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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF NEW HAVEN

ALLEN COUNTY, INDIANA

January 1, 2010 to December 31, 2010



**FILED**  
12/01/2011



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda D. Adams	01-01-08 to 12-31-11
Mayor	Terry E. McDonald	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Terry E. McDonald	01-01-10 to 12-31-11
President of the Common Council	Harold E. West Timothy S. Bristow	01-01-10 to 05-31-10 06-01-10 to 12-31-11
Superintendent of Utilities	David L. Jones	01-01-10 to 12-31-11
Utility Office Manager	Jill N. Cain	01-01-10 to 12-31-11



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF NEW HAVEN, ALLEN COUNTY, INDIANA

We have examined the financial statement of the City of New Haven (City), for the period of January 1, 2010 to December 31, 2010. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

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

As discussed in Note 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 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, 2010, on the basis of accounting described in Note 1.

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 examination performed by the State Board of Accounts and, in our opinion, are fairly stated, in all material respects, in relation to the financial statement.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to 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 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

October 12, 2011

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## 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 NEW HAVEN  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 2,424,672	\$ 4,755,862	\$ 4,546,525	\$ 2,634,009
Motor Vehicle Highway	1,913,497	1,421,030	1,187,485	2,147,042
Local Road and Street	324,969	143,466	49,435	419,000
CEDIT	1,217,417	1,167,753	615,712	1,769,458
Rainy Day	389,353	278,700	-	668,053
Economic Development Revolving	1,035,947	128,815	-	1,164,762
Park and Recreation	307,551	827,248	831,554	303,245
Park Nonreverting Capital	3,000	-	-	3,000
Park Nonreverting Operating	62,134	62,328	69,625	54,837
Park Nonreverting Restricted Contributions	468,860	47,435	26,814	489,481
Park Nonreverting Baseball Diamond	-	5,250	3,156	2,094
Park Nonreverting Pool	-	136,000	-	136,000
Park Special Events	770	14,304	10,523	4,551
Fire Department	222,064	1,252,692	1,218,980	255,776
Cumulative Building and Firefighting Equipment	388,123	166,482	183,750	370,855
Fire Department Special Equipment	4,136	4,246	5,207	3,175
Emergency Medical Service	232,813	650,038	638,402	244,449
Emergency Medical Equipment	115,253	38,103	2,676	150,680
Emergency Medical PERF	21,347	77	-	21,424
City Court	91,210	2,160,685	2,068,694	183,201
Court User Fee	120,661	125,240	84,372	161,529
Court Fees Due County	20,204	454,626	420,450	54,380
Clerk's Record Perpetuation	109,419	22,687	22,124	109,982
Grants	28,373	450,951	461,381	17,943
Police Building and Equipment	39,574	48,372	67,594	20,352
Police Officers' Pension	503,669	135,893	119,020	520,542
Riverboat	315,624	78,353	143,587	250,390
Law Enforcement Continuing Education	25,329	15,334	13,709	26,954
D.A.R.E.	4,422	-	-	4,422
Lease Rental	200,720	423,186	434,000	189,906
Cumulative Capital Improvement	489,889	37,587	80,015	447,461
Gronauer Lock	16,966	-	-	16,966
General Improvement	151,222	-	-	151,222
TIF 469	196,023	199,662	126,000	269,685
TIF Maplecrest Road	4,025	9,693	2,000	11,718
Redevelopment Capital Fund	810,087	2,893	-	812,980
Petty Cash Fund	1,300	-	-	1,300
2010 Utility Equipment Lease	-	339,689	305,183	34,506
Water Utility - Operating	375,025	1,790,037	1,802,897	362,165
Water Utility - Bond and Interest	101,309	301,755	294,545	108,519
Water Utility - Debt Reserve	329,805	-	-	329,805
Water Utility - Depreciation	20,550	-	-	20,550
Water Utility - Customer Deposit	73,230	6,450	8,600	71,080
Water Utility - Construction	2,422	-	2,422	-
Water Utility - Improvement	138,181	120	33,353	104,948
Wastewater Utility - Operating	628,150	3,312,624	3,370,108	570,666
Wastewater Utility - Bond and Interest	853,008	868,853	966,136	755,725
Wastewater Utility - Debt Reserve	988,970	-	-	988,970
Wastewater Utility - Depreciation	3,280,898	508,924	445,426	3,344,396
Storm Water Utility - Operating	1,658,297	900,059	1,354,148	1,204,208
Storm Water Utility - Improvement	139,575	828,137	204,582	763,130
Payroll	2,616	2,548,241	2,547,433	3,424
Levy Excess	-	14,752	-	14,752
<b>Totals</b>	<b>\$ 20,852,659</b>	<b>\$ 26,684,632</b>	<b>\$ 24,767,623</b>	<b>\$ 22,769,668</b>

