

B27828

STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

ANNUAL FINANCIAL REPORT

2005

CITY OF LOGANSPOUR

CASS COUNTY, INDIANA



FILED
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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Ruth Ellen Bland	01-01-04 to 12-31-07
Mayor	Michael E. Fincher	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	Michael E. Fincher	01-01-04 to 12-31-07
President of the Common Council	Skip Kuker Charlie Hastings	01-01-05 to 12-31-05 01-01-06 to 12-31-06
Superintendent of Utilities	Klaus Hemberger Paul Hartman	01-01-05 to 03-31-06 04-01-06 to 12-31-06
Utility Office Controller	LuAnn Davis	01-01-05 to 12-31-06



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF LOGANSPORT, CASS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Logansport (City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. 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 opinions.

As discussed in Note I, the City prepares financial statements of its governmental activities, each major governmental fund and the aggregate remaining fund information of the City on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The City prepares its financial statements for its business-type activities on the accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2005, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In our opinion, the financial statements of the business-type activities present fairly, in all material respects, the financial position of each business-type activity as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

In accordance with Government Auditing Standards, we have also issued a report dated August 8, 2006, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The City has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the table of contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not a required part of the basic financial statements. The Combining Schedules, as listed in the table of contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

August 8, 2006



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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE AND ON INTERNAL CONTROL
OVER FINANCIAL REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE CITY OF LOGANSPORT, CASS COUNTY, INDIANA

We have audited the financial statements of the City of Logansport (City), as of and for the year ended December 31, 2005, and have issued our report thereon dated August 8, 2006. 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.

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

August 8, 2006

CITY OF LOGANSPORT
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2005

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	\$ 4,954,499	\$ 665,018	\$ -	\$ -	\$ (4,289,481)	\$ -	\$ (4,289,481)
Public safety	5,040,702	172,140	-	-	(4,868,562)	-	(4,868,562)
Highways and streets	1,386,544	-	-	-	(1,386,544)	-	(1,386,544)
Health and welfare	1,165,650	-	1,176,560	-	10,910	-	10,910
Economic development	124,951	-	-	-	(124,951)	-	(124,951)
Culture and recreation	1,097,329	313,027	-	-	(784,302)	-	(784,302)
Debt service	250,624	-	-	-	(250,624)	-	(250,624)
Capital outlay	860,830	-	-	-	(860,830)	-	(860,830)
Interest on long-term debt	61,100	-	-	-	(61,100)	-	(61,100)
Total governmental activities	14,942,229	1,150,185	1,176,560	-	(12,615,484)	-	(12,615,484)
Business-type activities:							
Water	3,827,190	3,686,736	-	166,883	-	26,429	26,429
Wastewater	6,601,296	4,814,224	-	96,466	-	(1,690,606)	(1,690,606)
Electric	25,800,003	24,792,682	-	89,940	-	(917,381)	(917,381)
Stormwater	404,834	572,696	-	-	-	167,862	167,862
Total business-type activities	36,633,323	33,866,338	-	353,289	-	(2,413,696)	(2,413,696)
Total primary government	\$ 51,575,552	\$ 35,016,523	\$ 1,176,560	\$ 353,289	(12,615,484)	(2,413,696)	(15,029,180)
General receipts:							
Property taxes					7,389,333	-	7,389,333
Other local sources					3,118,485	-	3,118,485
Grants and contributions not restricted to specific programs					2,709,968	-	2,709,968
Unrestricted investment earnings					144,878	479,166	624,044
Total general receipts					13,362,664	479,166	13,841,830
Change in net assets					747,180	(1,934,530)	(1,187,350)
Net assets - beginning					10,479,620	16,146,976	26,626,596
Net assets - ending					\$ 11,226,800	\$ 14,212,446	\$ 25,439,246
Assets							
Cash and investments					\$ 2,517,773	\$ 1,442,105	\$ 3,959,878
Restricted assets:							
Cash and investments					8,709,027	12,770,341	21,479,368
Total assets					\$ 11,226,800	\$ 14,212,446	\$ 25,439,246
Net Assets							
Restricted for:							
Public safety					\$ 43,522	\$ -	\$ 43,522
Highways and streets					2,703,191	-	2,703,191
Health and welfare					2,150,197	-	2,150,197
Culture and recreation					55,435	-	55,435
Urban redevelopment and housing					45,351	-	45,351
Debt service					117,619	2,667,630	2,785,249
Capital outlay					468,157	9,171,889	9,640,046
Other purposes					3,125,555	930,822	4,056,377
Unrestricted					2,517,773	1,442,105	3,959,878
Total net assets					\$ 11,226,800	\$ 14,212,446	\$ 25,439,246

