

**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, 2017 to December 31, 2017



**FILED**  
06/20/2018



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
Independent Auditor's 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 <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10-11
Notes to Financial Statement .....	12-17
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	20-32
Schedule of Payables and Receivables .....	33
Schedule of Leases and Debt .....	34
Schedule of Capital Assets.....	35
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance .....	38-39
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards.....	42
Notes to Schedule of Expenditures of Federal Awards .....	43
Schedule of Findings and Questioned Costs .....	44
Other Reports.....	45

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Christi A. McElhaney	01-01-16 to 12-31-19
Mayor	Brooks L. Fetters	01-01-16 to 12-31-19
Chief of Police	Chad Hacker	01-01-17 to 12-31-18
President of the Board of Public Works and Safety	Brooks L. Fetters	01-01-16 to 12-31-19
President Pro Tempore of the Common Council	Joseph E. Blomeke Charles E. Chapman	01-01-17 to 01-01-17 01-01-18 to 12-31-18
Utility Services Coordinator	Marilyn K. Ratliff	01-01-17 to 12-31-18



## INDEPENDENT AUDITOR'S REPORT

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

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the City of Huntington (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statement***

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

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 from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

***Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles***

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2017.

***Opinion on Regulatory Basis of Accounting***

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, 2017, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

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 Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 records used to prepare the financial statement. The information has been subjected to 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.

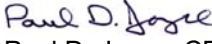
*Other Information*

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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 10, 2018, 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 solely 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 effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

May 10, 2018



**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](http://www.in.gov/sboa)

INDEPENDENT AUDITOR'S 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, 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, the financial statement of the City of Huntington (City), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon dated May 10, 2018, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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 City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

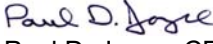
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING  
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL  
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*  
(Continued)

**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*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

May 10, 2018

(This page intentionally left blank.)

## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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, 2017

Fund	Cash and Investments		Cash and Investments	
	01-01-17	Receipts	Disbursements	12-31-17
General	\$ 3,084,742	\$ 10,106,158	\$ 8,785,297	\$ 4,405,603
Motor Vehicle Highway	548,558	844,498	1,247,272	145,784
Local Road and Street	20,187	102,932	92,490	30,629
Aviation	73,143	425,451	401,821	96,773
Park Rec Center	29,647	36,411	41,901	24,157
Health Insurance Claim	1,308,662	2,192,808	1,893,440	1,608,030
Solid Waste	1,550,139	820,514	1,177,789	1,192,864
Refuse Container Replace	2,813	5,536	3,778	4,571
Parking Lot	2,621	19,859	15,281	7,199
Community Development Historic Grant	2,037	3,411	-	5,448
Indiana Housing Grant	-	251,222	251,222	-
LLECE	50,102	16,058	12,513	53,647
Building Demo Repair and Construction	10,670	12,065	11,014	11,721
Park and Recreation	219,152	555,877	708,547	66,482
Rainy Day	803,116	-	10,874	792,242
K-9 Training	169	-	-	169
CEDIT	214,889	932,119	898,785	248,223
LOIT Special Distribution	786,371	115,905	592,701	309,575
Levy Excess	1,150	-	-	1,150
Cinergy TIF	-	195,135	132,558	62,577
Aviation Rev Gas and Oil	73,266	111,366	145,108	39,524
Aviation Federal Grant	2,428	690,161	692,589	-
Cumulative Capital Development	64,583	81,964	81,240	65,307
Park Capital	1,162	-	-	1,162
General Improvement	112	675	-	787
Cumulative Capital Improvement	51,570	42,293	41,691	52,172
TIF 2008 Consolidated	6,428,675	2,067,687	5,493,514	3,002,848
Airport Capital	200,717	162,588	65,647	297,658
Aviation Special Events Non Reverting	1,347	-	152	1,195
Police Pension	396,563	745,015	764,483	377,095
Fire Pension	286,829	913,134	885,606	314,357
Riverboat	336,735	148,023	-	484,758
Public Safety LOIT	8,977	906,377	851,589	63,765
GO Bond Debt Service	104,693	128,987	173,696	59,984
GO Bond Landfill Premium Proceeds	-	33,899	-	33,899
Mayor Prayer Breakfast	2	528	508	22
Street Vending	68	-	-	68
Park Building Deposit	3,883	1,104	1,317	3,670
No-Revert No-Ref Bldg Dep	850	-	-	850
Wheel Tax	-	190,076	4,111	185,965
HUD	9,082	-	7,000	2,082
Park Donation	85	1,540	1,108	517
Trails/Greenway Donation	7,628	1,200	2,931	5,897
Police Reserve Donations	3,430	-	-	3,430
Police LACE	188	3,994	4,182	-
Police Donation	-	2,825	-	2,825
GO Bond	-	3,946,343	321,465	3,624,878
Fire Dept Donations	10,034	4,283	13,746	571

