

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF HOBART

LAKE COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
10/11/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Deborah Longer	01-01-08 to 12-31-15
Mayor	Brian Snedecor	01-01-08 to 12-31-15
President of the Board of Public Works and Safety	Brian Snedecor	01-01-08 to 12-31-15
President of the Common Council	David R. Vinzant	01-01-11 to 12-31-12
City Judge	William J. Longer	01-01-08 to 12-31-15



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF HOBART, LAKE COUNTY, INDIANA

We have audited the accompanying financial statement of the City of Hobart (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 September 17, 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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statement. The information has been subjected to

INDEPENDENT AUDITOR'S REPORT
(Continued)

the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

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

The City's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, Board of Public Works and Safety, 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

September 17, 2012



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

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 HOBART, LAKE COUNTY, INDIANA

We have audited the financial statement of the City of Hobart (City), for the year ended December 31, 2011, and have issued our report thereon dated September 17, 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

Management of the City is responsible for establishing and maintaining effective 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.

The City's response to the Audit Results and Comments identified in our audit is described in the accompanying section of the report entitled Official Response. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, Board of Public Works and Safety, 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

September 17, 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 HOBART
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	\$ 1,294,061	\$ 29,799,768	\$ 30,334,090	\$ 759,739
Motor Vehicle Highway	(77,044)	2,473,390	1,344,288	1,052,058
Local Road And Street	(1,065,312)	625,985	237,026	(676,353)
Law Enforcement Continuing Ed	41,087	33,332	40,751	33,668
Riverboat	413,705	352,910	483,091	283,524
Parks And Recreation	79,613	408,657	475,951	12,319
Cumulative Capital Improvement	(251,296)	72,836	-	(178,460)
Cumulative Capital Development	189,164	1,004,948	146,567	1,047,545
Police Pension	707,099	513,744	513,936	706,907
Fire Pension	378,730	356,016	355,671	379,075
HPD Grants	-	90,000	90,000	-
HMS Police Court Bond B Debt Svc	-	143,173	128,212	14,961
Redev RZ TIF Bond A & B Debt Service	-	497,551	291,558	205,993
Maria Reiner Senior Center	-	256,676	219,563	37,113
Health Insurance Bank Account	1,000	2,051,884	1,965,017	87,867
City Court Bank Account	262,341	1,137,412	1,147,735	252,018
Fire Donation	793	6,198	4,431	2,560
Park Donation	3,174	1,571	795	3,950
Trust	53,024	-	6,600	46,424
Dare	1,866	1,214	1,398	1,682
Police Donation	5,913	24,592	27,157	3,348
County Share Court Costs	-	298,890	299,339	(449)
Court Records Perpetuation	29,218	4,950	1,330	32,838
Innkeeper's Tax	13,302	-	6,495	6,807
50/50 Sidewalk Program	-	15,285	15,285	-
Police Seizure	26,626	56,251	57,792	25,085
Drug Task Force (Hidta)	10,592	12,920	14,787	8,725
Drug Free Communities	10	20,400	20,410	-
911 Dispatch Center	(28,600)	-	-	(28,600)
County Juvenile Night Light	1,286	-	-	1,286
Park Improvement	119,057	1,200	80,769	39,488
Park & Rec Non-Reverting	3,645	-	1,410	2,235
Arbor Lane Park Donation	2,150	-	-	2,150
Enhancement & Improvement	137,846	58,608	47,212	149,242
Pennsy Depot Donation	13,175	-	564	12,611
Lakefront Festival	10,241	13,476	15,803	7,914
Barrington Ridge Park Donation	102,421	-	8,676	93,745
Pleak Fund	35,079	-	-	35,079
Water Lines	66,379	11,602	66,385	11,596
Dui Overtime Grant	6,309	36,530	44,367	(1,528)
Court Public Defender	3,286	3,892	1,500	5,678
Adult Probation	128,810	28,035	21,533	135,312