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

CITY OF LOGANSPORT
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

	General	Other Governmental Funds	Totals
Receipts:			
Taxes	\$ 8,990,754	\$ 1,491,378	\$ 10,482,132
Licenses and permits	25,755	-	25,755
Intergovernmental	197,046	1,726,851	1,923,897
Charges for services	424,362	653,228	1,077,590
Fines and forfeits	39,116	7,724	46,840
Other	376,872	579,763	956,635
Total receipts	10,053,905	4,458,944	14,512,849
Disbursements:			
General government	3,702,378	1,252,121	4,954,499
Public safety	5,008,786	31,916	5,040,702
Highways and streets	-	1,386,544	1,386,544
Health and welfare	-	320,468	320,468
Culture and recreation	992,114	105,215	1,097,329
Urban redevelopment and housing	-	124,951	124,951
Debt service:			
Principal	-	250,624	250,624
Interest	-	61,100	61,100
Capital outlay:			
Highways and streets	-	860,830	860,830
Total disbursements	9,703,278	4,393,769	14,097,047
Excess of revenue over disbursements	350,627	65,175	415,802
Other financing sources (uses)			
Transfers in	177,849	102,552	280,401
Transfers out	-	(280,401)	(280,401)
Total other financing sources (uses)	177,849	(177,849)	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	528,476	(112,674)	415,802
Cash and investment fund balance - beginning	1,989,297	6,715,883	8,705,180
Cash and investment fund balance - ending	\$ 2,517,773	\$ 6,603,209	9,120,982
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:			
Internal services funds are used by management to charge the costs of certain services to individual funds. The cash transactions of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.			2,105,818
Net assets of governmental activities			\$ 11,226,800
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 2,517,773	\$ -	\$ 2,517,773
Restricted assets:			
Cash and investments	-	6,603,209	6,603,209
Total cash and investment assets - December 31	\$ 2,517,773	\$ 6,603,209	\$ 9,120,982
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Public safety	\$ -	\$ 43,522	\$ 43,522
Highways and streets	-	2,703,191	2,703,191
Health and welfare	-	44,379	44,379
Culture and recreation	-	55,435	55,435
Urban redevelopment and housing	-	45,351	45,351
Debt service	-	117,619	117,619
Capital outlay	-	468,157	468,157
Other purposes	-	3,125,555	3,125,555
Unrestricted	2,517,773	-	2,517,773
Total cash and investment fund balance - December 31	\$ 2,517,773	\$ 6,603,209	\$ 9,120,982