CITY OF HUNTINGTON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2017

Fund	Cash and	Receipts	Disbursements	Cash and
	Investments			Investments
	01-01-17			12-31-17
Storm Water Bond	218,775	374,477	367,135	226,117
Federal Drug Seizure	11,613	-	-	11,613
Payroll	-	405,641	405,641	-
Payroll Federal W/H	-	812,026	812,026	-
Payroll FICA W/H	-	328,362	328,362	-
Payroll Medicare W/H	-	177,981	177,981	-
Payroll State Tax	-	252,964	252,964	-
Payroll County Tax	-	114,746	114,746	-
Payroll PERF	-	387,858	387,858	-
Payroll Police PERF	-	99,896	99,896	-
Payroll Fire PERF	-	106,962	106,962	-
Payroll Vision Insurance	-	19,553	19,553	-
Payroll Health Insurance	-	380,456	380,456	-
Payroll Life Insurance	-	7,588	7,588	-
Payroll Accident IN-AFLAC	-	4,321	4,321	-
Payroll Fire Dues	-	21,480	21,480	-
Payroll United Way	-	3,820	3,820	-
Payroll 457-AUL	-	375,319	375,319	-
Payroll Union Dues	-	16,965	16,965	-
Payroll Garnishments	-	20,102	20,102	-
Section 125	-	34,823	34,823	-
Payroll AUL Life	-	11,857	11,857	-
Fire PAC	-	746	746	-
Payroll Direct Deposit	-	5,206,795	5,206,795	-
Payroll Fidelity Life	-	16,605	16,605	-
Payroll Continental American	-	2,317	2,317	-
Payroll Dental Insurance	-	19,306	19,306	-
Payroll Police Vehicle	-	5,245	5,245	-
Payroll Omaha Life	-	14,218	14,218	-
Sewage Operating	268,061	5,858,620	6,045,302	81,379
Sewage Plant Depreciation	327,141	561,800	442,444	446,497
Sewage Plant Bond and Interest	2,891,180	3,037,003	3,002,326	2,925,857
Sewage Debt Reserve	2,347,466	360,059	-	2,707,525
2016 Sewage BAN-General	-	901,516	901,516	-
2017 SRF Sewer Bond	-	30,271	-	30,271
2013 SRF Frederick Street	-	258,081	258,081	-
2013B SRF WW Rabbit Run	33	-	-	33
Water Operating	216,621	4,657,059	4,010,854	862,826
Water Cons Dep	426,083	96,125	140,390	381,818
Water Depreciation	55,971	925,000	343,556	637,415
2011 SRF Water Bond and Interest	360,138	706,621	705,691	361,068
2011 SRF Water Debt Reserve	719,123	4,368	-	723,491
<b>Totals</b>	<b>\$ 24,543,280</b>	<b>\$ 53,438,973</b>	<b>\$ 50,894,213</b>	<b>\$ 27,088,040</b>

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

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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.* Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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.* Amounts received from businesses, occupations, or non-businesses 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 the following: peddler licenses, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.* Amounts received 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.* Amounts received from charges for current services.