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

CITY OF NEW HAVEN  
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 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, storm water, trash, and urban redevelopment and housing.

The accompanying financial statement presents the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

*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, but are not limited to, 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.

CITY OF NEW HAVEN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 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, 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.

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, but are not limited to, 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.

CITY OF NEW HAVEN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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 NEW HAVEN  
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 and 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 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 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.

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. That report may be obtained by contacting:

CITY OF NEW HAVEN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*Funding Policy and Annual Pension Cost*

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

*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 Public Employees' Retirement Fund as provided under Indiana Code 5-10.3-11.

*C. 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 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.

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:

CITY OF NEW HAVEN  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

**Note 7. Subsequent Events**

The City will issue waterworks revenue bonds for \$3,800,000 on October 18, 2011, for water utility improvements.

The City will issue county economic development income tax revenue bonds of \$3,000,000 during October, 2011. This will be to refund most of the \$3,200,000 owed for 2008 Redevelopment Road Improvement Bond Anticipation Notes. The remaining balance of \$200,000 will be paid from other funds.

## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's Annual Report can be found on the Indiana Transparency Portal website: [www.in.gov/itp/annual\\_reports/](http://www.in.gov/itp/annual_reports/).

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

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

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road and Street	CEDIT	Rainy Day	Economic Development Revolving	Park and Recreation
Cash and investments - beginning	\$ 2,424,672	\$ 1,913,497	\$ 324,969	\$ 1,217,417	\$ 389,353	\$ 1,035,947	\$ 307,551
Receipts:							
Taxes	3,096,043	612,911	-	-	-	-	702,528
Licenses and permits	12,500	5,150	-	-	-	-	-
Intergovernmental	1,112,411	632,331	142,934	1,166,188	276,785	-	63,853
Charges for services	159,135	-	-	-	-	-	49,196
Fines and forfeits	297,633	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	78,140	170,638	532	1,565	1,915	128,815	11,671
Total receipts	<u>4,755,862</u>	<u>1,421,030</u>	<u>143,466</u>	<u>1,167,753</u>	<u>278,700</u>	<u>128,815</u>	<u>827,248</u>
Disbursements:							
Personal services	2,338,842	384,094	-	51,742	-	-	532,657
Supplies	95,416	163,678	-	-	-	-	44,977
Other services and charges	1,932,006	568,923	49,435	394,163	-	-	175,625
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	46,852	35,942	-	44,807	-	-	77,974
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	133,409	34,848	-	125,000	-	-	321
Total disbursements	<u>4,546,525</u>	<u>1,187,485</u>	<u>49,435</u>	<u>615,712</u>	<u>-</u>	<u>-</u>	<u>831,554</u>
Excess (deficiency) of receipts over disbursements	<u>209,337</u>	<u>233,545</u>	<u>94,031</u>	<u>552,041</u>	<u>278,700</u>	<u>128,815</u>	<u>(4,306)</u>
Cash and investments - ending	<u>\$ 2,634,009</u>	<u>\$ 2,147,042</u>	<u>\$ 419,000</u>	<u>\$ 1,769,458</u>	<u>\$ 668,053</u>	<u>\$ 1,164,762</u>	<u>\$ 303,245</u>

