taxes	-	-	795,435	-	-	-	675,655	48,384	164,162
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	324,629	86,909	42,970	-	-	-	36,524	2,616	8,875
Charges for services	-	-	197,766	-	-	-	-	-	-
Fines and forfeits	-	-	-	267,386	-	-	-	267,386	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	-	-	1,194	3,707	-	1,412,225	-	-	138,729
Total receipts	324,629	86,909	1,037,365	271,093	-	1,412,225	712,179	318,386	311,766
Disbursements:									
Personal services	-	-	620,497	-	-	-	-	-	-
Supplies	-	-	49,590	-	-	-	-	-	-
Other services and charges	159,684	138,805	385,435	-	-	-	563,620	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	117,017	-	4,469	-	-	-	305,987	1,096,618	207,300
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	5,643	-	91,455	-	-	-	-
Total disbursements	276,701	138,805	1,065,634	-	91,455	-	869,607	1,096,618	207,300
Excess (deficiency) of receipts over disbursements	47,928	(51,896)	(28,269)	271,093	(91,455)	1,412,225	(157,428)	(778,232)	104,466
Cash and investments - ending	\$ 706,361	\$ 158,849	\$ 494,575	\$ 4,776,212	\$ -	\$ 7,905,784	\$ 495,893	\$ 218,190	\$ 735,338

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cum Cap Improvement	Police Pension	Fire Pension	Dangerous Driving Enforcement	BCCE Seat Belt Grant	Park Bond 09 Reserve	TIF Southwest Capital	TIF Bayer/Tech Park Allocation	Lerner Ticket Account
Cash and investments - beginning	\$ 194,713	\$ 1,730,812	\$ 2,806,694	\$ -	\$ -	\$ -	\$ -	\$ 88,556	\$ 9,281
Receipts:									
Taxes	-	-	-	-	-	-	-	28,410	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	148,970	2,089,485	2,793,474	2,189	12,100	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	27,110	136	-	-	1,530	232,728	800,000	-	531,113
Total receipts	176,080	2,089,621	2,793,474	2,189	13,630	232,728	800,000	28,410	531,113
Disbursements:									
Personal services	-	7,537	7,002	619	-	-	-	-	-
Supplies	-	9,603	7,819	-	-	-	-	-	-
Other services and charges	185,603	2,021,300	2,780,058	-	13,224	-	774,258	7,743	516,968
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	69,797	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	25,742	-	-
Total disbursements	255,400	2,038,440	2,794,879	619	13,224	-	800,000	7,743	516,968
Excess (deficiency) of receipts over disbursements	(79,320)	51,181	(1,405)	1,570	406	232,728	-	20,667	14,145
Cash and investments - ending	\$ 115,393	\$ 1,781,993	\$ 2,805,289	\$ 1,570	\$ 406	\$ 232,728	\$ -	\$ 109,223	\$ 23,426

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	City Clerk State Shares Sweep Account	Elkhart City Court - Regular Account	City Clerk - Probation User Fees	Cemetery	Probation User Fees	Federal Grant Human Relations	State Grant IDEM Small Mentor	Central Garage	Park Grants
Cash and investments - beginning	\$ 69,889	\$ 195,578	\$ 15,572	\$ 304,480	\$ 563,896	\$ 55,168	\$ 61,013	\$ 322,459	\$ 3,634
Receipts:									
Taxes	-	-	-	125,598	-	-	-	1,273,548	-
Licenses and permits	-	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	6,820	-	20,200	-	68,845	791
Charges for services	-	-	-	257,019	278,128	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Other receipts	932,836	2,190,904	276,041	773	-	11	-	7,350	-
Total receipts	932,836	2,190,904	276,041	390,210	278,128	20,211	-	1,349,743	791
Disbursements:									
Personal services	-	-	-	368,214	228,027	11,383	-	706,500	-
Supplies	-	-	-	20,855	4,909	1,388	-	487,080	-
Other services and charges	938,598	2,212,169	278,272	32,081	93,349	2,483	-	147,948	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,129	-	-	6,686	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-	-
Total disbursements	938,598	2,212,169	278,272	421,150	327,414	15,254	-	1,348,214	-
Excess (deficiency) of receipts over disbursements	(5,762)	(21,265)	(2,231)	(30,940)	(49,286)	4,957	-	1,529	791
Cash and investments - ending	\$ 64,127	\$ 174,313	\$ 13,341	\$ 273,540	\$ 514,610	\$ 60,125	\$ 61,013	\$ 323,988	\$ 4,425