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

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

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
Park District Program	2,579	47,713	49,338	954
Hobart Entryway Triangle	6,689	-	-	6,689
Fire Dept Ems Education	1,375	-	-	1,375
Cops To School	(58,238)	33,155	-	(25,083)
Operation Pull Over	21,005	12,496	12,306	21,195
Tax Abatement	27,035	915	4,310	23,640
Scout Cabin	720	-	-	720
Redevelopment	1,280,265	394,684	120,809	1,554,140
Special Events	9,616	36,317	29,397	16,536
Public Works Donation	312	-	-	312
Assistance To Firefighters Grant	1	34,697	28,679	6,019
2008 Recycling Grants	8,809	36	-	8,845
Employee Health Benefits	100,409	258,273	235,120	123,562
Redevelopment 61St Avenue	1,341,206	1,498,801	865,577	1,974,430
Public Safety	123,724	93,342	217,066	-
Reimburse Professional Fees	8,450	3,823	11,477	796
Stimulus Arra	-	13,172	13,172	-
Park Bond 6 Project Debt Service	38,058	1,122,143	768,710	391,491
2006 Go Bond Paving Debt Service	89,024	551,295	373,938	266,381
2007 61St Avenue Debt Service	(38,327)	265,362	151,106	75,929
HMS Police Court Bond A Debt Svc	(236,182)	530,155	258,443	35,530
61St Ave Series B Debt Service	(35,856)	111,787	50,454	25,477
Park Bond Proceeds 6 Projects	1,441,915	842,761	1,211,623	1,073,053
2007 61St Ave Bond Proceeds	63,858	-	-	63,858
61St Avenue Reserve Fund	930,000	-	-	930,000
61st Ave B Bond Proceeds	544,522	170,365	714,887	-
Police Court Complex Bond Proceeds	2,404,365	45,108	2,406,159	43,314
Redev Rz Tif Bond Proceeds	4,163,967	67,153	1,360,984	2,870,136
Fire Pension 1977	35,827	141,385	143,880	33,332
Police Pension 1977	39,887	164,990	164,611	40,266
Payroll	13,486	11,391,117	11,400,202	4,401
Water Escrow	28,412	286,203	281,295	33,320
Nipsco Escrow	621	1,313,555	1,313,725	451
Cable Escrow	100,000	-	-	100,000
Civilian Perf	36,011	131,638	133,193	34,456
Investments	27,363	4,352	-	31,715
HSD Stormwater	152,632	2,431,156	1,862,312	721,476
Wastewater Operating	186,325	6,851,582	6,301,632	736,275
Wastewater Improvement	1,856,756	5,685,599	2,296,736	5,245,619
Wastewater Revenue	51,934	6,426,939	6,249,380	229,493
Totals	<u>\$ 17,487,305</u>	<u>\$ 81,375,965</u>	<u>\$ 77,548,015</u>	<u>\$ 21,315,255</u>

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

CITY OF HOBART
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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 include the following sources:

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

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

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

CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

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

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 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.

CITY OF HOBART
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 HOBART
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.

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

CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF HOBART
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Plan Description

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

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

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

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

Funding Policy

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

Note 7. Subsequent Events

Stormwater and Sanitary District

In 2012, the City applied for a State Revolving Funds (SRF) loan for sewer projects and inspection in the areas of South Mundell, North Joliet, and Main Streets. The loan of approximately \$4,137,500 is expected to close in October 2012 so construction on these projects may begin in 2013.

In addition, an Ash Street Sanitary Sewer Project will be started in 2012, utilizing a grant from the Army Corps of Engineers (Section 219). The grant amount is \$400,000 and the total project costs are anticipated to be \$525,000. The Army Corps will oversee this project.

Internal Revenue Service Audit

The City is vigorously contesting claims by the Internal Revenue Service. The anticipated amount of adjustment is not available at this time.

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SUPPLEMENTARY INFORMATION – UNAUDITED

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

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

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

CITY OF HOBART
 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	Law Enforcement Continuing Ed	Riverboat	Parks And Recreation	Cumulative Capital Improvement
Cash and investments - beginning	\$ 1,294,061	\$ (77,044)	\$ (1,065,312)	\$ 41,087	\$ 413,705	\$ 79,613	\$ (251,296)
Receipts:							
Taxes	16,935,365	1,720,733	-	-	-	305,519	-
Licenses and permits	635,571	-	-	11,170	-	-	-
Intergovernmental	867,105	750,931	296,706	-	352,910	13,029	72,836
Charges for services	785,410	1,491	329,279	15,690	-	69,455	-
Fines and forfeits	110,150	-	-	6,472	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	10,466,167	235	-	-	-	20,654	-
Total receipts	<u>29,799,768</u>	<u>2,473,390</u>	<u>625,985</u>	<u>33,332</u>	<u>352,910</u>	<u>408,657</u>	<u>72,836</u>
Disbursements:							
Personal services	12,020,289	950,253	-	-	-	332,877	-
Supplies	847,951	323,449	-	10,000	-	36,613	-
Other services and charges	2,754,259	70,586	-	30,415	-	72,251	-
Debt service - principal and interest	8,929,904	-	-	-	-	-	-
Capital outlay	751,858	-	237,026	336	483,091	15,135	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,029,829	-	-	-	-	19,075	-
Total disbursements	<u>30,334,090</u>	<u>1,344,288</u>	<u>237,026</u>	<u>40,751</u>	<u>483,091</u>	<u>475,951</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(534,322)</u>	<u>1,129,102</u>	<u>388,959</u>	<u>(7,419)</u>	<u>(130,181)</u>	<u>(67,294)</u>	<u>72,836</u>
Cash and investments - ending	<u>\$ 759,739</u>	<u>\$ 1,052,058</u>	<u>\$ (676,353)</u>	<u>\$ 33,668</u>	<u>\$ 283,524</u>	<u>\$ 12,319</u>	<u>\$ (178,460)</u>