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Park Nonreverting Capital	Park Nonreverting Operating	Park Nonreverting Restricted Contributions	Park Nonreverting Baseball Diamond	Park Nonreverting Pool	Park Special Events	Fire Department
Cash and investments - beginning	\$ 3,000	\$ 62,134	\$ 468,860	\$ -	\$ -	\$ 770	\$ 222,064
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	3,100	-	-	-	-
Charges for services	-	61,917	-	4,300	-	-	1,240,237
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	411	44,335	950	136,000	14,304	12,455
Total receipts	-	62,328	47,435	5,250	136,000	14,304	1,252,692
Disbursements:							
Personal services	-	-	-	-	-	-	1,011,901
Supplies	-	-	2,195	3,156	-	-	56,806
Other services and charges	-	67,613	8,720	-	-	10,523	142,647
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	15,899	-	-	-	7,626
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	2,012	-	-	-	-	-
Total disbursements	-	69,625	26,814	3,156	-	10,523	1,218,980
Excess (deficiency) of receipts over disbursements	-	(7,297)	20,621	2,094	136,000	3,781	33,712
Cash and investments - ending	\$ 3,000	\$ 54,837	\$ 489,481	\$ 2,094	\$ 136,000	\$ 4,551	\$ 255,776

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Cumulative Building and Firefighting Equipment	Fire Department Special Equipment	Emergency Medical Service	Emergency Medical Equipment	Emergency Medical PERF	City Court	Court User Fee
Cash and investments - beginning	\$ 388,123	\$ 4,136	\$ 232,813	\$ 115,253	\$ 21,347	\$ 91,210	\$ 120,661
Receipts:							
Taxes	147,684	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	15,202	-	-	-	-	-	-
Charges for services	-	-	645,125	34,109	-	-	-
Fines and forfeits	-	-	-	-	-	2,160,685	125,240
Utility fees	-	-	-	-	-	-	-
Other receipts	3,596	4,246	4,913	3,994	77	-	-
Total receipts	166,482	4,246	650,038	38,103	77	2,160,685	125,240
Disbursements:							
Personal services	-	-	521,872	-	-	-	70,272
Supplies	-	914	34,736	-	-	-	2,127
Other services and charges	-	1,393	62,822	-	-	-	1,750
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	183,750	2,900	11,667	2,676	-	-	10,223
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	7,305	-	-	2,068,694	-
Total disbursements	183,750	5,207	638,402	2,676	-	2,068,694	84,372
Excess (deficiency) of receipts over disbursements	(17,268)	(961)	11,636	35,427	77	91,991	40,868
Cash and investments - ending	\$ 370,855	\$ 3,175	\$ 244,449	\$ 150,680	\$ 21,424	\$ 183,201	\$ 161,529

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Court Fees Due County	Clerk's Record Perpetuation	Grants	Police Building and Equipment	Police Officers' Pension	Riverboat	Law Enforcement Continuing Education
Cash and investments - beginning	\$ 20,204	\$ 109,419	\$ 28,373	\$ 39,574	\$ 503,669	\$ 315,624	\$ 25,329
Receipts:							
Taxes	-	-	-	-	13,305	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	432,890	-	119,988	77,637	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	22,687	-	-	-	-	15,334
Utility fees	-	-	-	-	-	-	-
Other receipts	454,626	-	18,061	48,372	2,600	716	-
Total receipts	<u>454,626</u>	<u>22,687</u>	<u>450,951</u>	<u>48,372</u>	<u>135,893</u>	<u>78,353</u>	<u>15,334</u>
Disbursements:							
Personal services	-	-	19,606	-	250	90,000	6,900
Supplies	-	-	-	9,101	-	-	4,836
Other services and charges	420,450	-	-	3,488	118,770	-	1,973
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	22,124	441,775	55,005	-	53,587	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>420,450</u>	<u>22,124</u>	<u>461,381</u>	<u>67,594</u>	<u>119,020</u>	<u>143,587</u>	<u>13,709</u>
Excess (deficiency) of receipts over disbursements	<u>34,176</u>	<u>563</u>	<u>(10,430)</u>	<u>(19,222)</u>	<u>16,873</u>	<u>(65,234)</u>	<u>1,625</u>
Cash and investments - ending	<u>\$ 54,380</u>	<u>\$ 109,982</u>	<u>\$ 17,943</u>	<u>\$ 20,352</u>	<u>\$ 520,542</u>	<u>\$ 250,390</u>	<u>\$ 26,954</u>

