

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF AUBURN
DEKALB COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
03/28/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patricia M. Miller	01-01-08 to 12-31-15
Mayor	Norman E. Yoder	01-01-08 to 12-31-15
President of the Board of Public Works and Safety	Norman E. Yoder	01-01-11 to 12-31-12
President of the Common Council	Richard L. Stahly	01-01-11 to 12-31-12
Superintendent of Water Utility	Randy Harvey	01-01-11 to 12-31-12
Superintendent of Wastewater Utility	David Lochner	01-01-11 to 12-31-12
Superintendent of Electric Utility	Stuart Tuttle	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF AUBURN, DEKALB COUNTY, INDIANA

We have audited the accompanying financial statement of the City of Auburn (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.

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 March 7, 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.

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.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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 is presented for additional analysis and is not a required part of the financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis has not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on it.

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

STATE BOARD OF ACCOUNTS

March 7, 2012



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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 AUBURN, DEKALB COUNTY, INDIANA

We have audited the financial statement of the City of Auburn (City), for the year ended December 31, 2011, and have issued our report thereon dated March 7, 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, the Common Council, others within the entity, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

March 7, 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 AUBURN
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	\$ 862,367	\$ 4,277,169	\$ 4,178,791	\$ 960,745
Motor Vehicle Highway	403,625	1,411,899	1,506,025	309,499
Local Road and Street	112,199	59,301	60,599	110,901
Fire Living Quarters	500	1,022	1,071	451
Park Nonreverting	111,883	30,174	24,419	117,638
Law Enforcement Continuing Education	41,470	10,270	3,349	48,391
Parks and Recreation	165,878	402,261	484,625	83,514
Rainy Day	1,236,749	-	-	1,236,749
Federal Seizure	8,500	4,825	-	13,325
Excess Levy	12,763	-	11,331	1,432
Tax Incremental Financing	4,564,759	916,413	1,134,542	4,346,630
Drug Enforcement Aid	10,000	-	-	10,000
Cumulative Capital Development	2,456,894	287,795	20,965	2,723,724
Auburn Drive Project	34,218	-	-	34,218
Maumee River Basin Acquisition Project	-	129,281	28,377	100,904
General Improvement	41,859	-	-	41,859
Cumulative Capital Improvement	316,395	35,033	50,327	301,101
CEDIT	1,736,848	3,821,545	3,799,914	1,758,479
Self Insurance	1,631,864	1,128,244	1,098,414	1,661,694
Police Pension	134,914	65,994	61,558	139,350
Carr Field Renovations	-	2,878	2,723	155
Fire Territory	-	2,463,375	1,609,888	853,487
Cumulative Fire Equipment	-	209,115	-	209,115
CEDIT Bond and Interest	-	162,657	-	162,657
Bear Creek Estates Sewer	-	2,305	2,305	-
CR60 Airport Sewer	-	2,050	2,050	-
Contributions to City	114,619	81,136	65,909	129,846
Miscellaneous Federal Grants	-	962,728	962,728	-
Multi County Drug Task Force	79,662	29,212	42,757	66,117
Fire Emergency Cleanup	4,174	-	80	4,094
Local Law Enforcement Block Grant	162	-	-	162
Drug Enforcement Grant	12,429	51,066	45,092	18,403
Police Department Local Grants	1,172	1,000	-	2,172
DUI Grant	840	4,230	5,070	-
ISTEA/ACD Museum Grant	3,755	-	-	3,755
Industrial Sewer Revenue	118,615	-	-	118,615
Tower Udag Project	17,280	-	-	17,280
Computer Building Corporation Lease	63,540	-	-	63,540
Fire Station Building Corporation Lease	78,926	286,477	271,740	93,663
CEDIT Debt Service Reserve	-	287,650	-	287,650
Rieke Park Construction	528	31,853	31,721	660
Payroll	-	8,898,817	8,898,817	-
Flex	14,648	61,859	61,962	14,545
Electric Operating and Maintenance	1,596,560	32,274,854	30,881,215	2,990,199
Electric Bond and Interest	720	-	-	720
Electric Depreciation	2,278,516	1,026,726	2,665,826	639,416
Electric Meter Deposit	110,631	89,802	59,691	140,742
Electric Construction	1,864,944	739,041	1,638,603	965,382
Electric Cash Reserve	88,317	108,000	115,000	81,317
AES Operating and Maintenance	95,277	1,215,917	1,275,048	36,146
AES Depreciation	930	3,518,465	2,463,433	1,055,962
Electric Convenience Fees	273	9,331	8,818	786
Wastewater Operating and Maintenance	1,050,864	4,694,174	4,619,820	1,125,218
Wastewater Bond and Interest	577,218	1,462,361	1,395,605	643,974
Wastewater Depreciation	1,377,634	446,085	137,666	1,686,053
Wastewater Meter Deposit	43,034	27,160	20,770	49,424
Wastewater Replacement	945,811	72,000	-	1,017,811
Wastewater Cash Reserve	20,700	165,000	165,000	20,700
Wastewater Debt Service Reserve	1,352,277	11	-	1,352,288
Water Operating and Maintenance	166,380	2,329,926	2,326,367	169,939
Water Bond and Interest	34,994	268,136	292,511	10,619
Water Depreciation	1,378,591	195,628	225,984	1,348,235
Water Meter Deposit	56,042	16,530	19,460	53,112
Water Cash Reserve	-	81,000	81,000	-
Water Debt Service Reserve	199,670	-	-	199,670
Totals	\$ 27,633,418	\$ 74,859,781	\$ 72,858,966	\$ 29,634,233