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

	Cumulative Capital Development	Police Pension	Fire Pension	HPD Grants	HMS Police Court Bond B Debt Svc	Redev RZ TIF Bond A & B Debt Service	Maria Reiner Senior Center
Cash and investments - beginning	\$ 189,164	\$ 707,099	\$ 378,730	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	974,823	-	-	-	138,916	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	30,125	-	-	-	4,257	-	-
Charges for services	-	-	-	90,000	-	-	26,654
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	513,744	356,016	-	-	497,551	230,022
Total receipts	1,004,948	513,744	356,016	90,000	143,173	497,551	256,676
Disbursements:							
Personal services	-	513,936	1,189	-	-	-	17,671
Supplies	-	-	199	-	-	-	7,068
Other services and charges	-	-	711	90,000	-	2,600	1,449
Debt service - principal and interest	-	-	-	-	128,212	288,958	-
Capital outlay	146,567	-	-	-	-	-	181,640
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	353,572	-	-	-	11,735
Total disbursements	146,567	513,936	355,671	90,000	128,212	291,558	219,563
Excess (deficiency) of receipts over disbursements	858,381	(192)	345	-	14,961	205,993	37,113
Cash and investments - ending	\$ 1,047,545	\$ 706,907	\$ 379,075	\$ -	\$ 14,961	\$ 205,993	\$ 37,113

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

	Health Insurance Bank Account	City Court Bank Account	Fire Donation	Park Donation	Trust	Dare	Police Donation
Cash and investments - beginning	\$ 1,000	\$ 262,341	\$ 793	\$ 3,174	\$ 53,024	\$ 1,866	\$ 5,913
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	275	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>2,051,884</u>	<u>1,137,412</u>	<u>6,198</u>	<u>1,296</u>	<u>-</u>	<u>1,214</u>	<u>24,592</u>
Total receipts	<u>2,051,884</u>	<u>1,137,412</u>	<u>6,198</u>	<u>1,571</u>	<u>-</u>	<u>1,214</u>	<u>24,592</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	4,431	85	6,600	-	27,157
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	710	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>1,965,017</u>	<u>1,147,735</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,398</u>	<u>-</u>
Total disbursements	<u>1,965,017</u>	<u>1,147,735</u>	<u>4,431</u>	<u>795</u>	<u>6,600</u>	<u>1,398</u>	<u>27,157</u>
Excess (deficiency) of receipts over disbursements	<u>86,867</u>	<u>(10,323)</u>	<u>1,767</u>	<u>776</u>	<u>(6,600)</u>	<u>(184)</u>	<u>(2,565)</u>
Cash and investments - ending	<u>\$ 87,867</u>	<u>\$ 252,018</u>	<u>\$ 2,560</u>	<u>\$ 3,950</u>	<u>\$ 46,424</u>	<u>\$ 1,682</u>	<u>\$ 3,348</u>

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

	County Share Court Costs	Court Records Perpetuation	Innkeeper's Tax	50/50 Sidewalk Program	Police Seizure	Drug Task Force (Hidta)	Drug Free Communities
Cash and investments - beginning	\$ -	\$ 29,218	\$ 13,302	\$ -	\$ 26,626	\$ 10,592	\$ 10
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	12,920	-
Fines and forfeits	298,890	4,950	-	-	-	-	20,400
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	15,285	56,251	-	-
Total receipts	<u>298,890</u>	<u>4,950</u>	<u>-</u>	<u>15,285</u>	<u>56,251</u>	<u>12,920</u>	<u>20,400</u>
Disbursements:							
Personal services	-	-	-	-	-	14,125	-
Supplies	-	-	-	-	-	662	-
Other services and charges	-	1,330	6,495	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	15,285	57,792	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	299,339	-	-	-	-	-	20,410
Total disbursements	<u>299,339</u>	<u>1,330</u>	<u>6,495</u>	<u>15,285</u>	<u>57,792</u>	<u>14,787</u>	<u>20,410</u>
Excess (deficiency) of receipts over disbursements	<u>(449)</u>	<u>3,620</u>	<u>(6,495)</u>	<u>-</u>	<u>(1,541)</u>	<u>(1,867)</u>	<u>(10)</u>
Cash and investments - ending	<u>\$ (449)</u>	<u>\$ 32,838</u>	<u>\$ 6,807</u>	<u>\$ -</u>	<u>\$ 25,085</u>	<u>\$ 8,725</u>	<u>\$ -</u>

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

	911 Dispatch Center	County Juvenile Night Light	Park Improvement	Park & Rec Non-Reverting	Arbor Lane Park Donation	Enhancement & Improvement	Pennsy Depot Donation
Cash and investments - beginning	\$ (28,600)	\$ 1,286	\$ 119,057	\$ 3,645	\$ 2,150	\$ 137,846	\$ 13,175
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	1,200	-	-	58,608	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	1,200	-	-	58,608	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	564
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	80,769	1,410	-	47,212	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	80,769	1,410	-	47,212	564
Excess (deficiency) of receipts over disbursements	-	-	(79,569)	(1,410)	-	11,396	(564)
Cash and investments - ending	<u>\$ (28,600)</u>	<u>\$ 1,286</u>	<u>\$ 39,488</u>	<u>\$ 2,235</u>	<u>\$ 2,150</u>	<u>\$ 149,242</u>	<u>\$ 12,611</u>