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	D.A.R.E	Lease Rental	Cumulative Capital Improvement	Gronauer Lock	General Improvement	TIF 469	TIF Maplecrest Road
Cash and investments - beginning	\$ 4,422	\$ 200,720	\$ 489,889	\$ 16,966	\$ 151,222	\$ 196,023	\$ 4,025
Receipts:							
Taxes	-	383,180	-	-	-	199,479	9,693
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	39,444	36,324	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	562	1,263	-	-	183	-
Total receipts	-	423,186	37,587	-	-	199,662	9,693
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	434,000	29,515	-	-	126,000	2,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	50,500	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	434,000	80,015	-	-	126,000	2,000
Excess (deficiency) of receipts over disbursements	-	(10,814)	(42,428)	-	-	73,662	7,693
Cash and investments - ending	\$ 4,422	\$ 189,906	\$ 447,461	\$ 16,966	\$ 151,222	\$ 269,685	\$ 11,718

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Redevelopment Capital Fund	Petty Cash Fund	2010 Utility Equipment Lease	Water Utility Operating	Water Utility Bond and Interest	Water Utility Debt Reserve	Water Utility Depreciation
Cash and investments - beginning	\$ 810,087	\$ 1,300	\$ -	\$ 375,025	\$ 101,309	\$ 329,805	\$ 20,550
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	1,753,553	-	-	-
Other receipts	2,893	-	339,689	36,484	301,755	-	-
Total receipts	<u>2,893</u>	<u>-</u>	<u>339,689</u>	<u>1,790,037</u>	<u>301,755</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	294,245	-	-
Capital outlay	-	-	305,183	-	-	-	-
Utility operating expenses	-	-	-	1,418,535	-	-	-
Other disbursements	-	-	-	384,362	300	-	-
Total disbursements	<u>-</u>	<u>-</u>	<u>305,183</u>	<u>1,802,897</u>	<u>294,545</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,893</u>	<u>-</u>	<u>34,506</u>	<u>(12,860)</u>	<u>7,210</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 812,980</u>	<u>\$ 1,300</u>	<u>\$ 34,506</u>	<u>\$ 362,165</u>	<u>\$ 108,519</u>	<u>\$ 329,805</u>	<u>\$ 20,550</u>

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Water Utility Customer Deposit	Water Utility Construction	Water Utility Improvement	Wastewater Utility Operating	Wastewater Utility Bond and Interest	Wastewater Utility Debt Reserve
Cash and investments - beginning	\$ 73,230	\$ 2,422	\$ 138,181	\$ 628,150	\$ 853,008	\$ 988,970
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	3,149,511	-	-
Other receipts	6,450	-	120	163,113	868,853	-
Total receipts	<u>6,450</u>	<u>-</u>	<u>120</u>	<u>3,312,624</u>	<u>868,853</u>	<u>-</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	965,836	-
Capital outlay	-	2,422	33,353	-	-	-
Utility operating expenses	8,600	-	-	1,966,218	-	-
Other disbursements	-	-	-	1,403,890	300	-
Total disbursements	<u>8,600</u>	<u>2,422</u>	<u>33,353</u>	<u>3,370,108</u>	<u>966,136</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(2,150)</u>	<u>(2,422)</u>	<u>(33,233)</u>	<u>(57,484)</u>	<u>(97,283)</u>	<u>-</u>
Cash and investments - ending	<u>\$ 71,080</u>	<u>\$ -</u>	<u>\$ 104,948</u>	<u>\$ 570,666</u>	<u>\$ 755,725</u>	<u>\$ 988,970</u>

CITY OF NEW HAVEN  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2010  
 (Continued)