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Theft Program	Stu Statler Crime Fund	Record Perpetuation	High Dive Park Grant	Tax Abatement	Drunk Driving Grant	CSBG (Comm Svcs Block Grant)	Environmental Center
Cash and investments - beginning	\$ 119,158	\$ 48,687	\$ 100,568	\$ 19,644	\$ 87,935	\$ 620	\$ 1,736	\$ 73,714
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	26,115	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,691	-	-
Charges for services	-	-	59,803	-	-	-	-	-
Fines and forfeits	10,160	2,109	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	599	-	-	56,974	-	-	90,000
Total receipts	10,160	28,823	59,803	-	56,974	5,691	-	90,000
Disbursements:								
Personal services	-	-	36,998	-	-	11,365	-	99,712
Supplies	-	-	6,852	-	-	-	-	7,822
Other services and charges	7,600	270	-	-	300	-	-	7,799
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	60,387	7,716	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	7,600	60,657	51,566	-	300	11,365	-	115,333
Excess (deficiency) of receipts over disbursements	2,560	(31,834)	8,237	-	56,674	(5,674)	-	(25,333)
Cash and investments - ending	\$ 121,718	\$ 16,853	\$ 108,805	\$ 19,644	\$ 144,609	\$ (5,054)	\$ 1,736	\$ 48,381

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Greater Elkhart	License Examination	Mausoleum Operating	NYCRR Museum	Sidewalk Improvement	Washington Gardens	Elco/Lerner Theatre	Redevelopment
Cash and investments - beginning	\$ 2,128,293	\$ 21,199	\$ 120,809	\$ 86,186	\$ 112,441	\$ 12,787	\$ 356,567	\$ 149,264
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	5,355	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	27,222	-	49,964
Charges for services	1,404,878	-	11,585	40,668	15,789	-	114,723	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	63,807	-	-	381,021	-
Total receipts	<u>1,404,878</u>	<u>5,355</u>	<u>11,585</u>	<u>104,475</u>	<u>15,789</u>	<u>27,222</u>	<u>495,744</u>	<u>49,964</u>
Disbursements:								
Personal services	-	-	51,067	67,108	30,380	29,739	301,626	-
Supplies	-	-	8,763	1,743	54,378	-	18,565	-
Other services and charges	1,018,948	3,920	5,740	31,124	-	-	142,535	51,794
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	227,444	-	-	-	-	-	-	541
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	525,000	-	-	17	-	-	-	-
Total disbursements	<u>1,771,392</u>	<u>3,920</u>	<u>65,570</u>	<u>99,992</u>	<u>84,758</u>	<u>29,739</u>	<u>462,726</u>	<u>52,335</u>
Excess (deficiency) of receipts over disbursements	<u>(366,514)</u>	<u>1,435</u>	<u>(53,985)</u>	<u>4,483</u>	<u>(68,969)</u>	<u>(2,517)</u>	<u>33,018</u>	<u>(2,371)</u>
Cash and investments - ending	\$ <u>1,761,779</u>	\$ <u>22,634</u>	\$ <u>66,824</u>	\$ <u>90,669</u>	\$ <u>43,472</u>	\$ <u>10,270</u>	\$ <u>389,585</u>	\$ <u>146,893</u>

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	UMPTA	Tolson Drug Elimination	Energy Efficiency Block Grant	IDEM Grant St Joe River	Wheel Tax	CD Rehab	CD Business Loan Grant	DEA Asset Sharing
Cash and investments - beginning	\$ 12,917	\$ 35	\$ 306,175	\$ 17,292	\$ 386,336	\$ 34,389	\$ 198,509	\$ 17,175
Receipts:								
Taxes	-	-	-	-	1,040,586	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	251,125	-	-	-	-	16,121
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	75,000	-	-	-	-	12,547	100,911	-
Total receipts	75,000	-	251,125	-	1,040,586	12,547	100,911	16,121
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	1,050,000	-	-	-
Other services and charges	75,150	-	557,300	-	-	12,716	11,569	28,253
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	3,635	-	2,401
Total disbursements	75,150	-	557,300	-	1,050,000	16,351	11,569	30,654
Excess (deficiency) of receipts over disbursements	(150)	-	(306,175)	-	(9,414)	(3,804)	89,342	(14,533)
Cash and investments - ending	\$ 12,767	\$ 35	\$ -	\$ 17,292	\$ 376,922	\$ 30,585	\$ 287,851	\$ 2,642

