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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF HUNTINGTON
HUNTINGTON COUNTY, INDIANA

January 1, 2011 to December 31, 2011

FILED
07/27/2012

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SCHEDULE OF OFFICIALS

Office	Official	Term
Clerk-Treasurer	Christi A. Scher	01-01-08 to 01-01-15
Mayor	Steven D. Updike	01-01-08 to 12-31-11
	Brooks L. Fetters	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Steven D. Updike	01-01-08 to 12-31-11
	Brooks L. Fetters	01-01-12 to 12-31-15
President of the Common Council	Stephen W. McIntyre	01-01-11 to 12-31-11
	Joseph E. Blomeke	01-01-12 to 12-31-12
Superintendent of Water Utility	Darold L. Harlan, Jr.	01-01-11 to 12-31-11
	Randy A. Jones	01-01-12 to 12-31-12
Superintendent of Wastewater Utility	Collin E. Bullock	01-01-11 to 12-31-11
	Kirk A. Strass	01-01-12 to 12-31-12
Operations Manager	Ruth A. Marsh	01-01-11 to 12-31-11
Utilities Services Coordinator	Marilyn K. Ratliff	01-01-12 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 HUNTINGTON, HUNTINGTON COUNTY, INDIANA

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

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

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

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

In accordance with Government Auditing Standards, we have also issued a report dated July 10, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

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

STATE BOARD OF ACCOUNTS

July 10, 2012

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the financial statement of the City of Huntington (City), for the year ended December 31, 2011, and have issued our report thereon dated July 10, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