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

	Lakefront Festival	Barrington Ridge Park Donation	Pleak Fund	Water Lines	Dui Overtime Grant	Court Public Defender	Adult Probation
Cash and investments - beginning	\$ 10,241	\$ 102,421	\$ 35,079	\$ 66,379	\$ 6,309	\$ 3,286	\$ 128,810
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	7,976	-	-	-	36,530	-	-
Fines and forfeits	-	-	-	-	-	3,892	28,035
Utility fees	-	-	-	-	-	-	-
Other receipts	5,500	-	-	11,602	-	-	-
Total receipts	13,476	-	-	11,602	36,530	3,892	28,035
Disbursements:							
Personal services	2,400	-	-	-	44,367	-	17,823
Supplies	-	-	-	-	-	-	32
Other services and charges	13,403	3,616	-	-	-	1,500	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	5,060	-	66,385	-	-	3,678
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	15,803	8,676	-	66,385	44,367	1,500	21,533
Excess (deficiency) of receipts over disbursements	(2,327)	(8,676)	-	(54,783)	(7,837)	2,392	6,502
Cash and investments - ending	<u>\$ 7,914</u>	<u>\$ 93,745</u>	<u>\$ 35,079</u>	<u>\$ 11,596</u>	<u>\$ (1,528)</u>	<u>\$ 5,678</u>	<u>\$ 135,312</u>

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

	Park District Program	Hobart Entryway Triangle	Fire Dept Ems Education	Cops To School	Operation Pull Over	Tax Abatement	Scout Cabin
Cash and investments - beginning	\$ 2,579	\$ 6,689	\$ 1,375	\$ (58,238)	\$ 21,005	\$ 27,035	\$ 720
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	32,892	-	-	-	12,496	915	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	14,821	-	-	33,155	-	-	-
Total receipts	47,713	-	-	33,155	12,496	915	-
Disbursements:							
Personal services	-	-	-	-	12,306	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	49,338	-	-	-	-	4,290	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	20	-
Total disbursements	49,338	-	-	-	12,306	4,310	-
Excess (deficiency) of receipts over disbursements	(1,625)	-	-	33,155	190	(3,395)	-
Cash and investments - ending	\$ 954	\$ 6,689	\$ 1,375	\$ (25,083)	\$ 21,195	\$ 23,640	\$ 720

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

	Redevelopment	Special Events	Public Works Donation	Assistance To Firefighters Grant	2008 Recycling Grants	Employee Health Benefits	Redevelopment 61St Avenue
Cash and investments - beginning	\$ 1,280,265	\$ 9,616	\$ 312	\$ 1	\$ 8,809	\$ 100,409	\$ 1,341,206
Receipts:							
Taxes	394,003	-	-	-	-	-	1,498,801
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	36,317	-	34,697	36	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	681	-	-	-	-	258,273	-
Total receipts	<u>394,684</u>	<u>36,317</u>	<u>-</u>	<u>34,697</u>	<u>36</u>	<u>258,273</u>	<u>1,498,801</u>
Disbursements:							
Personal services	4,996	-	-	-	-	235,120	4,995
Supplies	526	-	-	-	-	-	404
Other services and charges	32,608	29,397	-	28,679	-	-	47,429
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	82,679	-	-	-	-	-	2,914
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	809,835
Total disbursements	<u>120,809</u>	<u>29,397</u>	<u>-</u>	<u>28,679</u>	<u>-</u>	<u>235,120</u>	<u>865,577</u>
Excess (deficiency) of receipts over disbursements	<u>273,875</u>	<u>6,920</u>	<u>-</u>	<u>6,018</u>	<u>36</u>	<u>23,153</u>	<u>633,224</u>
Cash and investments - ending	<u>\$ 1,554,140</u>	<u>\$ 16,536</u>	<u>\$ 312</u>	<u>\$ 6,019</u>	<u>\$ 8,845</u>	<u>\$ 123,562</u>	<u>\$ 1,974,430</u>

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

	Public Safety	Reimburse Professional Fees	Stimulus Arra	Park Bond 6 Project Debt Service	2006 Go Bond Paving Debt Service	2007 61St Avenue Debt Service	HMS Police Court Bond A Debt Svc
Cash and investments - beginning	\$ 123,724	\$ 8,450	\$ -	\$ 38,058	\$ 89,024	\$ (38,327)	\$ (236,182)
Receipts:							
Taxes	-	-	-	1,082,830	531,991	-	514,554
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	39,313	19,304	-	15,601
Charges for services	-	-	13,172	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	93,342	3,823	-	-	-	265,362	-
Total receipts	93,342	3,823	13,172	1,122,143	551,295	265,362	530,155
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	11,477	-	500	-	750	1,500
Debt service - principal and interest	-	-	-	768,210	373,938	150,356	256,943
Capital outlay	217,066	-	13,172	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	217,066	11,477	13,172	768,710	373,938	151,106	258,443
Excess (deficiency) of receipts over disbursements	(123,724)	(7,654)	-	353,433	177,357	114,256	271,712
Cash and investments - ending	\$ -	\$ 796	\$ -	\$ 391,491	\$ 266,381	\$ 75,929	\$ 35,530