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Noise Ordinance	Curb And Gutter Construction	Elco Capital	TIF Downtown Reserve	TIF Pierre Moran Allocation	TIF Southwest Allocation	TIF Aeroplex Allocation	TIF Sterling Allocation
Cash and investments - beginning	\$ 94,907	\$ 38,215	\$ 111,107	\$ 503,500	\$ 546,656	\$ 1,758,190	\$ 409,641	\$ 66,000
Receipts:								
Taxes	-	-	-	-	343,322	803,163	180,100	293,511
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	170,714	10,024	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	37,370	-	-
Total receipts	170,714	10,024	-	-	343,322	840,533	180,100	293,511
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	6,600	-	-	1,346	387,616	1,172	9,563
Debt service - principal and interest	-	-	-	-	-	801,661	-	-
Capital outlay	254,524	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	254,524	6,600	-	-	1,346	1,189,277	1,172	9,563
Excess (deficiency) of receipts over disbursements	(83,810)	3,424	-	-	341,976	(348,744)	178,928	283,948
Cash and investments - ending	\$ 11,097	\$ 41,639	\$ 111,107	\$ 503,500	\$ 888,632	\$ 1,409,446	\$ 588,569	\$ 349,948

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	TIF Cassopolis Allocation	Aviation Insurance Settlement	Insurance Fire Department	Insurance Police Dept	Insurance Public Works	Insurance Street Dept	Insurance Cemetery	Insurance Park And Recreation
Cash and investments - beginning	\$ 972,292	\$ 18,435	\$ 29,966	\$ 11,724	\$ 49,845	\$ 11,330	\$ 100	\$ 18,001
Receipts:								
Taxes	1,736,954	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	25,000	32,556	-	40,284	1,401	23,819	-	53,793
Total receipts	1,761,954	32,556	-	40,284	1,401	23,819	-	53,793
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	284
Other services and charges	552,894	49,633	3,368	29,045	8,335	32,197	-	22,603
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	600,000	-	-	-	-	-	-	-
Total disbursements	1,152,894	49,633	3,368	29,045	8,335	32,197	-	22,887
Excess (deficiency) of receipts over disbursements	609,060	(17,077)	(3,368)	11,239	(6,934)	(8,378)	-	30,906
Cash and investments - ending	\$ 1,581,352	\$ 1,358	\$ 26,598	\$ 22,963	\$ 42,911	\$ 2,952	\$ 100	\$ 48,907

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Insurance NYCRR Museum	Insurance Oak Hills	Insurance Central Garage	Insurance Sewer	Donation Mayors Office	Donation Mayors Food Drive	Donation Character First	Donation Spread The Warmth
Cash and investments - beginning	\$ 61	\$ 490	\$ 4,126	\$ 14,677	\$ 684	\$ 277	\$ 52	\$ 100
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	969	-	1,500	700	-	-
Total receipts	-	-	969	-	1,500	700	-	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	1,969	-	750	650	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	1,969	-	750	650	-	-
Excess (deficiency) of receipts over disbursements	-	-	(1,000)	-	750	50	-	-
Cash and investments - ending	\$ 61	\$ 490	\$ 3,126	\$ 14,677	\$ 1,434	\$ 327	\$ 52	\$ 100

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Donation Safety Champions	Animal Control Ordinance	Donation Bayer Corp	Donation Civil Rights	Donation Community Violence	Donation Fire Education	Donation Smoke Detectors	Donation Ambulance Escrow
Cash and investments - beginning	\$ 142	\$ 39,258	\$ 1,127	\$ 692	\$ 176	\$ 1,488	\$ 526	\$ 10,035
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	45,357	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	30,138	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-	-
Total receipts	-	75,495	-	-	-	-	-	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	15,082	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	15,082	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	-	60,413	-	-	-	-	-	-
Cash and investments - ending	\$ 142	\$ 99,671	\$ 1,127	\$ 692	\$ 176	\$ 1,488	\$ 526	\$ 10,035

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Donation Survive Alive	Donation Historical Preservation	Donation Building	Donation Downtown Improvements	Donation Riverwalk	Donation Police Community Relations	Donation Police Dare	Donation Police Misc
Cash and investments - beginning	\$ 4,377	\$ 11,836	\$ 251	\$ 1,203	\$ 126,845	\$ 567	\$ 5,765	\$ 8,642
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	10,915	-	-	50	-	-	-	47,624
Total receipts	10,915	-	-	50	-	-	-	47,624
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	10,713	-	-	-	-	-	-	16,351
Other services and charges	860	680	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	11,573	680	-	-	-	-	-	16,351
Excess (deficiency) of receipts over disbursements	(658)	(680)	-	50	-	-	-	31,273
Cash and investments - ending	\$ 3,719	\$ 11,156	\$ 251	\$ 1,253	\$ 126,845	\$ 567	\$ 5,765	\$ 39,915