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

CITY OF LOGANSPORT
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2005

	Business-Type Activities				
	Water Utility	Wastewater Utility	Electric Utility	Stormwater Utility	Total
Assets					
Current assets:					
Cash and cash equivalents	\$ 202,571	\$ 140,168	\$ 187,046	\$ 895,281	\$ 1,425,066
Investments	-	17,039	-	-	17,039
Interest receivable	5,070	8,397	14,076	3,777	31,320
Accounts receivable (net of allowance)	163,739	211,508	1,839,244	39,063	2,253,554
Interfund receivables:					
Interfund services provided and used	-	1,726	127,107	-	128,833
Inventories	92,789	9,201	1,962,471	-	2,064,461
Prepaid items	35,974	31,049	63,110	-	130,133
Other current assets	3,061	7,256	9,482	-	19,799
Total current assets	503,204	426,344	4,202,536	938,121	6,070,205
Noncurrent assets:					
Restricted cash, cash equivalents and investments:					
Customer deposits	-	-	111,549	-	111,549
Revenue bond covenant accounts	2,888,111	2,520,815	-	728,448	6,137,374
Other	138,353	107,739	6,275,326	-	6,521,418
Total restricted assets	3,026,464	2,628,554	6,386,875	728,448	12,770,341
Deferred charges	20,603	47,743	-	-	68,346
Capital assets:					
Land, improvements to land and construction in progress					
Other capital assets (net of accumulated depreciation)	77,749	2,618,999	360,741	64,607	3,122,096
Total capital assets	13,508,346	17,444,864	26,749,338	3,579,500	61,282,048
Total noncurrent assets	13,586,095	20,063,863	27,110,079	3,644,107	64,404,144
Total assets	17,136,366	23,166,504	37,699,490	5,310,676	83,313,036
Liabilities					
Current liabilities:					
Accounts payable	31,610	62,824	1,488,168	10,590	1,593,192
Interfund payables:					
Interfund services provided used	66,783	59,653	-	2,397	128,833
Compensated absences	19,245	21,660	55,114	-	96,019
Contracts payable	24,874	111,931	-	-	136,805
Other current liabilities	24,225	41,121	122,048	990	188,384
Current liabilities payable from restricted assets:					
Customer deposits	100	-	108,945	-	109,045
Deferred vacation payable	-	-	258,055	-	258,055
Revenue bonds payable	266,000	525,270	-	105,000	896,270
Accrued interest payable	72,290	114,604	-	18,628	205,522
Total current liabilities	505,127	937,063	2,032,330	137,605	3,612,125
Noncurrent liabilities:					
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)					
Deferred revenue	3,584,000	4,717,000	-	620,000	8,921,000
	38,928	87,360	-	-	126,288
Total noncurrent liabilities	3,622,928	4,804,360	-	620,000	9,047,288
Total liabilities	4,128,055	5,741,423	2,032,330	757,605	12,659,413
Net Assets					
Invested in capital assets, net of related debt	9,736,095	14,821,593	27,110,079	2,919,107	54,586,874
Restricted	3,026,464	2,628,554	6,386,875	728,448	12,770,341
Unrestricted	245,752	(25,066)	2,170,206	905,516	3,296,408
Total net assets	\$ 13,008,311	\$ 17,425,081	\$ 35,667,160	\$ 4,553,071	\$ 70,653,623

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

CITY OF LOGANSPORT
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2005

	Enterprise Funds				Total
	Water Utility	Wastewater Utility	Electric Utility	Stormwater Utility	
Operating revenues:					
Metered water revenue:					
Commercial and industrial sales	\$ 2,754,633	\$ -	\$ -	\$ -	\$ 2,754,633
Residential sales	-	-	7,389,430	-	7,389,430
Commercial and industrial sales	-	-	15,403,897	-	15,403,897
Public street and highway lighting	-	-	144,440	-	144,440
Penalties	-	-	72,936	-	72,936
Flat rate revenues	-	-	-	487,097	487,097
Measured revenue:					
Commercial and industrial sales	-	3,621,456	-	-	3,621,456
Other	354,493	191,864	397,309	8,356	952,022
Total operating revenues	3,109,126	3,813,320	23,408,012	495,453	30,825,911
Operating expenses:					
Source of supply and expense - operations and maintenance	263,802	259,956	-	19,139	542,897
Water treatment expense - operations and maintenance	638,100	-	-	-	638,100
Power production	-	-	17,859,729	-	17,859,729
Transmission and distribution	388,896	-	1,893,536	-	2,282,432
Treatment and disposal expense - operations and maintenance	-	1,505,956	-	-	1,505,956
Customer accounts	57,173	64,008	163,673	21,684	306,538
Administration and general	854,761	849,333	3,174,908	97,965	4,976,967
Depreciation and amortization	491,611	622,032	1,733,820	74,521	2,921,984
Bad debt expense	9,369	5,529	30,312	2,785	47,995
Total operating expenses	2,703,712	3,306,814	24,855,978	216,094	31,082,598
Operating income (loss)	405,414	506,506	(1,447,966)	279,359	(256,687)
Nonoperating revenues (expenses):					
Interest and investment revenue	88,201	133,288	219,017	47,283	487,789
Miscellaneous revenue	(134,841)	(207,367)	-	(37,255)	(379,463)
Interest expense	(5,151)	(11,936)	(6,777)	-	(23,864)
Total nonoperating revenue (expenses)	(51,791)	(86,015)	212,240	10,028	84,462
Income before contributions and transfers	353,623	420,491	(1,235,726)	289,387	(172,225)
Capital contributions	166,883	96,466	89,940	-	353,289
Change in net assets	520,506	516,957	(1,145,786)	289,387	181,064
Total net assets - beginning	12,487,805	16,908,124	36,812,946	4,263,684	70,472,559
Total net assets - ending	\$ 13,008,311	\$ 17,425,081	\$ 35,667,160	\$ 4,553,071	\$ 70,653,623