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

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

Compliance and Other Matters

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

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

STATE BOARD OF ACCOUNTS

July 10, 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 HUNTINGTON
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	$ 1,284,578	$ 9,537,053	$ 8,146,647	$ 2,674,984
Motor Vehicle Highway	367,663	554,350	443,476	478,537
Local Road and Street	116,569	86,387	40,600	162,356
Aviation	57,209	164,121	127,551	93,779
Park and Recreation Center	40,506	48,812	69,604	19,714
Health Insurance Claim	141,864	1,387,661	1,529,525	-
Solid Waste	339,410	624,002	540,990	422,422
Refuse Container	-	3,850	-	3,850
Parking Lot	-	16,862	16,862	-
Indiana Housing Grant	-	161,350	161,350	-
Law Enforcement Continuing Education	30,831	13,105	27,950	15,986
Building Demolition and Repair	17,642	11,721	14,533	14,830
Park and Recreation	392,918	446,858	543,153	296,623
Rainy Day	309,461	-	29,314	280,147
K-9 Training	1,854	1,162	2,222	794
CEDIT	1,122,320	625,340	1,140,563	607,097
Levy Excess	28,141	-	28,141	-
Aviation Revolving	85,301	158,136	186,088	57,349
Aviation - Federal Grants	47,956	377,212	343,966	81,202
Cumulative Capital Development	705,157	151,919	199,486	657,590
Park Capital	20,914	-	-	20,914
RDC Debt Reserve (Northside)	61,093	-	-	61,093
City Building Lease Purchase	7,859	-	7,859	-
General Improvement	137,900	5,142	9	143,033
Cumulative Capital Improvement	51,093	50,112	845	100,360
2008 Consolidated TIF	3,746,596	1,630,538	1,526,171	3,850,963
Airport Capital	-	10,000	-	10,000
Police Pension	267,494	740,174	721,547	286,121
Fire Pension	-	1,180,651	996,831	183,820
Riverboat	532,361	120,742	215,171	437,932
Public Safety LOIT	15,349	659,108	466,039	208,418
General Obligation Bond Debt Service	110,281	117,138	174,025	53,394
Street Vending	120	471	403	188
Park Building Deposit	3,999	10,815	9,025	5,789
Park Nonrefundable Building Deposit	600	250	-	850
Housing and Urban Development	31,100	1,227	-	32,327
Park Donation	34,943	19,276	16,204	38,015
Revolving Loan	322,411	50,159	82,500	290,070
Police Reserve Donations	2,691	300	768	2,223
Police LACE	190	1,800	1,800	190
Healthcare Assurant Claim	-	1,004,487	981,039	23,448
General Obligation Bond	21,411	798,195	512,259	307,347
City Revitalization Grant	2,597	-	-	2,597
Fire Department Grant	1	2,585	2,585	1
Fire Department Donations	13,619	5,427	6,236	12,810
Storm Water Bond	-	427,950	427,950	-
Federal Drug Seizure	15,992	142	120	16,014
Payroll	-	332,544	332,544	-
Payroll Federal W/H	-	956,033	956,033	-
Payroll FICA W/H	-	366,548	366,548	-
Payroll Medicare W/H	-	180,328	180,328	-
Payroll State Tax	-	291,044	291,044	-
Payroll County Tax	-	125,967	125,967	-
Payroll PERF	26,989	358,577	357,850	27,716
Payroll Police PERF	20,451	91,660	88,685	23,426
Payroll Fire PERF	27,642	108,197	108,906	26,933
Payroll Boston Life	-	6,460	6,460	-
Payroll Vision Insurance	-	16,025	16,025	-
Payroll Health Insurance	23	1,206,057	1,206,080	-
Payroll Life Insurance	13	20,879	20,892	-
Payroll Accident IN-AFLAC	-	17,909	17,909	-
Payroll Fire Dues	-	15,708	15,708	-
Payroll United Way	-	1,412	1,412	-
Payroll 457-AUL	-	255,683	255,683	-
Payroll Union Dues	-	20,685	20,685	-
Payroll Garnishments	-	39,526	39,526	-
Section 125	-	33,870	33,870	-
Payroll AUL Life	-	24,467	24,467	-
Fire PAC	-	3,408	3,408	-
Payroll Direct Deposit	-	5,927,891	5,927,891	-
Payroll 457-AMER	-	90,256	90,256	-
Payroll Liberty National	-	4,172	4,172	-
Payroll Continental American	-	8,749	8,749	-
Fire Safer Reimbursement	-	1,013	1,013	-
Sewage Operating	366,738	4,005,147	3,667,770	704,115
Sewage Plant Depreciation	45,396	406,258	36,322	415,332
Sewage Plant Construction BAN	1,426,957	3,759,725	3,938,166	1,248,516
Sewage Plant Bond and Interest	854,391	1,038,366	1,020,547	872,210
Sewage Debt Reserve	891,653	49,827	-	941,480
Water Operating	437,203	3,116,041	2,999,146	554,098
Water Consumer Deposit	296,114	63,240	34,642	324,712
Water Depreciation	93,656	157,180	110,734	140,102
2011 SRF Water Construction	-	10,386,421	2,818,424	7,567,997
2011 SRF Water Bond and Interest	112	176,898	112	176,898
2011 SRF Water Debt Reserve	-	70,629	-	70,629
Totals	$ 14,977,332	$ 54,941,390	$ 44,869,381	$ 25,049,341

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

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

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

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

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

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

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

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

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.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

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

Plan Description

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

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

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

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

Funding Policy

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

SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

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

	General	Motor Vehicle Highway	Local Road and Street	Aviation	Park and Recreation Center	Health Insurance Claim	Solid Waste
Cash and investments - beginning	$ 1,284,578	$ 367,663	$ 116,569	$ 57,209	$ 40,506	$ 141,864	$ 339,410
Receipts:							
Taxes	5,508,009	89,546	-	94,609	-	-	64,233
Licenses and permits	3,059	-	-	-	-	-	-
Intergovernmental	3,101,782	464,657	76,387	5,949	-	-	56,400
Charges for services	643,092	-	-	34,581	48,812	-	496,301
Fines and forfeits	11,550	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	269,561	147	10,000	28,982	-	1,387,661	7,068
Total receipts	9,537,053	554,350	86,387	164,121	48,812	1,387,661	624,002
Disbursements:							
Personal services	5,232,736	173,746	-	2,100	-	-	187,998
Supplies	239,719	58,818	-	6,257	-	-	72,910
Other services and charges	2,171,481	150,744	-	109,184	69,604	-	113,282
Debt service - principal and interest	104,169	-	-	-	-	-	70,036
Capital outlay	52,427	60,168	40,600	-	-	-	45,688
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	346,115	-	-	10,010	-	1,529,525	51,076
Total disbursements	8,146,647	443,476	40,600	127,551	69,604	1,529,525	540,990
Excess (deficiency) of receipts over disbursements	1,390,406	110,874	45,787	36,570	(20,792)	(141,864)	83,012
Cash and investments - ending	$ 2,674,984	$ 478,537	$ 162,356	$ 93,779	$ 19,714	$ -	$ 422,422