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

CITY OF AUBURN
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, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, 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, innkeepers 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

CITY OF AUBURN
NOTES TO FINANCIAL STATEMENT
(Continued)

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, recycling fees, dog pound fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees.

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 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.

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

CITY OF AUBURN
NOTES TO FINANCIAL STATEMENT
(Continued)

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 AUBURN
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. Subsequent Events

On January 12, 2012, the City was awarded a \$600,000 CDBG grant for the North Side Sewer Improvement Project. The City is matching these funds with \$1,370,000 from TIF funds.

On January 26, 2012, the City awarded contracts for Electric Utility fiber installation (Turnkey - \$1,850,351 and OnTrac - \$339,838).

Note 7. 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.

CITY OF AUBURN
NOTES TO FINANCIAL STATEMENT
(Continued)

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:

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 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 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.

CITY OF AUBURN
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report 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 AUBURN
 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	Fire Living Quarters	Park Nonreverting	Law Enforcement Continuing Education	Parks and Recreation
Cash and investments - beginning	\$ 862,367	\$ 403,625	\$ 112,199	\$ 500	\$ 111,883	\$ 41,470	\$ 165,878
Receipts:							
Taxes	1,403,554	1,000,721	-	-	-	-	300,795
Licenses and permits	25,744	-	-	-	-	3,365	-
Intergovernmental	1,713,861	404,416	59,301	-	-	-	25,696
Charges for services	570,872	1,630	-	972	15,401	3,696	73,930
Fines and forfeits	18,735	-	-	-	-	2,897	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	544,403	5,132	-	50	14,773	312	1,840
Total receipts	<u>4,277,169</u>	<u>1,411,899</u>	<u>59,301</u>	<u>1,022</u>	<u>30,174</u>	<u>10,270</u>	<u>402,261</u>
Disbursements:							
Personal services	1,967,896	668,281	-	-	-	-	333,828
Supplies	104,122	267,284	-	-	13,633	1,040	51,713
Other services and charges	1,290,263	516,272	60,599	-	10,324	2,303	78,317
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	253,310	54,188	-	-	-	-	19,972
Other disbursements	563,200	-	-	1,071	462	6	795
Total disbursements	<u>4,178,791</u>	<u>1,506,025</u>	<u>60,599</u>	<u>1,071</u>	<u>24,419</u>	<u>3,349</u>	<u>484,625</u>
Excess (deficiency) of receipts over disbursements	<u>98,378</u>	<u>(94,126)</u>	<u>(1,298)</u>	<u>(49)</u>	<u>5,755</u>	<u>6,921</u>	<u>(82,364)</u>
Cash and investments - ending	<u>\$ 960,745</u>	<u>\$ 309,499</u>	<u>\$ 110,901</u>	<u>\$ 451</u>	<u>\$ 117,638</u>	<u>\$ 48,391</u>	<u>\$ 83,514</u>