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

CITY OF LOGANSPORT
 RECONCILIATION OF THE STATEMENT OF NET ASSETS AND THE STATEMENT OF REVENUES,
 EXPENSES AND OTHER CHANGES IN FUND NET ASSETS OF THE PROPRIETARY FUNDS TO THE
 STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
 For The Year Ended December 31, 2005

Net assets of business-type activities reported in the enterprise fund statement of net assets	\$ 70,653,623
Amounts reported for net assets of business-type activities in the enterprise fund statements are different because	
Capital assets are reported as disbursements in the year of acquisition in the government-wide financial statements, but are capitalized and amortized over a period of years in the enterprise fund statements.	(64,404,144)
Long-term debt is reported as a cash receipt in the year the proceeds are obtained in the government-wide financial statements, but are reported as a liability and expensed over the life of the debt in the enterprise fund statements.	9,047,288
Short-term receivables and payables are reported as cash receipts or cash disbursements in the current year in the government-wide financial statements, but are accrued and reported in the period the benefit is derived or liability is incurred in the fund statements.	<u>(1,084,321)</u>
Net assets of business-type activities reported in the government-wide financial statements	<u>\$ 14,212,446</u>

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

CITY OF LOGANSPORT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2005

	Enterprise Funds				
	Water Utility	Wastewater Utility	Electric Utility	Stormwater Utility	Total
Cash flows from operating activities:					
Receipts from customers and users	\$ 2,762,847	\$ 3,808,619	\$ 23,067,404	\$ 304,971	\$ 29,943,841
Payments to suppliers	(1,421,564)	(2,125,619)	(18,028,412)	(93,830)	(21,669,425)
Payments to employees	(1,301,839)	(1,256,957)	(6,726,582)	(112,664)	(9,398,042)
Interfund services provided (used)	43,960	34,002	(78,256)	294	
Other receipts	831,263	971,603	1,725,278	267,431	3,795,575
Net cash provided (used) by operating activities	<u>914,667</u>	<u>1,431,648</u>	<u>(40,568)</u>	<u>366,202</u>	<u>2,671,949</u>
Cash flows from capital and related financing activities:					
Proceeds from deferred refunding	48,666	-	-	-	48,666
Capital contributions	166,883	96,466	89,940	-	353,289
Acquisition and construction of capital assets	(702,809)	(2,467,867)	(966,753)	(63,805)	(4,201,234)
Principal paid on capital debt	(251,000)	(509,000)	-	(95,000)	(855,000)
Interest paid on capital debt	(149,978)	(241,853)	-	(39,535)	(431,366)
Net cash used by capital and related financing activities	<u>(888,238)</u>	<u>(3,122,254)</u>	<u>(876,813)</u>	<u>(198,340)</u>	<u>(5,085,645)</u>
Cash flows from investing activities:					
Proceeds from sales and maturities of investments	-	16,745	-	-	16,745
Purchase of investments	-	(17,039)	-	-	(17,039)
Interest received	87,352	134,057	212,513	45,244	479,166
Net cash provided by investing activities	<u>87,352</u>	<u>133,763</u>	<u>212,513</u>	<u>45,244</u>	<u>478,872</u>
Net increase (decrease) in cash and cash equivalents	113,781	(1,556,843)	(704,868)	213,106	(1,934,824)
Cash and cash equivalents, January 1 (Including \$96,360, \$6,986,398 and \$6,616,958 for customer deposits, revenue bond covenants and other, respectively, reported in restricted accounts)	<u>3,115,254</u>	<u>4,325,565</u>	<u>7,278,789</u>	<u>1,410,623</u>	<u>16,130,231</u>
Cash and cash equivalents, December 31 (Including \$111,549, \$6,137,374 and \$6,521,418 for customer deposits, revenue bond covenant and other, respectively, reported in restricted accounts)	<u>\$ 3,229,035</u>	<u>\$ 2,768,722</u>	<u>\$ 6,573,921</u>	<u>\$ 1,623,729</u>	<u>\$ 14,195,407</u>