*Other receipts.* Amounts received from various sources, including, but 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.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

CITY OF HUNTINGTON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Capital outlay.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Utility operating expenses.* Amounts disbursed for operating the utilities.

*Other disbursements.* Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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 HUNTINGTON  
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, the following: 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 a cost-sharing 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  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

CITY OF HUNTINGTON  
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 HUNTINGTON  
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  
One North Capitol, 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. Other Postemployment Benefits**

The City provides to eligible retirees and their spouses the following benefits: health insurance at the employee rate. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

**Note 8. Riverboat Transfer to Airport**

On August 11, 2015, Resolution 8-R-15 was approved by the Common Council to allow the expenditure and repayment of Riverboat funds in the amount of \$450,000 to the Airport for hanger construction. This amount is to be repaid by the Aviation fund to the Riverboat fund over 10 years.

(This page intentionally left blank.)

#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Indiana Gateway for Government Units 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 City's Annual Financial Report 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 other information presented was 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, 2017

	General	Motor Vehicle Highway	Local Road and Street	Aviation	Park Rec Center	Health Insurance Claim	Solid Waste
Cash and investments - beginning	\$ 3,084,742	\$ 548,558	\$ 20,187	\$ 73,143	\$ 29,647	\$ 1,308,662	\$ 1,550,139
Receipts:							
Taxes	8,967,567	169,674	-	258,197	-	-	369,161
Licenses and permits	27,920	-	-	-	-	-	-
Intergovernmental receipts	632,954	674,782	102,678	24,687	-	-	35,283
Charges for services	15,451	-	-	81,802	36,411	-	359,633
Fines and forfeits	32,620	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	429,646	42	254	60,765	-	2,192,808	56,437
Total receipts	10,106,158	844,498	102,932	425,451	36,411	2,192,808	820,514
Disbursements:							
Personal services	6,187,463	209,131	-	17,106	-	-	323,156
Supplies	228,745	79,881	-	4,425	-	-	97,631
Other services and charges	1,224,112	443,706	-	230,290	41,901	-	442,224
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	331,683	488,311	92,490	-	-	-	234,656
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	813,294	26,243	-	150,000	-	1,893,440	80,122
Total disbursements	8,785,297	1,247,272	92,490	401,821	41,901	1,893,440	1,177,789
Excess (deficiency) of receipts over disbursements	1,320,861	(402,774)	10,442	23,630	(5,490)	299,368	(357,275)
Cash and investments - ending	\$ 4,405,603	\$ 145,784	\$ 30,629	\$ 96,773	\$ 24,157	\$ 1,608,030	\$ 1,192,864

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Refuse Container Replace	Parking Lot	Community Development Historic Grant	Indiana Housing Grant	LLECE	Building Demo Repair and Construction	Park and Recreation
Cash and investments - beginning	\$ 2,813	\$ 2,621	\$ 2,037	\$ -	\$ 50,102	\$ 10,670	\$ 219,152
Receipts:							
Taxes	-	-	-	-	-	-	501,948
Licenses and permits	-	-	-	-	8,510	-	-
Intergovernmental receipts	-	-	3,411	251,222	-	-	47,988
Charges for services	5,536	19,859	-	-	5,608	-	5,399
Fines and forfeits	-	-	-	-	32	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	1,908	12,065	542
Total receipts	5,536	19,859	3,411	251,222	16,058	12,065	555,877
Disbursements:							
Personal services	-	-	-	-	11,229	-	382,608
Supplies	-	3,099	-	-	-	-	45,032
Other services and charges	-	376	-	251,222	-	11,014	174,419
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	11,806	-	-	-	-	54,097
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,778	-	-	-	1,284	-	52,391
Total disbursements	3,778	15,281	-	251,222	12,513	11,014	708,547
Excess (deficiency) of receipts over disbursements	1,758	4,578	3,411	-	3,545	1,051	(152,670)
Cash and investments - ending	\$ 4,571	\$ 7,199	\$ 5,448	\$ -	\$ 53,647	\$ 11,721	\$ 66,482