	Wastewater Utility Depreciation	Storm Water Utility Operating	Storm Water Utility Improvement	Payroll	Levy Excess	Totals
Cash and investments - beginning	\$ 3,280,898	\$ 1,658,297	\$ 139,575	\$ 2,616	\$ -	\$ 20,852,659
Receipts:						
Taxes	-	-	-	-	-	5,164,823
Licenses and permits	-	-	-	-	-	17,650
Intergovernmental	-	-	-	-	-	4,119,087
Charges for services	-	-	-	-	-	2,194,019
Fines and forfeits	-	-	-	-	-	2,621,579
Utility fees	-	898,681	-	-	-	5,801,745
Other receipts	508,924	1,378	828,137	2,548,241	14,752	6,765,729
Total receipts	<u>508,924</u>	<u>900,059</u>	<u>828,137</u>	<u>2,548,241</u>	<u>14,752</u>	<u>26,684,632</u>
Disbursements:						
Personal services	-	-	-	-	-	5,028,136
Supplies	-	-	-	-	-	417,942
Other services and charges	-	-	-	-	-	4,551,816
Debt service - principal and interest	-	-	-	-	-	1,260,081
Capital outlay	445,426	104,194	204,582	-	-	2,158,467
Utility operating expenses	-	341,991	-	-	-	3,735,344
Other disbursements	-	907,963	-	2,547,433	-	7,615,837
Total disbursements	<u>445,426</u>	<u>1,354,148</u>	<u>204,582</u>	<u>2,547,433</u>	<u>-</u>	<u>24,767,623</u>
Excess (deficiency) of receipts over disbursements	<u>63,498</u>	<u>(454,089)</u>	<u>623,555</u>	<u>808</u>	<u>14,752</u>	<u>1,917,009</u>
Cash and investments - ending	<u>\$ 3,344,396</u>	<u>\$ 1,204,208</u>	<u>\$ 763,130</u>	<u>\$ 3,424</u>	<u>\$ 14,752</u>	<u>\$ 22,769,668</u>

CITY OF NEW HAVEN  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2010

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,261,175
Infrastructure	11,436,597
Buildings	5,959,652
Improvements other than buildings	3,217,126
Machinery and equipment	6,010,098
Construction in progress	<u>6,116,338</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 34,000,986</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 11,000
Construction in progress	195,292
Buildings	64,667
Improvements other than buildings	12,070,673
Machinery and equipment	<u>263,067</u>
Total Water Utility capital assets	<u>12,604,699</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	251,700
Construction in progress	2,367,326
Buildings	1,924,425
Improvements other than buildings	19,491,111
Machinery and equipment	<u>771,773</u>
Total Wastewater Utility capital assets	<u>24,806,335</u>
Stormwater Utility:	
Capital assets, not being depreciated:	
Construction in progress	140,561
Improvements other than buildings	1,538,300
Machinery and equipment	<u>502,413</u>
Total Stormwater Utility capital assets	<u>2,181,274</u>
Total business-type activities capital assets	<u>\$ 39,592,308</u>

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

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Bond Anticipation Note:		
2008 Redevelopment Road Improvement	\$ 3,200,000	\$ 128,000
Capital Leases:		
Fire Station	70,000	71,400
Police and Administration Building	2,745,000	290,000
Jury Pool	4,075,000	85,000
Park Equipment Lease	8,266	8,996
<b>Total governmental activities debt</b>	<b>\$ 10,098,266</b>	<b>\$ 583,396</b>
Business-Type activities:		
Water Utility:		
Revenue Bonds:		
2002 Water Improvement Projects	2,840,000	298,223
Wastewater Utility:		
Revenue Bond:		
2001 Wastewater Improvement Project	1,280,000	136,163
Loans:		
2005 Wastewater Improvement Project	3,490,000	282,218
2006 Wastewater Improvement Project	7,015,000	543,355
Capital Lease:		
Utility Equipment Lease	169,844	58,904
<b>Total Wastewater Utility</b>	<b>11,954,844</b>	<b>1,020,639</b>
Stormwater Utility:		
Capital Lease:		
Utility Equipment Lease	169,844	58,904
<b>Total business-type activities debt</b>	<b>\$ 14,964,689</b>	<b>\$ 1,377,765</b>

CITY OF NEW HAVEN  
EXAMINATION RESULTS AND COMMENTS

**EMS ACCOUNTS RECEIVABLE PRINTOUTS**

As reported in the previous Reports B23995, B26113, B28991, B30887, B32820, B34909, and B38143 the EMS accounts receivable printouts were deficient.