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

	Refuse Container	Parking Lot	Indiana Housing Grant	Law Enforcement Continuing Education	Building Demolition and Repair	Park and Recreation	Rainy Day
Cash and investments - beginning	$ -	$ -	$ -	$ 30,831	$ 17,642	$ 392,918	$ 309,461
Receipts:							
Taxes	-	-	-	-	-	383,181	-
Licenses and permits	-	-	-	4,510	-	-	-
Intergovernmental	-	-	161,350	4,478	11,721	43,412	-
Charges for services	3,850	16,862	-	3,699	-	16,772	-
Fines and forfeits	-	-	-	52	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	366	-	3,493	-
Total receipts	3,850	16,862	161,350	13,105	11,721	446,858	-
Disbursements:							
Personal services	-	-	-	-	-	274,865	-
Supplies	-	-	-	4,781	-	77,562	-
Other services and charges	-	-	161,350	9,896	14,533	130,072	2,500
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	13,273	-	59,824	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	16,862	-	-	-	830	26,814
Total disbursements	-	16,862	161,350	27,950	14,533	543,153	29,314
Excess (deficiency) of receipts over disbursements	3,850	-	-	(14,845)	(2,812)	(96,295)	(29,314)
Cash and investments - ending	$ 3,850	$ -	$ -	$ 15,986	$ 14,830	$ 296,623	$ 280,147

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

	K-9 Training	CEDIT	Levy Excess	Aviation Revolving	Aviation - Federal Grants	Cumulative Capital Development	Park Capital
Cash and investments - beginning	$ 1,854	$ 1,122,320	$ 28,141	$ 85,301	$ 47,956	$ 705,157	$ 20,914
Receipts:							
Taxes	-	-	-	-	-	71,510	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	624,590	-	-	377,212	55,409	-
Charges for services	-	-	-	157,670	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,162	750	-	466	-	25,000	-
Total receipts	1,162	625,340	-	158,136	377,212	151,919	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	2,222	-	-	147,310	-	-	-
Other services and charges	-	547,326	-	18,778	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	593,237	-	-	343,966	199,486	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	28,141	20,000	-	-	-
Total disbursements	2,222	1,140,563	28,141	186,088	343,966	199,486	-
Excess (deficiency) of receipts over disbursements	(1,060)	(515,223)	(28,141)	(27,952)	33,246	(47,567)	-
Cash and investments - ending	$ 794	$ 607,097	$ -	$ 57,349	$ 81,202	$ 657,590	$ 20,914

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

	RDC Debt Reserve (Northside)	City Building Lease Purchase	General Improvement	Cumulative Capital Improvement	2008 Consolidated TIF	Airport Capital	Police Pension
Cash and investments - beginning	$ 61,093	$ 7,859	$ 137,900	$ 51,093	$ 3,746,596	$ -	$ 267,494
Receipts:							
Taxes	-	-	-	-	1,630,538	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	50,112	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	5,142	-	-	10,000	740,174
Total receipts	-	-	5,142	50,112	1,630,538	10,000	740,174
Disbursements:							
Personal services	-	-	-	-	-	-	721,280
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	384,746	-	267
Debt service - principal and interest	-	-	-	-	353,123	-	-
Capital outlay	-	-	-	845	788,302	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	7,859	9	-	-	-	-
Total disbursements	-	7,859	9	845	1,526,171	-	721,547
Excess (deficiency) of receipts over disbursements	-	(7,859)	5,133	49,267	104,367	10,000	18,627
Cash and investments - ending	$ 61,093	$ -	$ 143,033	$ 100,360	$ 3,850,963	$ 10,000	$ 286,121