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 405,414	\$ 506,506	\$ (1,447,966)	\$ 279,359	\$ (256,687)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Depreciation expense	491,611	622,032	1,733,820	74,521	2,921,984
(Increase) decrease in assets:					
Accounts receivable	8,149	(4,701)	(352,988)	1,382	(348,158)
Interfund services provided or used	-	519	33,646	-	34,165
Inventories	(897)	4,110	(387,052)	-	(383,839)
Prepaid items	(30,199)	(30,917)	(61,773)	-	(122,889)
Other current assets	(2,286)	376,958	(78,256)	-	296,416
Increase (decrease) in liabilities:					
Customer deposits	65	-	12,380	-	12,445
Accounts payable	(1,164)	(80,135)	462,108	10,590	391,399
Interfund services provided or used	43,960	33,483	-	294	77,737
Other current liabilities	1,256	3,530	19,585	56	24,427
Compensated absence payable	(1,242)	263	332	-	(647)
Deferred vacation payable	-	-	25,596	-	25,596
Total adjustments	<u>509,253</u>	<u>925,142</u>	<u>1,407,398</u>	<u>86,843</u>	<u>2,928,636</u>
Net cash provided (used) by operating activities	<u>\$ 914,667</u>	<u>\$ 1,431,648</u>	<u>\$ (40,568)</u>	<u>\$ 366,202</u>	<u>\$ 2,671,949</u>
Noncash investing, capital and financing activities:					
Construction in progress transfers to capital assets	\$ 785,700	\$ -	\$ 1,179,091	\$ 283,446	
Prior accounts payable capital assets paid 2005	8,000	6,300	-	-	
Capital assets acquired through contracts payable	24,874	11,931	-	-	

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

CITY OF LOGANSPORT
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
INTERNAL SERVICE FUND
As of and for the Year Ended December 31, 2005

	Internal Service Fund
Operating receipts:	
Other	\$ <u>1,120,094</u>
Operating disbursements:	
Insurance disbursements	<u>845,182</u>
Excess of receipts over disbursements	274,912
Nonoperating receipts	
Interest and investment receipts	<u>56,466</u>
Excess of receipts over disbursements and nonoperating receipts	331,378
Cash and investment fund balance - beginning	<u>1,774,440</u>
Cash and investment fund balance - ending	<u><u>\$ 2,105,818</u></u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	<u><u>\$ 2,105,818</u></u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Health and welfare	<u><u>\$ 2,105,818</u></u>

CITY OF LOGANSPORT
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 1,054,594	\$ -	\$ -
Plan members	2,412	-	-
State	660,881	-	-
Other	<u>-</u>	<u>11,544</u>	<u>-</u>
Total contributions	<u>1,717,887</u>	<u>11,544</u>	<u>-</u>
Investment earnings:			
Interest	<u>60,382</u>	<u>600</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>-</u>	<u>6,110,355</u>
Total additions	<u>1,778,269</u>	<u>12,144</u>	<u>6,110,355</u>
Deductions:			
Benefits	1,465,780	-	-
Administrative and general	3,200	15,553	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>6,110,355</u>
Total deductions	<u>1,468,980</u>	<u>15,553</u>	<u>6,110,355</u>
Excess (deficiency) of total additions over (under) total deductions	309,289	(3,409)	-
Cash and investment fund balance - beginning	<u>2,464,885</u>	<u>137,911</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 2,774,174</u>	<u>\$ 134,502</u>	<u>\$ -</u>

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

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

The City's financial reporting entity is composed of the following:

Primary Government: City of Logansport and its Utilities

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental fund:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations and collection systems.