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Rainy Day	K-9 Training	CEDIT	LOIT Special Distribution	Levy Excess	Cinergy TIF	Aviation Rev Gas and Oil
Cash and investments - beginning	\$ 803,116	\$ 169	\$ 214,889	\$ 786,371	\$ 1,150	\$ -	\$ 73,266
Receipts:							
Taxes	-	-	866,505	115,905	-	195,135	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	111,366
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	65,614	-	-	-	-
Total receipts	-	-	932,119	115,905	-	195,135	111,366
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	10,874	-	898,785	-	-	-	85,108
Debt service - principal and interest	-	-	-	-	-	132,558	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	592,701	-	-	60,000
Total disbursements	10,874	-	898,785	592,701	-	132,558	145,108
Excess (deficiency) of receipts over disbursements	(10,874)	-	33,334	(476,796)	-	62,577	(33,742)
Cash and investments - ending	\$ 792,242	\$ 169	\$ 248,223	\$ 309,575	\$ 1,150	\$ 62,577	\$ 39,524

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Aviation Federal Grant	Cumulative Capital Development	Park Capital	General Improvement	Cumulative Capital Improvement	TIF 2008 Consolidated	Airport Capital
Cash and investments - beginning	\$ 2,428	\$ 64,583	\$ 1,162	\$ 112	\$ 51,570	\$ 6,428,675	\$ 200,717
Receipts:							
Taxes	-	68,239	-	-	-	2,013,406	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	690,161	6,525	-	-	42,293	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	7,200	-	675	-	54,281	162,588
Total receipts	690,161	81,964	-	675	42,293	2,067,687	162,588
Disbursements:							
Personal services	-	-	-	-	-	6,573	-
Supplies	-	-	-	-	-	2,239	-
Other services and charges	-	-	-	-	-	1,824,215	-
Debt service - principal and interest	-	-	-	-	-	550,802	-
Capital outlay	692,589	81,240	-	-	41,691	3,109,685	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	65,647
Total disbursements	692,589	81,240	-	-	41,691	5,493,514	65,647
Excess (deficiency) of receipts over disbursements	(2,428)	724	-	675	602	(3,425,827)	96,941
Cash and investments - ending	\$ -	\$ 65,307	\$ 1,162	\$ 787	\$ 52,172	\$ 3,002,848	\$ 297,658

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Aviation Special Events Non Reverting	Police Pension	Fire Pension	Riverboat	Public Safety LOIT	GO Bond Debt Service	GO Bond Landfill Premium Proceeds
Cash and investments - beginning	\$ 1,347	\$ 396,563	\$ 286,829	\$ 336,735	\$ 8,977	\$ 104,693	\$ -
Receipts:							
Taxes	-	-	-	-	906,377	120,758	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	103,023	-	8,229	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	745,015	913,134	45,000	-	-	33,899
Total receipts	-	745,015	913,134	148,023	906,377	128,987	33,899
Disbursements:							
Personal services	-	764,363	885,366	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	120	240	-	8,263	-	-
Debt service - principal and interest	-	-	-	-	-	173,696	-
Capital outlay	-	-	-	-	240,141	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	152	-	-	-	603,185	-	-
Total disbursements	152	764,483	885,606	-	851,589	173,696	-
Excess (deficiency) of receipts over disbursements	(152)	(19,468)	27,528	148,023	54,788	(44,709)	33,899
Cash and investments - ending	\$ 1,195	\$ 377,095	\$ 314,357	\$ 484,758	\$ 63,765	\$ 59,984	\$ 33,899