The various reports should all have the same accounts receivable balance at any point in time. Accounts receivable as of December 31, 2010, is computed as follows:

Accounts receivable at January 1, 2010 (from prior aged receivables)	\$ 688,638.76
Billings (Revenue Journal)	1,116,130.78
Collections (Cash Journal)	(315,610.32)
Bad Debts (B/D Journal)	(128,811.57)
Contractual allowances (C/A Journal)	<u>(419,463.31)</u>
Accounts Receivable at December 31, 2010 (as calculated from printouts)	<u>\$ 940,884.34</u>

The various reports reflected the following balances, as of December 31, 2010:

"Billing and Accounts Receivables Reconciliation Report"	<u>\$ 932,620.56</u>
"Open Accounts Detail Report"	<u>\$1,013,745.32</u>
"Accounts Receivable Overall Summary Report"(aged accounts receivable)	<u>\$ 937,348.32</u>

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. (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)

**EMS ACCOUNTS RECEIVABLE BILLINGS AND COLLECTIONS**

As reported in the previous reports B34909 and B38143, little collection effort was indicated for several patient accounts. The EMS Department indicated it was waiting for responses to the claims for reimbursement from Medicare, Medicaid, or other commercial insurers. These claims should be followed up on until a response is obtained. If the claim is not eligible for insurance reimbursement, then it should be billed back to the patient. Collection procedures need to be implemented and followed in this area.

Governmental units have a responsibility to collect amounts owed to the governmental unit pursuant to procedures authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7) The governing board over the EMS should adopt written collection policies and procedures for those areas not covered by statute.

CITY OF NEW HAVEN  
2010 EXAMINATION RESULTS AND COMMENTS  
(Continued)

***EMS COLLECTIONS NOT REMITTED TIMELY***

As reported in the previous reports B34909 and B38143, the EMS Department is not remitting collections to the Clerk-Treasurer on a timely basis. The EMS Department is located at another site, the billing clerk only works every third day and the amounts of the collections are almost always in check form, therefore weekly remittals instead of daily remittals would be sufficient. Of the 29 remittals tested from March 2010 to December 2010, only 15 remittals complied with the required weekly remittals of collections. Also, for the current year we tested January 2011 to August 2011 and found that of the 22 remittals, only 9 complied.

Collections need to be posted to accounts receivable weekly and remitted to the Clerk Treasurer for deposit immediately following.

Indiana Code 5-13-6-1(d) states in part:

"A city . . . shall deposit funds not later than the next business day following receipt of the funds in depositories: (1) selected by the city . . . as provided in an ordinance adopted by the city . . ."

***PARK PUBLIC WORKS CONTRACT***

A public works contract was awarded to C3 Construction Services, LLC (Contractor) for \$1,003,250 for the buildings work portion of the Jury Pool project. A performance bond was not obtained by the contractor even though this was stated as being required in the bid specifications and in the contract. The Park Board of Trustees is negotiating with the Contractor to obtain some form of a maintenance bond or some other form of assurance for the Park to replace the performance bond that was never purchased by the Contractor. Retainage was withheld from payments to the contractor and placed in an escrow account and is being held until this issue is resolved.

Indiana Code 36-1-12-14(e) states:

"Except as provided by subsections (i) and (h), the contractor shall furnish the board with a performance bond equal to the contract price. If acceptable to the board, the performance bond may provide for incremental bonding in the form of multiple or chronological bonds that, when taken as a whole, equal the contract price. The surety on the performance bond may not be released until one (1) year after the date of the board's final settlement with the contractor. The performance bond must specify that:

- (1) a modification, omission, or addition to the terms and conditions of the public work contract, plans, specifications, drawings, or profile;
- (2) a defect in the public work contract; or
- (3) a defect in the proceedings preliminary to the letting and awarding of the public work contract; does not discharge the surety."

CITY OF NEW HAVEN  
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2011, with Brenda D. Adams, Clerk-Treasurer; Terry E. McDonald, Mayor; and Timothy S. Bristow, President of the Common Council. The officials concurred with our findings.