The electric utility fund accounts for the operation of the electric distribution system.

The stormwater utility fund accounts for the operation of the storm water collection system.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the City reports the following fund types:

The internal service fund accounts for medical benefits of utility employees based primarily upon the percentage of the utility's current payroll as it relates to payroll of water, wastewater and electric utilities and is paid directly to the plan administrator.

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement under which principal and income benefit the cemetery endowment, cemetery perpetual care, Calvary Perpetual care, Spry and Pratt charitables.

Agency funds account for assets held by the City as an agent for payroll and serve as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, internal service fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, 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 accounts of the business-type activity are maintained and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City and its Utilities. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Proprietary funds distinguish operating revenues nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Net Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Inventories and Prepaid Items – Proprietary Funds

All inventories are valued at cost using the first in/first out (FIFO) method.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the proprietary fund financial statements.

3. Interfund Transactions – Proprietary Funds

During the course of operations, the individual proprietary funds have numerous transactions with the governmental funds and other proprietary funds. Activities between funds are reported as "interfund services provided/used." To the extent that these transactions have not been paid or received at year end, balances of these receivables/payables have been recorded in the statement of net assets of the proprietary funds.

4. Restricted Assets – Proprietary Funds

Certain proceeds of the proprietary fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because their use is limited to customer refunds, revenue bond covenants, and other restrictions.

5. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

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.

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the proprietary fund financial statements are as follows:

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Water Utility:			
Buildings	Full cost	Straight-line	67 years
Improvements other than buildings	750	Straight-line	10 to 67 years
Machinery and equipment	750	Straight-line	10 to 67 years
Transportation equipment	750	Straight-line	5 to 10 years
Wastewater Utility:			
Buildings	Full cost	Straight-line	50 years
Improvements other than buildings	750	Straight-line	10 to 50 years
Machinery and equipment	750	Straight-line	5 to 50 years
Transportation equipment	750	Straight-line	10 years
Electric Utility:			
Buildings	Full cost	Straight-line	10 to 33 years
Improvements other than buildings	750	Straight-line	33 years
Machinery and equipment	750	Straight-line	10 to 33 years
Transportation equipment	750	Straight-line	5 to 10 years
Stormwater Utility:			
Improvement other than buildings	750	Straight-line	50 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of the proprietary funds is included as part of the capitalized value of the assets constructed. No interest was capitalized by the primary government in its proprietary funds during the current year.

6. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

In the proprietary funds financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

7. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 12 days per year, except policemen and firemen. Unused sick leave may be accumulated to a maximum of 42 days for Utility employees and 18 days for all other employees.

If, at the end of any year a Utility employee's unused sick leave has accumulated beyond 30 days, the employee will be paid for up to 12 days beyond the 30 days at their current rate of pay or they may bank them. Utility employees will be entitled to \$25 per day for each unused sick day to a maximum of \$750 in the event of retirement.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Policemen and firemen are granted the use of sick leave as necessary, but not limited to a specific number of days.

b. Vacation Leave

<u>Years Employed</u>	<u>Police and Fire Dept</u>	<u>Utility Employees</u>	<u>Police Dept Dispatchers</u>	<u>Other City Employees</u>
1	2 weeks	2 weeks	5 days	5 days
2			10 days	10 days
3	3 weeks			
5	4 weeks			
6		3 weeks	15 days	11 days
7				12 days
8				13 days
9				14 days
10	5 weeks		20 days	15 days
13		4 weeks		
15	6 weeks			
20		5 weeks		

All City employees, except for Utility employees and police dispatchers, are permitted to accumulate 5 days per year. Utility employee's vacation leave may be accumulated indefinitely at a maximum of 2 weeks per year. Accumulated vacation leave is paid to employees upon termination or retirement with two weeks notice.