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

	61St Ave Series B Debt Service	Park Bond Proceeds 6 Projects	2007 61St Ave Bond Proceeds	61St Avenue Reserve Fund	61st Ave B Bond Proceeds	Police Court Complex Bond Proceeds	Redev Rz Tif Bond Proceeds
Cash and investments - beginning	\$ (35,856)	\$ 1,441,915	\$ 63,858	\$ 930,000	\$ 544,522	\$ 2,404,365	\$ 4,163,967
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	842,761	-	-	47,612	-	67,153
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	111,787	-	-	-	122,753	45,108	-
Total receipts	111,787	842,761	-	-	170,365	45,108	67,153
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	500	4,500	-	-	-	-	-
Debt service - principal and interest	49,954	-	-	-	-	-	-
Capital outlay	-	1,207,123	-	-	714,887	2,406,159	1,360,984
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	50,454	1,211,623	-	-	714,887	2,406,159	1,360,984
Excess (deficiency) of receipts over disbursements	61,333	(368,862)	-	-	(544,522)	(2,361,051)	(1,293,831)
Cash and investments - ending	<u>\$ 25,477</u>	<u>\$ 1,073,053</u>	<u>\$ 63,858</u>	<u>\$ 930,000</u>	<u>\$ -</u>	<u>\$ 43,314</u>	<u>\$ 2,870,136</u>

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

	Fire Pension 1977	Police Pension 1977	Payroll	Water Escrow	Nipsco Escrow	Cable Escrow	Civilian Perf
Cash and investments - beginning	\$ 35,827	\$ 39,887	\$ 13,486	\$ 28,412	\$ 621	\$ 100,000	\$ 36,011
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>141,385</u>	<u>164,990</u>	<u>11,391,117</u>	<u>286,203</u>	<u>1,313,555</u>	<u>-</u>	<u>131,638</u>
Total receipts	<u>141,385</u>	<u>164,990</u>	<u>11,391,117</u>	<u>286,203</u>	<u>1,313,555</u>	<u>-</u>	<u>131,638</u>
Disbursements:							
Personal services	-	-	-	-	-	-	133,193
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>143,880</u>	<u>164,611</u>	<u>11,400,202</u>	<u>281,295</u>	<u>1,313,725</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>143,880</u>	<u>164,611</u>	<u>11,400,202</u>	<u>281,295</u>	<u>1,313,725</u>	<u>-</u>	<u>133,193</u>
Excess (deficiency) of receipts over disbursements	<u>(2,495)</u>	<u>379</u>	<u>(9,085)</u>	<u>4,908</u>	<u>(170)</u>	<u>-</u>	<u>(1,555)</u>
Cash and investments - ending	<u>\$ 33,332</u>	<u>\$ 40,266</u>	<u>\$ 4,401</u>	<u>\$ 33,320</u>	<u>\$ 451</u>	<u>\$ 100,000</u>	<u>\$ 34,456</u>

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

	Investments	HSD Stormwater	Wastewater Operating	Wastewater Improvement	Wastewater Revenue	Totals
Cash and investments - beginning	\$ 27,363	\$ 152,632	\$ 186,325	\$ 1,856,756	\$ 51,934	\$ 17,487,305
Receipts:						
Taxes	-	-	-	-	-	24,097,535
Licenses and permits	-	-	-	-	-	646,741
Intergovernmental	-	-	-	-	-	2,462,117
Charges for services	-	-	-	-	-	2,523,539
Fines and forfeits	-	-	-	-	-	472,789
Utility fees	-	2,426,606	6,000	-	6,426,939	8,859,545
Other receipts	4,352	4,550	6,845,582	5,685,599	-	42,313,699
Total receipts	4,352	2,431,156	6,851,582	5,685,599	6,426,939	81,375,965
Disbursements:						
Personal services	-	-	-	-	-	14,305,540
Supplies	-	-	-	-	-	1,226,904
Other services and charges	-	-	-	-	-	3,298,420
Debt service - principal and interest	-	-	-	-	-	10,946,475
Capital outlay	-	-	451,649	33,340	-	8,583,927
Utility operating expenses	-	1,659,798	5,792,930	-	-	7,452,728
Other disbursements	-	202,514	57,053	2,263,396	6,249,380	31,734,021
Total disbursements	-	1,862,312	6,301,632	2,296,736	6,249,380	77,548,015
Excess (deficiency) of receipts over disbursements	4,352	568,844	549,950	3,388,863	177,559	3,827,950
Cash and investments - ending	\$ 31,715	\$ 721,476	\$ 736,275	\$ 5,245,619	\$ 229,493	\$ 21,315,255

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ 260,909	\$ 57,199
Storm Water	-	-
Wastewater	-	576,239
Totals	\$ 260,909	\$ 633,438

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

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Lyons Bank	Squad Cars (10)	\$ 62,993	07-02-10	07-02-13
PNCEF LLC	Ambulances (2)	61,092	03-01-08	04-01-12
PNCEF LLC	Bunker Gear	12,344	03-01-08	03-01-12
TCF Equipment Finance	Garbage Packer	31,768	10-21-11	10-21-15
U S Bank	Squad Cars (10)	57,573	12-02-11	12-02-14
U S Bank	Squad Cars (6)	37,956	09-19-09	09-19-12
Univest Capital	Phone System / PCC	9,360	03-15-11	02-15-16
US Bank	Police Car	5,585	02-17-09	02-17-12
Wells Fargo Bank	Brush Chipper	<u>9,122</u>	02-17-10	02-17-14