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

	Fire Pension	Riverboat	Public Safety LOIT	General Obligation Bond Debt Service	Street Vending	Park Building Deposit	Park Nonrefundable Building Deposit
Cash and investments - beginning	$ -	$ 532,361	$ 15,349	$ 110,281	$ 120	$ 3,999	$ 600
Receipts:							
Taxes	186,686	-	-	109,480	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	9,660	109,203	659,108	7,658	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	984,305	11,539	-	-	471	10,815	250
Total receipts	1,180,651	120,742	659,108	117,138	471	10,815	250
Disbursements:							
Personal services	996,482	-	466,039	-	-	-	-
Supplies	239	-	-	-	403	-	-
Other services and charges	110	215,171	-	-	-	-	-
Debt service - principal and interest	-	-	-	174,025	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	9,025	-
Total disbursements	996,831	215,171	466,039	174,025	403	9,025	-
Excess (deficiency) of receipts over disbursements	183,820	(94,429)	193,069	(56,887)	68	1,790	250
Cash and investments - ending	$ 183,820	$ 437,932	$ 208,418	$ 53,394	$ 188	$ 5,789	$ 850

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

	Housing and Urban Development	Park Donation	Revolving Loan	Police Reserve Donations	Police LACE	Healthcare Assurant Claim	General Obligation Bond
Cash and investments - beginning	$ 31,100	$ 34,943	$ 322,411	$ 2,691	$ 190	$ -	$ 21,411
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,800	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,227	19,276	50,159	300	-	1,004,487	798,195
Total receipts	1,227	19,276	50,159	300	1,800	1,004,487	798,195
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	768	-	-	-
Other services and charges	-	-	82,500	-	-	-	61,429
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	16,204	-	-	1,800	-	450,830
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	981,039	-
Total disbursements	-	16,204	82,500	768	1,800	981,039	512,259
Excess (deficiency) of receipts over disbursements	1,227	3,072	(32,341)	(468)	-	23,448	285,936
Cash and investments - ending	$ 32,327	$ 38,015	$ 290,070	$ 2,223	$ 190	$ 23,448	$ 307,347

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

	City Revitalization Grant	Fire Department Grant	Fire Department Donations	Storm Water Bond	Federal Drug Seizure	Payroll	Payroll Federal W/H
Cash and investments - beginning	$ 2,597	$ 1	$ 13,619	$ -	$ 15,992	$ -	$ -
Receipts:							
Taxes	-	-	-	348,058	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	2,585	-	21,944	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	5,427	57,948	142	332,544	956,033
Total receipts	-	2,585	5,427	427,950	142	332,544	956,033
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	4,226	-	-	-	-
Other services and charges	-	-	-	43,798	-	-	-
Debt service - principal and interest	-	-	-	384,152	-	-	-
Capital outlay	-	2,585	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	2,010	-	120	332,544	956,033
Total disbursements	-	2,585	6,236	427,950	120	332,544	956,033
Excess (deficiency) of receipts over disbursements	-	-	(809)	-	22	-	-
Cash and investments - ending	$ 2,597	$ 1	$ 12,810	$ -	$ 16,014	$ -	$ -