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Mayor Prayer Breakfast	Street Vending	Park Building Deposit	No-Revert No-Ref Bldg Dep	Wheel Tax	HUD	Park Donation
Cash and investments - beginning	\$ 2	\$ 68	\$ 3,883	\$ 850	\$ -	\$ 9,082	\$ 85
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	190,076	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	528	-	1,104	-	-	-	1,540
Total receipts	528	-	1,104	-	190,076	-	1,540
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	4,111	-	1,108
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	508	-	1,317	-	-	7,000	-
Total disbursements	508	-	1,317	-	4,111	7,000	1,108
Excess (deficiency) of receipts over disbursements	20	-	(213)	-	185,965	(7,000)	432
Cash and investments - ending	\$ 22	\$ 68	\$ 3,670	\$ 850	\$ 185,965	\$ 2,082	\$ 517

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Trails/ Greenway Donation	Police Reserve Donations	Police LACE	Police Donation	GO Bond	Fire Dept Donations	Storm Water Bond
Cash and investments - beginning	\$ 7,628	\$ 3,430	\$ 188	\$ -	\$ -	\$ 10,034	\$ 218,775
Receipts:							
Taxes	-	-	-	-	-	-	350,599
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	23,878
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,200	-	3,994	2,825	3,946,343	4,283	-
Total receipts	1,200	-	3,994	2,825	3,946,343	4,283	374,477
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	161,062	-	-
Debt service - principal and interest	-	-	-	-	-	-	367,135
Capital outlay	2,931	-	4,182	-	160,403	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	13,746	-
Total disbursements	2,931	-	4,182	-	321,465	13,746	367,135
Excess (deficiency) of receipts over disbursements	(1,731)	-	(188)	2,825	3,624,878	(9,463)	7,342
Cash and investments - ending	\$ 5,897	\$ 3,430	\$ -	\$ 2,825	\$ 3,624,878	\$ 571	\$ 226,117

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Federal Drug Seizure	Payroll	Payroll Federal W/H	Payroll FICA W/H	Payroll Medicare W/H	Payroll State Tax	Payroll County Tax
Cash and investments - beginning	\$ 11,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	405,641	812,026	328,362	177,981	252,964	114,746
Total receipts	-	405,641	812,026	328,362	177,981	252,964	114,746
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	405,641	812,026	328,362	177,981	252,964	114,746
Total disbursements	-	405,641	812,026	328,362	177,981	252,964	114,746
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ 11,613	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	Payroll PERF	Payroll Police PERF	Payroll Fire PERF	Payroll Vision Insurance	Payroll Health Insurance	Payroll Life Insurance	Payroll Accident IN-AFLAC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	387,858	99,896	106,962	19,553	380,456	7,588	4,321
Total receipts	387,858	99,896	106,962	19,553	380,456	7,588	4,321
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	387,858	99,896	106,962	19,553	380,456	7,588	4,321
Total disbursements	387,858	99,896	106,962	19,553	380,456	7,588	4,321
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, 2017

	Payroll Fire Dues	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 receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	21,480	3,820	375,319	16,965	20,102	34,823	11,857
Total receipts	21,480	3,820	375,319	16,965	20,102	34,823	11,857
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,480	3,820	375,319	16,965	20,102	34,823	11,857
Total disbursements	21,480	3,820	375,319	16,965	20,102	34,823	11,857
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, 2017

	Fire PAC	Payroll Direct Deposit	Payroll Fidelity Life	Payroll Continental American	Payroll Dental Insurance	Payroll Police Vehicle	Payroll Omaha Life
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	746	5,206,795	16,605	2,317	19,306	5,245	14,218
Total receipts	746	5,206,795	16,605	2,317	19,306	5,245	14,218
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	746	5,206,795	16,605	2,317	19,306	5,245	14,218
Total disbursements	746	5,206,795	16,605	2,317	19,306	5,245	14,218
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, 2017