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

	Rainy Day	Federal Seizure	Excess Levy	Tax Incremental Financing	Drug Enforcement Aid	Cumulative Capital Development	Auburn Drive Project
Cash and investments - beginning	\$ 1,236,749	\$ 8,500	\$ 12,763	\$ 4,564,759	\$ 10,000	\$ 2,456,894	\$ 34,218
Receipts:							
Taxes	-	-	-	901,248	-	262,932	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	21,939	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	4,825	-	15,165	-	2,924	-
Total receipts	-	4,825	-	916,413	-	287,795	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	466	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	1,134,076	-	20,965	-
Other disbursements	-	-	11,331	-	-	-	-
Total disbursements	-	-	11,331	1,134,542	-	20,965	-
Excess (deficiency) of receipts over disbursements	-	4,825	(11,331)	(218,129)	-	266,830	-
Cash and investments - ending	<u>\$ 1,236,749</u>	<u>\$ 13,325</u>	<u>\$ 1,432</u>	<u>\$ 4,346,630</u>	<u>\$ 10,000</u>	<u>\$ 2,723,724</u>	<u>\$ 34,218</u>

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

	Maumee River Basin Acquisition Project	General Improvement	Cumulative Capital Improvement	CEDIT	Self Insurance	Police Pension	Carr Field Renovations
Cash and investments - beginning	\$ -	\$ 41,859	\$ 316,395	\$ 1,736,848	\$ 1,631,864	\$ 134,914	\$ -
Receipts:							
Taxes	-	-	-	-	-	65,845	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	34,674	506,771	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	129,281	-	359	3,314,774	1,128,244	149	2,878
Total receipts	129,281	-	35,033	3,821,545	1,128,244	65,994	2,878
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	38,512	-	61,558	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	50,327	3,761,402	-	-	-
Other disbursements	28,377	-	-	-	1,098,414	-	2,723
Total disbursements	28,377	-	50,327	3,799,914	1,098,414	61,558	2,723
Excess (deficiency) of receipts over disbursements	100,904	-	(15,294)	21,631	29,830	4,436	155
Cash and investments - ending	\$ 100,904	\$ 41,859	\$ 301,101	\$ 1,758,479	\$ 1,661,694	\$ 139,350	\$ 155

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

	Fire Territory	Cumulative Fire Equipment	CEDIT Bond and Interest	Bear Creek Estates Sewer	CR60 Airport Sewer	Contributions to City	Miscellaneous Federal Grants
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 114,619	\$ -
Receipts:							
Taxes	1,692,974	169,297	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	617,161	14,208	-	-	-	-	-
Charges for services	-	-	-	-	-	10,590	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	153,240	25,610	162,657	2,305	2,050	70,546	962,728
Total receipts	<u>2,463,375</u>	<u>209,115</u>	<u>162,657</u>	<u>2,305</u>	<u>2,050</u>	<u>81,136</u>	<u>962,728</u>
Disbursements:							
Personal services	1,428,356	-	-	-	-	-	-
Supplies	41,493	-	-	-	-	-	-
Other services and charges	106,331	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	33,708	-	-	-	-	-	-
Other disbursements	-	-	-	2,305	2,050	65,909	962,728
Total disbursements	<u>1,609,888</u>	<u>-</u>	<u>-</u>	<u>2,305</u>	<u>2,050</u>	<u>65,909</u>	<u>962,728</u>
Excess (deficiency) of receipts over disbursements	<u>853,487</u>	<u>209,115</u>	<u>162,657</u>	<u>-</u>	<u>-</u>	<u>15,227</u>	<u>-</u>
Cash and investments - ending	<u>\$ 853,487</u>	<u>\$ 209,115</u>	<u>\$ 162,657</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 129,846</u>	<u>\$ -</u>

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

	Multi County Drug Task Force	Fire Emergency Cleanup	Local Law Enforcement Block Grant	Drug Enforcement Grant	Police Department Local Grants	DUI Grant	ISTEA/ACD Museum Grant
Cash and investments - beginning	\$ 79,662	\$ 4,174	\$ 162	\$ 12,429	\$ 1,172	\$ 840	\$ 3,755
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	29,212	-	-	51,066	1,000	4,230	-
Total receipts	29,212	-	-	51,066	1,000	4,230	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	42,757	80	-	45,092	-	5,070	-
Total disbursements	42,757	80	-	45,092	-	5,070	-
Excess (deficiency) of receipts over disbursements	(13,545)	(80)	-	5,974	1,000	(840)	-
Cash and investments - ending	\$ 66,117	\$ 4,094	\$ 162	\$ 18,403	\$ 2,172	\$ -	\$ 3,755