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Donation Intersection Improvements	Donation Beardsley Memorial	Lerner Concessions	Donation Comm Center	Donation EMS	Donation Tree Planting	Donation NYCRR Museum	Donation Cemetery
Cash and investments - beginning	\$ 650	\$ 4,537	\$ 681	\$ 31	\$ 1,783	\$ 260	\$ -	\$ 42,517
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	33	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	279	2,195	-
Total receipts	-	-	33	-	-	279	2,195	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	185	-	-
Other services and charges	-	-	-	21	-	-	70	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	21	-	185	70	-
Excess (deficiency) of receipts over disbursements	-	-	33	(21)	-	94	2,125	-
Cash and investments - ending	\$ 650	\$ 4,537	\$ 714	\$ 10	\$ 1,783	\$ 354	\$ 2,125	\$ 42,517

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Donation Park And Recreation	Donation Elco/Lerner Theatre	Donation Agenda 2010	Tolson Scholarship	Donation Enviro Education	Donation DESS	Donation Botanical Gardens	Donation Public Works
Cash and investments - beginning	\$ 46,927	\$ 32,649	\$ 171	\$ 2,179	\$ 25,586	\$ 597	\$ 119	\$ 4,161
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	18,896	78,556	-	-	7,256	-	-	-
Total receipts	18,896	78,556	-	-	7,256	-	-	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	5,078	-	-	-	-	-	-	-
Other services and charges	7,528	77,660	-	-	2,654	-	-	125
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	12,606	77,660	-	-	2,654	-	-	125
Excess (deficiency) of receipts over disbursements	6,290	896	-	-	4,602	-	-	(125)
Cash and investments - ending	\$ 53,217	\$ 33,545	\$ 171	\$ 2,179	\$ 30,188	\$ 597	\$ 119	\$ 4,036

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Neighborhood Stabilization Program	CDBG-R	G.O. Bond 06 Allocation	Park Bond 06 Allocation	Park Bond 09 Allocation	TIF Downtown Allocation	Park Bond Anticipation Notes	G.O. Bond 06 Capital
Cash and investments - beginning	\$ (161,659)	\$ 858	\$ -	\$ -	\$ 244,506	\$ 2,533,015	\$ 50,549	\$ 44,477
Receipts:								
Taxes	713,611	-	-	260,930	725,766	1,832,389	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	14,106	39,233	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	300	95,763	-	-	-	-
Total receipts	<u>713,611</u>	<u>-</u>	<u>300</u>	<u>370,799</u>	<u>764,999</u>	<u>1,832,389</u>	<u>-</u>	<u>-</u>
Disbursements:								
Personal services	8,395	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	542,261	858	300	-	1,750	67,430	-	-
Debt service - principal and interest	-	-	-	370,800	422,032	629,719	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	200	-	-	-	232,728	800,000	-	44,477
Total disbursements	<u>550,856</u>	<u>858</u>	<u>300</u>	<u>370,800</u>	<u>656,510</u>	<u>1,497,149</u>	<u>-</u>	<u>44,477</u>
Excess (deficiency) of receipts over disbursements	<u>162,755</u>	<u>(858)</u>	<u>-</u>	<u>(1)</u>	<u>108,489</u>	<u>335,240</u>	<u>-</u>	<u>(44,477)</u>
Cash and investments - ending	\$ <u>1,096</u>	\$ <u>-</u>	\$ <u>-</u>	\$ <u>(1)</u>	\$ <u>352,995</u>	\$ <u>2,868,255</u>	\$ <u>50,549</u>	\$ <u>-</u>

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Park Bond 2009 Capital	EDIT	Riverwalk Commons	Horizon	Aviation Federal	Downtown Development	Highway Improvement	Park Capital
Cash and investments - beginning	\$ 1,284,959	\$ 6,297,703	\$ 1,760	\$ 312,546	\$ 167,086	\$ 8,177	\$ 95,904	\$ 6,524
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	2,382,760	-	-	58,248	-	1,830	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	150,000	-	-	-	-	-	-
Total receipts	-	2,532,760	-	-	58,248	-	1,830	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	1,284,959	3,240,563	-	-	224,920	-	2,288	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	1,284,959	3,240,563	-	-	224,920	-	2,288	-
Excess (deficiency) of receipts over disbursements	(1,284,959)	(707,803)	-	-	(166,672)	-	(458)	-
Cash and investments - ending	\$ -	\$ 5,589,900	\$ 1,760	\$ 312,546	\$ 414	\$ 8,177	\$ 95,446	\$ 6,524