Total governmental activities

287,793

Total of annual lease payments

\$ 287,793

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2006 GO Bond: Street Improvements (Fund 323)	\$ 1,060,000	\$ 376,563
General obligation bonds	2007 Redevelopment Bond: 61st Ave. Series A (Fund 324)	3,400,000	150,356
General obligation bonds	2009 Redevelopment Bond: 61st Ave. Series B (Fund 313)	1,100,000	49,954
General obligation bonds	2009 Police Court Reconstruction Bond A (Fund 314)	5,360,000	259,842
General obligation bonds	2005 Park District Bond (Fund 322)	3,835,000	771,598
General obligation bonds	2010 Police Court Reconstruction Bond B (Fund 315)	1,985,000	129,785
General obligation bonds	2010 Redevelopment Bond: 61st Ave TIF Series A (Fund 325)	1,475,000	140,560
General obligation bonds	2010 Redevelopment Bond: 61st Ave RZ Series B (Fund 325)	<u>3,220,000</u>	<u>280,429</u>
Total governmental activities		<u>21,435,000</u>	<u>2,159,087</u>
Wastewater:			
General obligation bonds	Municipal Sewage Works to Gary Sanitary District (GSD)	<u>857,367</u>	<u>195,728</u>
Totals		<u>\$ 22,292,367</u>	<u>\$ 2,354,815</u>

CITY OF HOBART
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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

	Ending Balance
Governmental activities:	
Land	\$ 1,512,769
Infrastructure	90,955,072
Buildings	30,831,409
Improvements other than buildings	1,514,924
Machinery, equipment and vehicles	11,133,234
Construction in progress	1,021,562
Books and other	89,356
Total governmental activities	137,058,326
Storm Water:	
Infrastructure	8,482,386
Wastewater:	
Land	1,017,765
Infrastructure	18,084,101
Buildings	15,662,269
Machinery, equipment and vehicles	793,490
Total Wastewater	35,557,625
Total capital assets	\$ 181,098,337

CITY OF HOBART
AUDIT RESULTS AND COMMENTS

OVERDRAWN CASH BALANCES

The following table presents the funds with overdrawn cash balances at December 31, 2011:

Local Road and Street (202)**	\$ 676,353
Cumulative Capital Improvement (401)**	178,460
County Share Court Costs (281)	449
911 Dispatch Center (292)	28,600
DUI Overtime Grant (282)	1,528
Cops to School (284)**	28,083

**This fund has been overdrawn for three or more years.

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TEMPORARY TRANSFER OF FUNDS – SANITARY DISTRICT

Temporary transfers (loans), in the amounts of \$800,000 and \$300,000, were made in 2010 from the Wastewater Improvement Fund to the HSD Stormwater Fund. The loans were not repaid by the end of the year, and no emergency was declared by the Sanitary Board to extend the loans, as required by Indiana Code (IC) 36-1-8-4. The Sanitary Board adopted Resolution 2011-01 on May 19th, 2011, which authorized the HSD Stormwater Fund to repay the loan semiannually, in amounts of \$100,000 starting in 2011 through 2016. The 2011 \$100,000 semiannual repayments were made on August 19th and December 31th.

The Sanitary District operates under Indiana Code 36-9-25. Indiana Code (IC) 36-9-25-33 only permits the Sanitary District to make temporary transfers (loans) in accordance with Indiana Code 36-1-8-4.

Indiana Code 36-9-25-33 states:

"(a) All money remaining in a fund to the credit of the board at the end of the calendar year belongs to the fund for use by the board for the purposes for which the fund was created. In addition, all money raised under this section shall be deposited at interest with the depository of other public funds of the municipality, with all interest collected on the fund belonging to the fund.

(b) Notwithstanding the provisions of any other statute, money collected for or belonging to a sanitary district belongs to the sanitary district, and not to any city or town in the sanitary district. This money shall be deposited in an interest bearing account, and all interest earned from this deposit shall belong to the sanitary district. If no statutory provision exists to require the crediting or deposit of this interest to a specific fund of the sanitary district, the interest shall be deposited in the sanitary district's sanitary maintenance and general expense fund.

(c) Notwithstanding subsections (a) through (b), money may be transferred from the fund as provided in IC 36-1-8-4."

Indiana Code 36-1-8-4 concerning temporary transfer states in part:

"(a) . . . (3) Except as provided in subsection (b), the prescribed period must end during the budget year of the year in which the transfer occurs. (4) The amount transferred must be returned to the other fund at the end of the prescribed period. . . .

CITY OF HOBART
 AUDIT RESULTS AND COMMENTS
 (Continued)

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following:

- (1) Passes an ordinance or a resolution that contains the following:
 - (A) A statement that the fiscal body has determined that an emergency exists.
 - (B) A brief description of the grounds for the emergency.
 - (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs.
- (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

APPROPRIATIONS

The following funds had disbursements in excess of budgeted appropriations:

Fund	Excess Amount Expended
Local Road and Street	\$ 237,026
2006 GO Bond Paving DS	121,563
Exempt Park Bond 6 Project DS	3,450

The Department of Local Government Finance had not approved a 2011 budget for the Local Road and Street Fund since the fund had an overdrawn cash balance.

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."