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

	Payroll FICA W/H	Payroll Medicare W/H	Payroll State Tax	Payroll County Tax	Payroll PERF	Payroll Police PERF	Payroll Fire PERF
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ 26,989	$ 20,451	$ 27,642
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	366,548	180,328	291,044	125,967	358,577	91,660	108,197
Total receipts	366,548	180,328	291,044	125,967	358,577	91,660	108,197
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	366,548	180,328	291,044	125,967	357,850	88,685	108,906
Total disbursements	366,548	180,328	291,044	125,967	357,850	88,685	108,906
Excess (deficiency) of receipts over disbursements	-	-	-	-	727	2,975	(709)
Cash and investments - ending	$ -	$ -	$ -	$ -	$ 27,716	$ 23,426	$ 26,933

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

	Payroll Boston Life	Payroll Vision Insurance	Payroll Health Insurance	Payroll Life Insurance	Payroll Accident IN-AFLAC	Payroll Fire Dues
Cash and investments - beginning	$ -	$ -	$ 23	$ 13	$ -	$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	6,460	16,025	1,206,057	20,879	17,909	15,708
Total receipts	6,460	16,025	1,206,057	20,879	17,909	15,708
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	6,460	16,025	1,206,080	20,892	17,909	15,708
Total disbursements	6,460	16,025	1,206,080	20,892	17,909	15,708
Excess (deficiency) of receipts over disbursements	-	-	(23)	(13)	-	-
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -

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

	Payroll United Way	Payroll 457-AUL	Payroll Union Dues	Payroll Garnishments	Section 125	Payroll AUL Life
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,412	255,683	20,685	39,526	33,870	24,467
Total receipts	1,412	255,683	20,685	39,526	33,870	24,467
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,412	255,683	20,685	39,526	33,870	24,467
Total disbursements	1,412	255,683	20,685	39,526	33,870	24,467
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -

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

	Fire PAC	Payroll Direct Deposit	Payroll 457-AMER	Payroll Liberty National	Payroll Continental American	Fire Safer Reimbursement
Cash and investments - beginning	$ -	$ -	$ -	$ -	$ -	$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,408	5,927,891	90,256	4,172	8,749	1,013
Total receipts	3,408	5,927,891	90,256	4,172	8,749	1,013
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,408	5,927,891	90,256	4,172	8,749	1,013
Total disbursements	3,408	5,927,891	90,256	4,172	8,749	1,013
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	$ -	$ -	$ -	$ -	$ -	$ -

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

	Sewage Operating	Sewage Plant Depreciation	Sewage Plant Construction BAN	Sewage Plant Bond and Interest	Sewage Debt Reserve	Water Operating
Cash and investments - beginning	$ 366,738	$ 45,396	$ 1,426,957	$ 854,391	$ 891,653	$ 437,203
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	3,999,743	-	-	-	-	3,110,525
Other receipts	5,404	406,258	3,759,725	1,038,366	49,827	5,516
Total receipts	4,005,147	406,258	3,759,725	1,038,366	49,827	3,116,041
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	2,049,861	1,020,547	-	-
Capital outlay	-	36,322	1,813,047	-	-	-
Utility operating expenses	2,173,319	-	-	-	-	2,594,439
Other disbursements	1,494,451	-	75,258	-	-	404,707
Total disbursements	3,667,770	36,322	3,938,166	1,020,547	-	2,999,146
Excess (deficiency) of receipts over disbursements	337,377	369,936	(178,441)	17,819	49,827	116,895
Cash and investments - ending	$ 704,115	$ 415,332	$ 1,248,516	$ 872,210	$ 941,480	$ 554,098