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

	Industrial Sewer Revenue	Tower Udag Project	Computer Building Corporation Lease	Fire Station Building Corporation Lease	CEDIT Debt Service Reserve	Rieke Park Construction	Payroll
Cash and investments - beginning	\$ 118,615	\$ 17,280	\$ 63,540	\$ 78,926	\$ -	\$ 528	\$ -
Receipts:							
Taxes	-	-	-	263,984	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	22,493	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	287,650	31,853	8,898,817
Total receipts	<u>-</u>	<u>-</u>	<u>-</u>	<u>286,477</u>	<u>287,650</u>	<u>31,853</u>	<u>8,898,817</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	271,740	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	31,721	8,898,817
Total disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>271,740</u>	<u>-</u>	<u>31,721</u>	<u>8,898,817</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,737</u>	<u>287,650</u>	<u>132</u>	<u>-</u>
Cash and investments - ending	<u>\$ 118,615</u>	<u>\$ 17,280</u>	<u>\$ 63,540</u>	<u>\$ 93,663</u>	<u>\$ 287,650</u>	<u>\$ 660</u>	<u>\$ -</u>

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

	Flex	Electric Operating and Maintenance	Electric Bond and Interest	Electric Depreciation	Electric Meter Deposit	Electric Construction
Cash and investments - beginning	\$ 14,648	\$ 1,596,560	\$ 720	\$ 2,278,516	\$ 110,631	\$ 1,864,944
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	26,811,988	-	-	-	-
Penalties	-	65,759	-	-	-	-
Other receipts	61,859	5,397,107	-	1,026,726	89,802	739,041
Total receipts	<u>61,859</u>	<u>32,274,854</u>	<u>-</u>	<u>1,026,726</u>	<u>89,802</u>	<u>739,041</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	61,962	30,881,215	-	2,665,826	59,691	1,638,603
Total disbursements	<u>61,962</u>	<u>30,881,215</u>	<u>-</u>	<u>2,665,826</u>	<u>59,691</u>	<u>1,638,603</u>
Excess (deficiency) of receipts over disbursements	<u>(103)</u>	<u>1,393,639</u>	<u>-</u>	<u>(1,639,100)</u>	<u>30,111</u>	<u>(899,562)</u>
Cash and investments - ending	<u>\$ 14,545</u>	<u>\$ 2,990,199</u>	<u>\$ 720</u>	<u>\$ 639,416</u>	<u>\$ 140,742</u>	<u>\$ 965,382</u>

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

	Electric Cash Reserve	AES Operating and Maintenance	AES Depreciation	Electric Convenience Fees	Wastewater Operating and Maintenance	Wastewater Bond and Interest
Cash and investments - beginning	\$ 88,317	\$ 95,277	\$ 930	\$ 273	\$ 1,050,864	\$ 577,218
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	4,273,389	-
Penalties	-	-	-	-	35,409	-
Other receipts	108,000	1,215,917	3,518,465	9,331	385,376	1,462,361
Total receipts	<u>108,000</u>	<u>1,215,917</u>	<u>3,518,465</u>	<u>9,331</u>	<u>4,694,174</u>	<u>1,462,361</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	115,000	1,275,048	2,463,433	8,818	4,619,820	1,395,605
Total disbursements	<u>115,000</u>	<u>1,275,048</u>	<u>2,463,433</u>	<u>8,818</u>	<u>4,619,820</u>	<u>1,395,605</u>
Excess (deficiency) of receipts over disbursements	<u>(7,000)</u>	<u>(59,131)</u>	<u>1,055,032</u>	<u>513</u>	<u>74,354</u>	<u>66,756</u>
Cash and investments - ending	<u>\$ 81,317</u>	<u>\$ 36,146</u>	<u>\$ 1,055,962</u>	<u>\$ 786</u>	<u>\$ 1,125,218</u>	<u>\$ 643,974</u>

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

	Wastewater Depreciation	Wastewater Meter Deposit	Wastewater Replacement	Wastewater Cash Reserve	Wastewater Debt Service Reserve	Water Operating and Maintenance
Cash and investments - beginning	\$ 1,377,634	\$ 43,034	\$ 945,811	\$ 20,700	\$ 1,352,277	\$ 166,380
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	2,060,281
Penalties	-	-	-	-	-	12,484
Other receipts	446,085	27,160	72,000	165,000	11	257,161
Total receipts	<u>446,085</u>	<u>27,160</u>	<u>72,000</u>	<u>165,000</u>	<u>11</u>	<u>2,329,926</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	137,666	20,770	-	165,000	-	2,326,367
Total disbursements	<u>137,666</u>	<u>20,770</u>	<u>-</u>	<u>165,000</u>	<u>-</u>	<u>2,326,367</u>
Excess (deficiency) of receipts over disbursements	<u>308,419</u>	<u>6,390</u>	<u>72,000</u>	<u>-</u>	<u>11</u>	<u>3,559</u>
Cash and investments - ending	<u>\$ 1,686,053</u>	<u>\$ 49,424</u>	<u>\$ 1,017,811</u>	<u>\$ 20,700</u>	<u>\$ 1,352,288</u>	<u>\$ 169,939</u>