	Sewage Operating	Sewage Plant Depreciation	Sewage Plant Bond and Interest	Sewage Debt Reserve	2016 Sewage BAN-General	2017 SRF Sewer Bond	2013 SRF Frederick Street
Cash and investments - beginning	\$ 268,061	\$ 327,141	\$ 2,891,180	\$ 2,347,466	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	5,858,259	-	-	-	-	-	-
Other receipts	361	561,800	3,037,003	360,059	901,516	30,271	258,081
Total receipts	5,858,620	561,800	3,037,003	360,059	901,516	30,271	258,081
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	3,002,326	-	-	-	-
Capital outlay	-	442,444	-	-	-	-	258,081
Utility operating expenses	2,107,605	-	-	-	-	-	-
Other disbursements	3,937,697	-	-	-	901,516	-	-
Total disbursements	6,045,302	442,444	3,002,326	-	901,516	-	258,081
Excess (deficiency) of receipts over disbursements	(186,682)	119,356	34,677	360,059	-	30,271	-
Cash and investments - ending	\$ 81,379	\$ 446,497	\$ 2,925,857	\$ 2,707,525	\$ -	\$ 30,271	\$ -

CITY OF HUNTINGTON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2017

	2013B SRF WW Rabbit Run	Water Operating	Water Cons Dep	Water Depreciation	2011 SRF Water Bond and Interest	2011 SRF Water Debt Reserve	Totals
Cash and investments - beginning	\$ 33	\$ 216,621	\$ 426,083	\$ 55,971	\$ 360,138	\$ 719,123	\$ 24,543,280
Receipts:							
Taxes	-	-	-	-	-	-	14,903,471
Licenses and permits	-	-	-	-	-	-	36,430
Intergovernmental receipts	-	-	-	-	-	-	2,837,190
Charges for services	-	-	-	-	-	-	641,065
Fines and forfeits	-	-	-	-	-	-	32,652
Utility fees	-	4,656,698	-	-	-	-	10,514,957
Other receipts	-	361	96,125	925,000	706,621	4,368	24,473,208
Total receipts	-	4,657,059	96,125	925,000	706,621	4,368	53,438,973
Disbursements:							
Personal services	-	-	-	-	-	-	8,786,995
Supplies	-	-	-	-	-	-	461,052
Other services and charges	-	-	-	-	-	-	5,807,931
Debt service - principal and interest	-	-	-	-	705,691	-	4,932,208
Capital outlay	-	-	-	343,556	-	-	6,595,205
Utility operating expenses	-	2,380,189	-	-	-	-	4,487,794
Other disbursements	-	1,630,665	140,390	-	-	-	19,823,028
Total disbursements	-	4,010,854	140,390	343,556	705,691	-	50,894,213
Excess (deficiency) of receipts over disbursements	-	646,205	(44,265)	581,444	930	4,368	2,544,760
Cash and investments - ending	\$ 33	\$ 862,826	\$ 381,818	\$ 637,415	\$ 361,068	\$ 723,491	\$ 27,088,040

CITY OF HUNTINGTON  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 126,763	\$ 340,156
Water	196,668	239,236
Governmental activities	585,146	79,801
Totals	\$ 908,577	\$ 659,193