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	TIF Downtown Capital	P/W Homeland Security Grant	Fire Department FEMA Grant	Bureau Of Justice Police Grant	RR Underpass	Cassopolis Interlocal	Build Indiana - RR Safety	Build Indiana - Elco/Lerner Theatre
Cash and investments - beginning	\$ 62,913	\$ 8,330	\$ 68,287	\$ 15,686	\$ 137,889	\$ 4,015	\$ 50,000	\$ 4,520,441
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	41,031	90,522	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	535	-	-	-	-	498,053
Total receipts	-	-	41,566	90,522	-	-	-	498,053
Disbursements:								
Personal services	-	-	2,265	-	-	-	-	-
Supplies	-	-	22,628	-	-	-	-	-
Other services and charges	-	8,272	62,609	-	-	-	-	5,006,969
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	37,249	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	8,272	87,502	37,249	-	-	-	5,006,969
Excess (deficiency) of receipts over disbursements	-	(8,272)	(45,936)	53,273	-	-	-	(4,508,916)
Cash and investments - ending	\$ 62,913	\$ 58	\$ 22,351	\$ 68,959	\$ 137,889	\$ 4,015	\$ 50,000	\$ 11,525

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	CR 17 Corridor	Cemetery Perpetual	Mausoleum Perpetual	Prairie Street Cemetery	Pension Trust	Sales Tax	County Court Fees	Flex Benefit
Cash and investments - beginning	\$ 4,446	\$ 38,612	\$ 441,272	\$ 75,657	\$ 2,510,615	\$ 879	\$ -	\$ 60,648
Receipts:								
Taxes	-	-	-	-	-	17,146	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	4,330,997	-	-	-
Charges for services	-	5,631	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	213,592	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	-	-	1,592	-	-	-	-	285,312
Total receipts	-	5,631	1,592	-	4,330,997	17,146	213,592	285,312
Disbursements:								
Personal services	-	-	-	-	5,345,756	-	-	264,547
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	16,305	200,348	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	-	-	-	-	5,345,756	16,305	200,348	264,547
Excess (deficiency) of receipts over disbursements	-	5,631	1,592	-	(1,014,759)	841	13,244	20,765
Cash and investments - ending	\$ 4,446	\$ 44,243	\$ 442,864	\$ 75,657	\$ 1,495,856	\$ 1,720	\$ 13,244	\$ 81,413

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Group Insurance	HRA Group Insurance	Liability Insurance Trust	Fuel Hedge Fund	Oak Hills Golf Course	Oak Hills Concessions	Stormwater	Wastewater Utility Operating
Cash and investments - beginning	\$ 429,571	\$ 334,189	\$ 2,952,004	\$ 53	\$ 17,535	\$ 33,218	\$ 1,091,321	\$ 1,979,835
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	2,055,405	8,320	-	-	-	-
Charges for services	-	-	-	-	156,440	23,685	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	676,652	750
Other receipts	6,536,958	250,260	1,421	-	36,300	-	3,810	7,786,449
Total receipts	6,536,958	250,260	2,056,826	8,320	192,740	23,685	680,462	7,787,199
Disbursements:								
Personal services	6,342,870	326,881	-	-	129,932	-	-	-
Supplies	-	-	-	-	56,328	14,313	-	-
Other services and charges	-	-	1,178,115	8,320	24,016	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	719,181	208,500
Utility operating expenses	-	-	-	-	-	-	495,291	4,753,943
Other disbursements	-	-	-	-	-	36,200	-	2,353,075
Total disbursements	6,342,870	326,881	1,178,115	8,320	210,276	50,513	1,214,472	7,315,518
Excess (deficiency) of receipts over disbursements	194,088	(76,621)	878,711	-	(17,536)	(26,828)	(534,010)	471,681
Cash and investments - ending	\$ 623,659	\$ 257,568	\$ 3,830,715	\$ 53	\$ (1)	\$ 6,390	\$ 557,311	\$ 2,451,516