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

	Water Bond and Interest	Water Depreciation	Water Meter Deposit	Water Cash Reserve	Water Debt Service Reserve	Totals
Cash and investments - beginning	\$ 34,994	\$ 1,378,591	\$ 56,042	\$ -	\$ 199,670	\$ 27,633,418
Receipts:						
Taxes	-	-	-	-	-	6,061,350
Licenses and permits	-	-	-	-	-	29,109
Intergovernmental	-	-	-	-	-	3,420,520
Charges for services	-	-	-	-	-	677,091
Fines and forfeits	-	-	-	-	-	21,632
Utility fees	-	-	-	-	-	33,145,658
Penalties	-	-	-	-	-	113,652
Other receipts	268,136	195,628	16,530	81,000	-	31,390,769
Total receipts	<u>268,136</u>	<u>195,628</u>	<u>16,530</u>	<u>81,000</u>	<u>-</u>	<u>74,859,781</u>
Disbursements:						
Personal services	-	-	-	-	-	4,398,361
Supplies	-	-	-	-	-	479,285
Other services and charges	-	-	-	-	-	2,164,945
Debt service - principal and interest	-	-	-	-	-	271,740
Capital outlay	-	-	-	-	-	5,327,948
Other disbursements	292,511	225,984	19,460	81,000	-	60,216,687
Total disbursements	<u>292,511</u>	<u>225,984</u>	<u>19,460</u>	<u>81,000</u>	<u>-</u>	<u>72,858,966</u>
Excess (deficiency) of receipts over disbursements	<u>(24,375)</u>	<u>(30,356)</u>	<u>(2,930)</u>	<u>-</u>	<u>-</u>	<u>2,000,815</u>
Cash and investments - ending	<u>\$ 10,619</u>	<u>\$ 1,348,235</u>	<u>\$ 53,112</u>	<u>\$ -</u>	<u>\$ 199,670</u>	<u>\$ 29,634,233</u>

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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

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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 AUBURN, DEKALB COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Auburn (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, the 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

March 7, 2012

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CITY OF AUBURN
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>			
Pass-Through Indiana Office of Community and Rural Affairs CDBG State - Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Program in Hawaii	14.228	PL-10-006	\$ 30,000
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute Edward Byrne Memorial Justice Assistance Grant Program	16.738	09-DJ-018 10-DJ-021	11,450 <u>26,616</u>
Total for program			<u>38,066</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster ARRA - Highway Planning and Construction	20.205	09-02313	<u>37,700</u>
Pass-Through Town of Hudson Highway Safety Cluster State and Community Highway Safety	20.600	PT-11-04-04-22	<u>3,195</u>
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	K8-2011-03-03-28 CA-2011-08-01-17	435 <u>600</u>
Total for program			<u>1,035</u>
Total for cluster			<u>4,230</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority Capitalization Grants for Clean Water State Revolving Funds	66.458	WW09051703	<u>2,365,632</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Direct Grant ARRA - Electricity Delivery and Energy Reliability, Research, Development and Analysis	81.122	DE-OE000287	<u>669,644</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant Assistance to Firefighters Grant	97.044	EMW-2010-FO-01014	<u>804,918</u>
Pass-Through Indiana Dept of Homeland Security Flood Mitigation Assistance	97.029	C44P-1-025A	<u>7,557</u>
Hazard Mitigation Grant	97.039	C44P-1-079A C44P-1-397A	9,583 <u>33,580</u>
Total for program			<u>43,163</u>
Pre-Disaster Mitigation	97.047	C44P-1-060A	<u>43,546</u>
Total for federal grantor agency			<u>899,184</u>
Total federal awards expended			<u>\$ 4,044,456</u>

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

CITY OF AUBURN
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

CITY OF AUBURN
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 deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency 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
81.122	ARRA – Electricity Delivery and Energy Reliability, Research, Development, and Analysis
97.044	Assistance to Firefighters Grant

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF AUBURN
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF AUBURN
EXIT CONFERENCE

The contents of this report were discussed on March 7, 2012 with Patricia M. Miller, Clerk-Treasurer; Richard L. Stahly, President of Common Council; and Norman E. Yoder, Mayor. Our audit disclosed no material items that warrant comment at this time.