Amounts for accumulated compensated absences have been accrued by the Utilities.

c. Personal Leave

All civil city employees and police dispatchers earn personal leave at the rate of 4 days per year. Personal leave does not accumulate from year to year.

8. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified as net assets.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Proprietary funds are used to account for activities similar to those found in the private sector, where the determination of net income is necessary or useful to sound financial administration. Goods or services from such activities are provided to people outside the government (enterprise funds).

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the Statement of Activities – Cash and Investment Basis.

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

On or before August 31, the fiscal officer of the City submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the City receives approval of the Indiana Department of Local Government Finance.

The City's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2005, disbursements exceeded budgeted appropriations in the following funds by the amounts below:

Fund	2005
Rainy Day	\$ 92,277
Nonreverting Golf Course	34,156
Nonreverting Unsafe Building	6,206
Total	\$ 132,639

These disbursements were funded by available fund balances.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2005, the City had the following investments:

Investment Type	Primary Government Market Value
U.S. Treasuries and Securities	\$ 15,000
Corporate Bonds	<u>58,063</u>
Total	<u>\$ 73,063</u>

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise; or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments. At December 31, 2005, the City held investments in Corporate Bonds and U.S. Treasuries in the amount of \$58,063 were held by the private client group in the City's name. The remaining \$15,000 was held by the City in their name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years.

Investment Type	Investment Maturities (in Years)	
	Less Than 1	More Than 2
U.S. Treasuries and Securities	\$ -	\$ 15,000
Corporate Bonds	58,063	-
Totals	\$ 58,063	\$ 15,000

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Standard and Poor's Rating	Moody's Rating	Corporate Bonds
AAA	Aaa	\$ -
AA	Aa	-
A	A	-
BBB	Baa	-
BB	Ba	-
B	B	-
CCC	Caa	-
Unrated	Unrated	58,063
Total		\$ 58,063

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The City does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2005, were as follows:

Transfer From	Transfer To	2005
Other governmental	General Fund	\$ 177,849
Other governmental	Other governmental	<u>102,552</u>
Total		<u>\$ 280,401</u>

The City typically uses transfers to fund ongoing operating subsidies and to transfer dormant fund balances.

C. Capital Assets – Proprietary Funds

Capital asset activity for the year ended December 31, 2005, follows:

<u>Primary Government</u>	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Water Utility:				
Capital assets, not being depreciated:				
Land	\$ 77,749	\$ -	\$ -	\$ 77,749
Construction in progress	58,017	727,683	785,700	-
Capital assets, being depreciated:				
Buildings	1,598,488	33,147	-	1,631,635
Improvements other than buildings	14,485,165	194,809	-	14,679,974
Machinery and equipment	3,464,216	549,744	-	4,013,960
Transportation equipment	166,991	-	-	166,991
Less accumulated depreciation for:				
Buildings	(757,845)	(26,544)	-	(784,389)
Improvements other than buildings	(3,850,600)	(372,252)	-	(4,222,852)
Machinery and equipment	(1,810,466)	(75,843)	-	(1,886,309)
Transportation equipment	<u>(73,692)</u>	<u>(16,972)</u>	<u>-</u>	<u>(90,664)</u>
Total Water Utility capital assets, net	<u>13,358,023</u>	<u>1,013,772</u>	<u>785,700</u>	<u>13,586,095</u>