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wastewater Util - Bond And Interest	Wastewater Utility Depreciation	Sewer Replacement	Sewer Bond Sinking Fund	Sewer Insurance 655 #2	WWTP Trunk Line Ext 656 #3	WWTP Revenue Fund #4	Sewer Guarantee Deposits
Cash and investments - beginning	\$ 801,007	\$ 23,191	\$ 879,204	\$ 296,448	\$ 268,417	\$ 1,062,025	\$ 2,210,825	\$ 116,683
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	148,502	-	186,433	230,318	8,057,412	24,805
Other receipts	948,228	42,114	1,610,585	239,693	68,000	90,000	-	-
Total receipts	948,228	42,114	1,759,087	239,693	254,433	320,318	8,057,412	24,805
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	700,181	-	-	-	-	-	-	-
Capital outlay	-	64,662	1,647,106	-	-	504,923	-	-
Utility operating expenses	-	-	-	-	220,002	-	-	-
Other disbursements	-	-	-	-	1,940	22,717	9,310,990	-
Total disbursements	700,181	64,662	1,647,106	-	221,942	527,640	9,310,990	-
Excess (deficiency) of receipts over disbursements	248,047	(22,548)	111,981	239,693	32,491	(207,322)	(1,253,578)	24,805
Cash and investments - ending	\$ 1,049,054	\$ 643	\$ 991,185	\$ 536,141	\$ 300,908	\$ 854,703	\$ 957,247	\$ 141,488

CITY OF ELKHART
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Water Utility Operating	Water Utility Depreciation	Water Utility Tank	Water Revenue #4	Water Main Extension 630	WTR Guarantee Deposit	Aquatic Fisheries	Totals
Cash and investments - beginning	\$ 1,887,771	\$ 1,644,027	\$ 1,557,163	\$ 2,968,330	\$ 560,624	\$ 150,457	\$ 231,809	\$ 95,802,303
Receipts:								
Taxes	-	-	-	375,969	-	-	-	36,307,755
Licenses and permits	-	-	-	-	-	-	-	211,483
Intergovernmental	-	-	-	-	-	-	50,000	26,064,342
Charges for services	-	-	-	-	-	-	-	3,446,887
Fines and forfeits	-	-	-	-	-	-	-	1,750,885
Utility fees	-	-	-	7,213,326	34,937	13,323	-	16,586,458
Other receipts	6,309,370	1,380,000	148,150	-	180,000	-	77,007	35,162,775
Total receipts	6,309,370	1,380,000	148,150	7,589,295	214,937	13,323	127,007	119,530,565
Disbursements:								
Personal services	-	-	-	-	-	-	77,178	46,033,579
Supplies	-	-	-	-	-	-	8,233	3,749,170
Other services and charges	-	-	-	-	-	-	26,372	30,602,402
Debt service - principal and interest	-	-	-	-	-	-	-	2,924,393
Capital outlay	302,768	1,992,986	-	-	506,907	-	-	8,599,722
Utility operating expenses	3,440,259	-	-	-	-	-	-	8,909,495
Other disbursements	1,983,579	-	-	6,791,305	-	-	-	22,887,287
Total disbursements	5,726,606	1,992,986	-	6,791,305	506,907	-	111,783	123,706,048
Excess (deficiency) of receipts over disbursements	582,764	(612,986)	148,150	797,990	(291,970)	13,323	15,224	(4,175,483)
Cash and investments - ending	\$ 2,470,535	\$ 1,031,041	\$ 1,705,313	\$ 3,766,320	\$ 268,654	\$ 163,780	\$ 247,033	\$ 91,626,820

CITY OF ELKHART
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ 1,156,367,360	\$ -
Golf Course	565	-
Storm Water	45	-
Wastewater	15,373	1,135,402
Water	<u>1,863</u>	<u>802,799</u>
Totals	<u>\$ 1,156,385,206</u>	<u>\$ 1,938,201</u>

CITY OF ELKHART
SCHEDULE OF LEASES AND DEBT
December 31, 2011

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	Park District Bonds Series 2009A	\$ 1,460,000	\$ 508,319
General obligation bonds	Taxable Park District Bonds Series 2009B	8,900,000	517,172
Revenue bonds	Special Taxing District Bonds of 2006	2,150,000	138,488
Revenue bonds	Special Taxing District Bonds of 2004	995,000	138,229
Revenue bonds	Tax Increment Revenue Bonds of 2003 Series A	56,000	38,175
Revenue bonds	Tax Increment Revenue Bonds of 2003 Series B	80,000	-
Revenue bonds	Special Taxing District Bonds of 2002	1,705,000	111,316
Revenue bonds	Tax Increment Revenue Bonds Series 2001	<u>1,285,000</u>	<u>271,830</u>
Total governmental activities		<u>16,631,000</u>	<u>1,723,529</u>
Wastewater:			
Revenue bonds	Sewage Works Revenue Bonds of 2009 Series A	2,019,194	150,691
Revenue bonds	Sewage Works Revenue Bonds of 2009 Series B	5,940,709	*
Revenue bonds	Sewage Works Revenue Bonds of 2009 Series D	792,863	56,157
Revenue bonds	2009 Revenue Forgivable BAN	181,636	*
Revenue bonds	2010 Revenue Bonds, Series A EPA Brownfield	500,000	*
Revenue bonds	2010 Revenue Bonds, Series B EPA Brownfield	<u>736,112</u>	<u>*</u>
Total Wastewater		<u>10,170,514</u>	<u>206,848</u>
Totals		<u>\$ 26,801,514</u>	<u>\$ 1,930,377</u>