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

	Water Consumer Deposit	Water Depreciation	2011 SRF Water Construction	2011 SRF Water Bond and Interest	2011 SRF Water Debt Reserve	Totals
Cash and investments - beginning	$ 296,114	$ 93,656	$ -	$ 112	$ -	$ 14,977,332
Receipts:						
Taxes	-	-	-	-	-	8,485,850
Licenses and permits	-	-	-	-	-	7,569
Intergovernmental	-	-	-	-	-	5,845,417
Charges for services	-	-	-	-	-	1,421,639
Fines and forfeits	-	-	-	-	-	11,602
Utility fees	-	-	-	-	-	7,110,268
Other receipts	63,240	157,180	10,386,421	176,898	70,629	32,059,045
Total receipts	63,240	157,180	10,386,421	176,898	70,629	54,941,390
Disbursements:						
Personal services	-	-	-	-	-	8,055,246
Supplies	-	-	-	-	-	615,215
Other services and charges	-	-	-	-	-	4,286,771
Debt service - principal and interest	-	-	-	-	-	4,155,913
Capital outlay	-	110,734	2,715,618	-	-	7,344,956
Utility operating expenses	-	-	-	-	-	4,767,758
Other disbursements	34,642	-	102,806	112	-	15,643,522
Total disbursements	34,642	110,734	2,818,424	112	-	44,869,381
Excess (deficiency) of receipts over disbursements	28,598	46,446	7,567,997	176,786	70,629	10,072,009
Cash and investments - ending	$ 324,712	$ 140,102	$ 7,567,997	$ 176,898	$ 70,629	$ 25,049,341

CITY OF HUNTINGTON
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2011

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	Fund/ Department
Capital leases:			
2006 fire apparatus	$ 327,626	$ 91,468	General - Fire Dept
2007 landfill scraper and loader	254,437	70,036	Solid Waste
2011 police cars	54,566	28,724	General - Police Dept
Loans payable:			
2001 state revolving fund loan	1,766,000	210,167	Storm Water Bond
2008 state revolving fund loan	3,468,000	119,935	Wastewater Bond and Interest
2011 state revolving fund loan	10,383,000	529,851	Water Bond and Interest
2011 state revolving fund loan	68,019	*	Wastewater Bond and Interest
2010 police cars	23,781	12,700	General - Police Dept
Bonds payable:			
General obligation bonds:			
1997 tax increment financing	430,000	228,148	2008 Consolidated TIF
2000 tax increment financing	150,000	81,710	2008 Consolidated TIF
2003 tax increment financing	611,512	42,539	2008 Consolidated TIF
2008 general obligation	240,000	123,381	General Obligation Bond Debt Service
2011 storm water district refunding	1,400,000	210,502	Storm Water Bond
2011 general obligation	810,000	11,969	General Obligation Bond Debt Service
Revenue bonds:			
2003 refunding	815,000	124,448	Wastewater Bond and Interest
2008 refunding	4,935,000	781,127	Wastewater Bond and Interest
Total debt	$ 25,736,941	$ 2,666,705	

*Project not completed, amortization schedule not available.

APPROPRIATIONS

The Storm Water Bond Fund expenditures exceeded budgeted appropriations by $40,796.

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

ORDINANCES AND RESOLUTIONS

An audit of payroll disclosed that the compensatory time reported by four employees was not approved by the department head or their designee. The City's personnel policy states that non-exempt employees are required to report all hours worked on a personal time sheet that is approved and signed by the employee's department head or department head's designee.

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

BANK ACCOUNT RECONCILIATIONS

The bank account reconcilements prepared on a monthly basis contained unidentified variances. The December 31, 2011 bank account reconcilement indicates a cash necessary to balance of $4,112.

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

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

SUPPLEMENTAL AUDIT OF

FEDERAL AWARDS

STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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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 HUNTINGTON, HUNTINGTON COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Huntington (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 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. The results of our auditing procedures also disclosed other instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1.

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)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be significant deficiencies or material weaknesses and therefore, there is no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be material weaknesses.