CITY OF HUNTINGTON  
SCHEDULE OF LEASES AND DEBT  
December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Star Equipment Finance	2016 Fire Truck	\$ 102,011	06/15/2016	06/15/2021
Wastewater: TCF Equipment Finance	2017 WPC Street Sweeper	<u>70,177</u>	07/01/2017	07/01/2019
Total of annual lease payments		<u>\$ 172,188</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General Obligation Bond	2015A TIF Bnd RDC Old 24 proj	\$ 656,000	\$ 153,010
General Obligation Bond	2015B TIF Bnd RDC Old 24 proj	4,606,000	353,560
General Obligation Bond	2017 GO Bond Landfill	2,010,000	74,071
General Obligation Bond	2017 GO RDC Bond	2,010,000	70,571
General Obligation Bond	Cinergy Metronet TIF	1,338,489	125,154
General Obligation Bond	Equipment purchase Street Department	85,000	85,956
General Obligation Bond	Kroger TIF	349,816	44,932
General Obligation Bond	Storm Water 2001 GO Joe Street	779,000	209,028
Notes and Loans Payable	Storm Water Bond 2011 refinance SRF	<u>540,000</u>	<u>163,819</u>
Total Governmental Activities		<u>12,374,305</u>	<u>1,280,101</u>
Wastewater:			
Revenue Bonds	Waste Water Improvements 2003	225,000	118,048
Revenue Bonds	Waste Water Improvements 2008	905,000	778,848
Notes and Loans Payable	Waste Water Plant Improvements SRF 2011	14,286,000	702,682
Notes and Loans Payable	Sewage Separation SRF2013 Frederick St	5,949,000	418,745
Notes and Loans Payable	Sewage Separation SRF 2013b Rabbit Run	12,635,000	861,460
Notes and Loans Payable	Sewer Separation SRF 2008	3,462,000	119,729
Notes and loans payable	2017 Sewer Bond	<u>10,644,000</u>	<u>115,901</u>
Total Wastewater		<u>48,106,000</u>	<u>3,115,412</u>
Water:			
Notes and loans Payable	2011 Water Plant SFR	<u>8,253,000</u>	<u>705,520</u>
Totals		<u>\$ 68,733,305</u>	<u>\$ 5,101,033</u>

CITY OF HUNTINGTON  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2017

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	\$ 234,527
Infrastructure	2,176,482
Buildings	8,591,690
Improvements other than buildings	2,443,709
Machinery, equipment, and vehicles	<u>8,150,365</u>
Total governmental activities	<u>21,596,773</u>
Wastewater:	
Land	142,120
Buildings	39,802,790
Improvements other than buildings	40,028,772
Machinery, equipment, and vehicles	<u>3,420,561</u>
Total Wastewater	<u>83,394,243</u>
Water:	
Land	539,979
Infrastructure	222,223
Buildings	8,334,901
Improvements other than buildings	18,682,698
Machinery, equipment, and vehicles	<u>2,769,475</u>
Total Water	<u>30,549,276</u>
Total capital assets	<u>\$ 135,540,292</u>

(This page intentionally left blank.)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

**Report on Compliance for the Major Federal Program**

We have audited the City of Huntington's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2017. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2017.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR THE MAJOR FEDERAL  
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE  
(Continued)

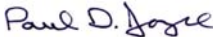
**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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 a 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. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

May 10, 2018

(This page intentionally left blank.)

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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, 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Housing and Community Development Authority	14.228	DR2OR-015-007	\$ 251,222	\$ 251,222
Total - Department of Housing and Urban Development				<u>251,222</u>	<u>251,222</u>
<u>Department of Justice</u>					
Bulletproof Vest Partnership Program	Direct Grant	16.607	FY 2016	-	4,345
Total - Department of Justice				-	<u>4,345</u>
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	0900125 1500247	-	5,000 116
Total - Highway Planning and Construction Cluster				-	<u>5,116</u>
Airport Improvement Program	Direct Grant	20.106	3-18-0036-013-2015 3-18-0036-014-2016 3-18-0036-015-2017 3-18-0036-08-2008	- - - -	51,686 313,742 284,790 10,260
Total - Airport Improvement Program				-	<u>660,478</u>
Total - Department of Transportation				-	<u>665,594</u>
<u>Environmental Protection Agency</u>					
Brownfields Assessment and Cleanup Cooperative Agreements	Direct Grant	66.818	BF00E01518-0	-	62,892
Total - Environmental Protection Agency				-	<u>62,892</u>
Total federal awards expended				<u>\$ 251,222</u>	<u>\$ 984,053</u>

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 (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2017. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

**Note 2. *Summary of Significant Accounting Policies***

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF HUNTINGTON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weakness identified?	no
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>CFDA Number</u>	<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
20.106	Airport Improvement Program	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
--	----

**Section II - Financial Statement Findings**

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.