*Repayment schedules have not been completed.

CITY OF ELKHART
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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

	Ending Balance
Governmental activities:	
Land	\$ 5,313,822
Infrastructure	114,801,403
Buildings	200,971,143
Improvements other than buildings	27,219,963
Machinery, equipment and vehicles	23,032,666
Total governmental activities	371,338,997
Golf Course:	
Land	1,076,450
Buildings	139,862
Improvements other than buildings	159,422
Machinery, equipment and vehicles	349,098
Total Golf Course	1,724,832
Wastewater:	
Land	82,718
Infrastructure	43,494,836
Buildings	19,228,467
Improvements other than buildings	6,349,128
Machinery, equipment and vehicles	26,019,519
Total Wastewater	95,174,668
Water:	
Land	776,032
Infrastructure	29,522,055
Buildings	1,150,819
Improvements other than buildings	930,288
Machinery, equipment and vehicles	4,954,612
Total Water	37,333,806
Total capital assets	\$ 505,572,303

CITY OF ELKHART
OTHER REPORT

The annual report presented herein was prepared in addition to other official report prepared for the individual City office listed below:

City Clerk

CITY OF ELKHART
AUDIT RESULTS AND COMMENTS

SUPPLEMENTAL ANNUAL FINANCIAL REPORT

The Supplemental Annual Financial Report completed by the City Clerk for inclusion in the City of Elkhart's annual report did not agree with the City Court records. The beginning and ending cash balances were correct; however, the receipts and disbursements were under reported by \$183,282. The receipts reported were \$3,399,781. Actual receipts were \$3,583,063. The disbursements reported were \$3,429,039. Actual disbursements were \$3,612,321.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City of Elkhart did not provide an accurate Schedule of Expenditures of Federal Awards.

Of the 15 federal grants listed on the City prepared schedule, 10 were incorrect. The total federal expenditures reported were \$2,903,780. Audited federal expenditures for 2011 total \$2,676,662. The amount over reported on the City prepared schedule is \$227,118.

The audited federal expenditures for the Neighborhood Stabilization Program totaled \$703,611. The unaudited federal expenditures reported by the City totaled \$566,292. The audited federal expenditures for the Capitalization Grants for Clean Water SRF 14 totaled \$108,811. The unaudited federal expenditures reported by the City totaled \$700,181. The audited federal expenditures for the Brownfield Assessment and Cleanup Cooperative Agreements (ARRA and non-ARRA funds) totaled \$161,167. The unaudited federal expenditures reported by the City totaled \$53,135. The audited federal expenditures for the Severe Storms and Flooding Grant totaled \$138,729. The unaudited federal expenditures reported by the City totaled \$0. The audited federal expenditures for the other six grants totaled \$1,373,952. The unaudited federal expenditures for the other six grants reported by the City totaled \$1,393,780.

Additionally, the CFDA numbers for two of the grants were incorrect. The identifying number for another grant was incorrect.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Elkhart (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, 2011. 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, 2011.

Internal Control Over Compliance

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133, 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 THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, 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

July 9, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CITY OF ELKHART
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