RECONCILIATION OF TRUST RECORDS - COURT

As of December 31, 2011, the City Court's reconciliation between the Register of Trust Funds and the Court Cash Book balance revealed a net difference of \$2,646.53. The detail in the Register of Trust Funds was in excess of the control in the Court Cash Book. During the last few years the officials have been investigating these differences and had made significant progress in reconciling the records in total. A similar comment appeared in prior reports.

The total of all unpaid items as shown by the trust fund register must agree with the balance in trust as shown by the court cash book. (Accounting and Uniform Compliance Guidelines for City and Town Courts, Chapter 1)

CITY OF HOBART
AUDIT RESULTS AND COMMENTS
(Continued)

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines for City and Town Courts, Chapter 4)

TRUST ITEMS OUTSTANDING FOR FIVE YEARS OR MORE – COURT

The City Court's Trust Register includes restitution and cash bonds which have been unclaimed in excess of five years. The Trust Register contains bonds dating back to 1983 and restitution back to 1998.

Bonds are used to ensure a person's appearance at the appropriate legal proceeding, after being arrested. If an individual appears in court and the case settled, the bonds should either be applied to costs or refunded in accordance with the court's ruling. If an individual fails to appear in court, the bond should be forfeited in accordance with statutory requirements. Therefore, the bonds should be paid out within a reasonable amount of time and not retained for a number of years.

All items that can be legally disbursed should be paid immediately to the person or persons entitled thereto. All fees and funds five or more years old, including old outstanding checks, should be scheduled on forms provided by the Attorney General and paid over to the Attorney General as required by IC 32-34-1-20(c)(7). Items should not be allowed to accumulate beyond the five year anniversary date. (Accounting and Uniform Compliance Guidelines Manual for City and Town Courts, Chapter 4)

Indiana Code 35-33-8-7 states in part:

"(a) if a defendant: (1) was admitted to bail under section 3.2(a)(2) of this chapter; and (2) has failed to appear before the court as ordered; the court shall, except as provided in subsection (b) or section 8(b) of this chapter, declare the bond forfeited not earlier than one hundred twenty (120) days after the defendant's failure to appear and issue a warrant for the defendant's arrest.

(b) In a criminal case, if the court having jurisdiction over the criminal case receives written notice of a pending civil action or unsatisfied judgment against the criminal defendant arising out of the same transaction or occurrence forming the basis of the criminal case, funds deposited with the clerk of the court under section-3.2(a) (2) of this chapter may not be declared forfeited by the court, and the court shall order the deposited funds to be held by the clerk. If there is an entry of final judgment in favor of the plaintiff in the civil action, and if the deposit and the bond are subject to forfeiture, the criminal court shall order payment of all or any part of the deposit to the plaintiff in the action, as is necessary to satisfy the judgment. The court shall then order the remainder of the deposit, if any, and the bond forfeited.

(c) Any proceedings concerning the bond, or its forfeiture, judgment, or execution of judgment, shall be held in the court that admitted the defendant to bail.

(d) After a bond has been forfeited under subsection (a) or (b), the clerk shall mail notice of forfeiture to the defendant. In addition, unless the court finds that there was a justification for the defendant's failure to appear, the court shall immediately enter judgment, without pleadings and without change of judge or change of venue, against the defendant for the amount of the bail bond, and the clerk shall record the judgment.

CITY OF HOBART
AUDIT RESULTS AND COMMENTS
(Continued)

(e) If a bond is forfeited and the court has entered a judgment under subsection (d), the clerk shall transfer to the state common school fund:

- (1) any amount remaining on deposit with the court (less the fees retained by the clerk);
and
- (2) any amount collected in satisfaction of the judgment."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF HOBART, LAKE COUNTY, INDIANA

Compliance

We have audited City of Hobart's (City) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on 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 could have a direct and material effect on 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 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 ON
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.

The City's response to the Audit Results and Comments identified in our audit is described in the accompanying Official Response. 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, Board of Public Works and Safety, 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

September 17, 2012

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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 HOBART
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 & Rural Affairs CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii Disaster Recovery Grant	14.228	DR2-09-136	\$ 834,377
Total for federal grantor agency			<u>834,377</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct grant Bulletproof Vest Partnership Program	16.607	OMB1121-0235	<u>2,075</u>
Direct grant Public Safety Partnership and Community Policing Grants	16.710	2010CKWX0082	<u>90,000</u>
Total for federal grantor agency			<u>92,075</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster Highway Planning and Construction Construction Management	20.205	STP-9945(067) STP-N606 (001)	329,279 <u>114,765</u>
Total for program			<u>444,043</u>
Recreational Trails Program Oak Savannah Trail	20.219		<u>8,384</u>
Total for cluster			<u>452,427</u>
Pass-Through Indiana Department of Transportation ARRA - Surface Transportation - Discretionary Grants for Capital Investments	20.932		<u>13,172</u>
Total for federal grantor agency			<u>465,599</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct grant Assistance to Firefighters Grant Operations and Safety Program	97.044	EMW-2009-FO-11699	<u>24,694</u>
Pass-Through Indiana Department of Homeland Security Assistance to Firefighters Grant	97.044	PSF1-1-062	<u>1,004</u>
Total for federal grantor agency			<u>25,698</u>
Total federal awards expended			<u>\$ 1,417,749</u>

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

CITY OF HOBART
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 Hobart 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.