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

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

STATE BOARD OF ACCOUNTS

July 10, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

CITY OF HUNTINGTON
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.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT			
Pass-Through Indiana Housing and Community Development Authority			
CDBG - State Administered CDBG Cluster			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228	HD-011-001	$ 161,350
Total for federal grantor agency			161,350
U.S. DEPARTMENT OF THE INTERIOR			
Pass-Through Indiana Department of Natural Resources			
Historic Preservation Fund Grants-In-Aid	15.904		
		21921-3	21,006
		31921-8	22,492
Total for federal grantor agency			43,498
U.S. DEPARTMENT OF JUSTICE			
Direct Grant			
Bulletproof Vest Partnership Program	16.607	FY2010	2,567
Total for federal grantor agency			2,567
U.S. DEPARTMENT OF TRANSPORTATION			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	1000010	56,833
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	OP-11-02-01-42	5,100
Direct Grant			
Airport Improvement Program	20.106		
		3-18-0036-08	14,535
		3-18-0036-10	313,359
		3-18-0036-11	79,800
Total for program			407,694
Total for federal grantor agency			469,627
U.S. ENVIRONMENTAL PROTECTION AGENCY			
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458	WW10013503	25,827
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW09473502	1,386,284
Total for federal grantor agency			1,412,111
U.S. DEPARTMENT OF HOMELAND SECURITY			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2009-FR-00331	2,585
Staffing for Adequate Fire and Emergency Response	97.083	EMW-2009-FH-00102	393,305
Total for federal grantor agency			395,890
Total federal awards expended			$ 2,485,043

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

CITY OF HUNTINGTON
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

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

Note 2. Subrecipients

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

Program Title	Federal CFDA Number	2011
Historic Preservation Fund Grants-In-Aid	15.904	$ 21,006

CITY OF HUNTINGTON
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program
66.468	Capitalization Grants for Drinking Water State Revolving Funds
97.083	Staffing for Adequate Fire and Emergency Response

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

FINDING 2011-1 – CASH MANAGEMENT

Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106
Federal Award Number and Year: 3-18-0036-8, 3-18-0036-10, 03-18-0036-11

The City of Huntington did not timely disburse federal grant reimbursements as required by laws and regulations during the audit period. This includes reimbursements for the Airport Improvement Program grants. Payments for engineering, taxiway rehabilitation and purchase of real estate at the airport were not made timely during the audit period. Four federal grant receipts were held from 32 to 182 days before being disbursed.

OMB Circular A-133, Section .300(b) states:

"The auditee shall:

Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

49 CFR 18.21(b) states:

"Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, . . . "

Failure to disburse grant receipts timely could cause the City to be deemed ineligible to receive future federal grant awards and require them to remit interest earned on monies held in deposit.

Lack of communication between City officials, airport officials and the engineering firm overseeing the process often caused invoices to be submitted and paid in an untimely manner.

We recommended the City develop and implement procedures and controls to ensure the time between receipt and disbursement of federal funds is minimized according to the grant requirements.

CHRISTI A. SCHER
Clerk Treasurer
City of Huntington

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

July 10, 2012

Prior Audit Finding for City of Huntington

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

Finding 2010-1, Reporting

Original SBA Audit Report Number: B38730

Fiscal Year: 01/01/10 to 12/31/10

Auditee Contact Person: Christi A. Scher

Title of Contact Person: Clerk-Treasurer

Phone Number: 260-356-1400

Continued Corrective Action Planned:

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

Signed: Christi A. Scher

Name: Christi A Scher
Title: City Clerk Treasurer
Date: 7-10-12

CHRISTI A. SCHER
Clerk Treasurer
City of Huntington

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

July 10, 2012

Corrective Action Plan for City of Huntington

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

In response to your audit of the financial records of City of Huntington as of December 31, 2011:

Finding 2011-1, Cash Management

Corrective Action Planned:

The City will continue to work with the Airport Board and NGC Engineering firm, implement a protocol to monitor the grant fund balances. Since this is a reimbursement grant, the City will monitor the grant receipts and make sure the disbursements have been processed in a timely manner.

Signed: Christi A Scher

Name: Christi A Scher
Title: City Clerk Treasurer
Date: 7-10-12

CITY OF HUNTINGTON
EXIT CONFERENCE

The contents of this report were discussed on July 10, 2012, with Christi A. Scher, Clerk-Treasurer; Brooks L. Fetters, Mayor; Joseph E. Blomeke, President of the Common Council; and Jack Slusser, member of the Common Council.

The contents of this report were discussed on July 11, 2012, with Steven D. Updike, former Mayor.