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>			
Direct Grant			
CDBG - Entitlement Grants Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-10-MC-18-0015 B-11-MC-18-0015 B-08-MN-18-0002	\$ 420,349 318,433 <u>703,611</u>
Total for cluster			<u>1,442,393</u>
Fair Housing Assistance Program - State and Local	14.401	FF205K115036	<u>15,255</u>
Pass-Through Elkhart Housing Authority			
CFP Cluster			
Public Housing Capital Fund	14.872		<u>25,163</u>
Total for federal grantor agency			<u>1,482,811</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct grant			
Bulletproof Vest Partnership Program	16.607	FY 2009 BVP	<u>9,987</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	9680680-GrpII STP 1005798-HSIP	1,830 <u>27,110</u>
Total for cluster			<u>28,940</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	PT-11-04-04-17	<u>12,100</u>
Direct Grant			
Airport Improvement Program	20.106	AIP-3-18-0018-23 AIP-3-18-0018-24 AIP-3-18-0018-25	5,757 16,445 <u>33,581</u>
Total for program			<u>55,783</u>
Total for federal grantor agency			<u>96,823</u>
<u>ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-00E42901-0 BF-00E90501-0	6,671 39,793
Pass-Through Indiana Finance Authority			
Brownfield Assessment and Cleanup Cooperative Agreements			
ARRA - Brownfield Assessment and Cleanup Cooperative Agreements	66.818	RLF ARRA-RLF	10,421 <u>104,282</u>
Total for program			<u>161,167</u>
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458	WW-09302002	<u>108,811</u>
Total for federal grantor agency			<u>269,978</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)	81.128	DE-SC0002999	<u>557,300</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2009-FO-09439 EMW-2009-FP-01816	11,868 <u>41,031</u>
			<u>52,899</u>
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)			
	97.036	PW344 PW297	33,301 <u>105,428</u>
			<u>138,729</u>
Homeland Security Cluster			
State Homeland Security Program (SHSP)	97.073	2008-GE-T8-0032	<u>68,135</u>
Total for federal grantor agency			<u>259,763</u>
Total federal awards expended			<u>\$ 2,676,662</u>

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

CITY OF ELKHART
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Elkhart (City) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

Note 2. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2011:

Program Title	Federal CFDA Number	Amount
Community Development Block Grants/ Entitlement Grants	14.218	<u>\$ 88,833</u>

CITY OF ELKHART
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	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
81.128	CDBG-Entitlement Grants Cluster ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)

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 Elkhart, Indiana
the city with a heart

574.294.5471
 Fax: 574.294.8491

City Controller's Office
 229 S. Second St.
 Elkhart, Indiana
 46516

The Honorable
 Dick Moore
 Mayor
 Stephen J. Malone
 City Controller

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2010-1

Original SBA Audit Report Number: B38706
 Fiscal Year: 2010
 Auditee Contact Person: Stephen J. Malone
 Title of Contact Person: City Controller
 Phone Number: 574-294-5471
 Status of Finding: Procurement Process – Assistance to Firefighters Grant

The corrective action plan was implemented in 2011 and included dissemination to all city departments and the city purchasing agent of legislative changes to the public purchase bid threshold, the statutory requirements for competitive bidding, and the statutory requirements for small purchases. The newly established guidelines governing price preferences for local Indiana businesses were disseminated as well. In addition, copies of Indiana code statutes 5-22-7-1, 5-22-8, and 5-22-15-20.9 were provided to each department and the City purchasing agent.

Departments contemplating purchases, in which equipment compatibility or interchangeability is a determining factor as exemplified by the acquisition of SCBA units through the assistance to firefighters grant, were instructed to incorporate a compatibility requirement within the equipment specifications in order to establish it as a component of consideration in the evaluation of bids received, and to follow procurement procedures required by law.

Signed Stephen J. Malone Date 6/4/12

CITY OF ELKHART
EXIT CONFERENCE

The contents of this report were discussed on July 9, 2012, with Stephen J. Malone, Controller; Dick Moore, Mayor; Christy Holman, Deputy Controller; and Arvis Dawson, Executive Assistant to Mayor. The Official Response has been made a part of this report and may be found on page 55.



City of Elkhart, Indiana
the city with a heart

574.294.5471
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City Controller's Office
229 S. Second St.
Elkhart, Indiana
46516

The Honorable
Dick Moore
Mayor

Stephen J. Malone
City Controller

CITY OF ELKHART
CITY CONTROLLER'S NOTES TO AUDIT REPORT
FOR YEAR ENDED DECEMBER 31, 2011

When reading the audit report compiled by the Indiana State Board of Accounts for records ending December 31, 2011, it is important to note that financial records maintained by the City Clerk have been included as a component of the City of Elkhart reporting entity. However, the financial records reported by the City Clerk are distinct and separate from the financial records maintained by the City Controller. An interface between the two sets of records does not exist. Because there is no shared accounting and reconciling process and no shared financial depository, the City Controller has no access to and no knowledge of the Clerk's records and is, therefore, unable to certify accuracy of the records maintained by the City Clerk. Internal control of the Clerk's records rests solely with the City Clerk.

CONTROLLER
CITY OF ELKHART, INDIANA

June 5, 2012