CITY OF HOBART
EXIT CONFERENCE

The contents of this report were discussed on September 17, 2012, with Brian Snedecor, Mayor; Deborah Longer, Clerk-Treasurer; and Matt Claussen, Council member. The Official Response has been made a part of this report and may be found on pages 46 and 47.

The contents of this report were discussed on September 17, 2012, with William J. Longer, City Judge, and Holly Graham, Court Clerk. The Official Response has been made a part of this report and may be found on page 48.

Deborah A. Longer
Clerk-Treasurer

"The Friendly City"

Telephone:
(219)942-1940

Fax:
(219)942-0505

The City of Hobart

414 Main Street • Hobart, Indiana 46342



September 21, 2012

Indiana State Board of Accounts
302 W. Washington Street, Room E418
Indianapolis, IN 46204-2765

RE: Official Response to City of Hobart 2011 Audit Conducted by State Board of Accounts

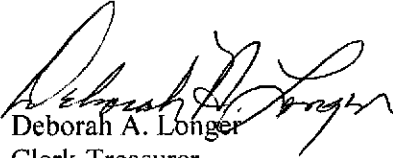
Overdrawn Cash Balances: Many of the funds listed in this category are due to reimbursable funds not being received by the end of the fiscal year to offset the negative balances. The City utilizes inter-fund borrowing as needed to meet the ongoing expenses in all funds. At the end of the fiscal year, the interfund borrowing was paid back to the appropriate funds as required which meant that certain funds ended the year with a negative cash balance, showing a true picture of funds not yet received. The City uses a "pooled cash" approach so that it will not overdraw individual funds while waiting for reimbursements or tax distributions. The overdrawn funds indicated in the audit are neither an indicator of serious financial problems nor of any inappropriate diversion of funds.

Temporary Transfer of Funds - Sanitary District: The reports correctly states that \$1.1 Million Dollars in funds were transferred out of the Waste Water Improvement Fund to the Sanitary District's Storm Water Fund for the purpose of dealing with a number of necessary storm water projects in 2010 for which there were no storm water funds available. The City began collecting a storm water fee, listed as an Other Applicable Charge on the property tax bills, beginning in November 2010, and receives distribution of these fees semi-annually from the County. In accordance with the Hobart Storm Water Board of Directors Resolution 2011-01 adopted May 19, 2011, the City has made semi-annual loan repayments of \$100,000 as each of the storm water fee distributions are received from the County. The Resolution authorizes these payments through 2016 when the original transfer will be repaid in full. In the interim, this temporary transfer has allowed for a clearer tracking of funds being used for storm water projects while not having to engage in expensive borrowing with extended interest charges and issuance fees to return the money to the Improvement Fund.

Appropriations: With respect to the excess amount expended in the Local Road and Street Fund, this fund was solely utilized as a pass-through for reimbursable expenses related to the Ridge Road project completed during the years 2002 - 2008. The outstanding claims were awaiting funds from the State and were paid out as the funds were received in 2011. No additional claims were processed with this fund as there were no appropriations approved for 2011. With the Certified Budget Order not being issued until March 31, 2011, the first quarter of the year had passed and certain reimbursed expenses had already been processed through this fund.

As to the Debt Service Funds, the City had requested specific appropriations to meet the 2011 obligations of the debt service but was held to the 2010 appropriation amounts by the Department of Local Government Finance (DLGF) during the budget approval process. Upon questioning, it was found that the DLGF determined that the County's non-binding review of the 2011 budget had not been done within the required deadlines and had not been received by the City prior to the City's adoption of its 2011 budget and therefore the appropriations were held to the 2010 levels. The City met the 2011 debt obligations timely and completely. This item will not be an issue in the future if the County meets the requirements of timely non-binding reviews and timely distributions to the City.

Conclusion: The administration of the City of Hobart continues to handle the fiscal responsibilities in an appropriate manner while adjusting to the lack of a timely certified budget and late reimbursement distributions that is beyond its control.



Deborah A. Longer
Clerk-Treasurer
City of Hobart, Indiana

HOBART CITY COURT

705 E. 4th Street, Suite C
Hobart, Indiana 46342

William J. Longer, Judge

Phone: 1-219-942-8218

Fax: 1-219-942-2697


E-mail: court@city.hobart.in.us

Hobart City Court, Audit Response 2011 Audit

Reconciliation of Trust Records. This has been an ongoing effort for the last several years, with significant progress being made. Efforts continue to locate what is believed to be missing bookkeeping entries reflecting disbursements made. Some correcting entries have been made in 2012. It is believed that identification and correction of a few additional entries will eliminate the remaining difference.

Trust items Outstanding. Case by case review of items over five years old is ongoing. A system has been initiated to calendar files for abandoned property review. In some instances, files have been scheduled for a date certain for remittance of funds for a date which is five years from the last action on the file, rather than five years from the date of receipt of the funds. For example, where a determination of entitlement to restitution is made on or after the date of conviction. It is anticipated that all files with outstanding balances five or more years from date of receipt will either be distributed or have a date certain for distribution assigned, by the end of 2012.

Respectfully submitted,



William J. Longer
Judge, Hobart City Court