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Business-type activities (continued):				
Wastewater Utility:				
Capital assets, not being depreciated:				
Land	36,500	-	-	36,500
Construction in progress	9,000	2,573,499	-	2,582,499
Capital assets, being depreciated:				
Buildings	2,404,821	-	-	2,404,821
Improvements other than buildings	17,366,451	-	-	17,366,451
Machinery and equipment	10,542,044	-	-	10,542,044
Transportation equipment	640,612	-	-	640,612
Less accumulated depreciation for:				
Buildings	(1,097,673)	(48,097)	-	(1,145,770)
Improvements other than buildings	(5,295,410)	(347,300)	-	(5,642,710)
Machinery and equipment	(6,140,912)	(189,370)	-	(6,330,282)
Transportation equipment	(353,037)	(37,265)	-	(390,302)
Total Wastewater Utility capital assets, net	<u>18,112,396</u>	<u>1,951,467</u>	<u>-</u>	<u>20,063,863</u>
Electric Utility:				
Capital assets, not being depreciated:				
Land	268,635	-	-	268,635
Construction in progress	304,444	966,753	1,179,091	92,106
Capital assets, being depreciated:				
Buildings	6,379,363	6,858	-	6,386,221
Improvements other than buildings	28,960,572	833,426	-	29,793,998
Machinery and equipment	33,113,775	72,417	6,875	33,179,317
Transportation equipment	1,214,789	266,390	160,483	1,320,696
Less accumulated depreciation for:				
Buildings	(4,736,056)	(161,406)	-	(4,897,462)
Improvements other than buildings	(16,009,009)	(676,184)	-	(16,685,193)
Machinery and equipment	(20,835,193)	(788,712)	(6,875)	(21,617,030)
Transportation equipment	(777,397)	(107,518)	(153,706)	(731,209)
Total Electric Utility capital assets, net	<u>27,883,923</u>	<u>412,024</u>	<u>1,185,868</u>	<u>27,110,079</u>
Stormwater Utility:				
Capital assets, not being depreciated:				
Construction in progress	284,247	63,806	283,446	64,607
Capital assets, being depreciated:				
Improvements other than buildings	3,726,200	283,446	-	4,009,646
Less accumulated depreciation for:				
Improvements other than buildings	(355,624)	(74,522)	-	(430,146)
Total Stormwater Utility capital assets, net	<u>3,654,823</u>	<u>272,730</u>	<u>283,446</u>	<u>3,644,107</u>
Total business-type activities capital assets, net	<u>\$ 63,009,165</u>	<u>\$ 3,649,993</u>	<u>\$ 2,255,014</u>	<u>\$ 64,404,144</u>

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Construction Commitments

Construction work in progress is composed of the following:

<u>Project</u>	<u>Total Project Authorized</u>	<u>Expended to December 31, 2005</u>	<u>Committed</u>
Business-type funds:			
Electric Utility:			
Scada system update	\$ 75,000	\$ 71,353	\$ 3,647
Marleton Hill conversion	30,000	13,660	16,340
Conversion willow/pleasant/anoka	80,000	7,093	72,907
Wastewater Utility:			
Tyson pretreatment system	3,129,000	2,582,499	546,501
Wastewater Utility:			
Lux Street	72,289	18,717	53,572
Burlington Avenue	<u>60,000</u>	<u>45,890</u>	<u>14,110</u>
Totals	<u>\$ 3,446,289</u>	<u>\$ 2,739,212</u>	<u>\$ 707,077</u>

E. Long-Term Liabilities – Proprietary Funds

1. Revenue Bonds

The City issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

<u>Purpose</u>	<u>Interest Rate</u>	<u>Balance at December 31</u>
1995 Water Utility improvement	5.385% to 5.935%	\$ 705,000
2001 Water Utility - Northern Heights	3.3%	3,145,000
1994 Wastewater Utility improvements	5.695% to 6.345%	2,105,000
1998 Series A Wastewater Utility - Main Street sanitary sewer extension	2.9%	991,270
2001 Wastewater Utility - Northern Heights	3.3%	2,146,000
1995 Stormwater Utility improvement	5.1% to 5.3%	<u>725,000</u>
Total		<u>\$ 9,817,270</u>

Revenue bonds debt service requirements to maturity are as follows:

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

Year Ended <u>December 31</u>	Business-Type Activities	
	<u>Principal</u>	<u>Interest</u>
2006	\$ 905,000	\$ 389,160
2007	950,000	343,916
2008	1,005,000	295,374
2009	1,065,000	243,030
2010	1,120,000	186,861
Thereafter	<u>4,772,270</u>	<u>913,573</u>
Totals	<u>\$ 9,817,270</u>	<u>\$ 2,371,914</u>

2. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2005, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Business-type activities:					
Water Utility:					
Revenue bonds payable	\$ 4,101,000	\$ -	\$ 251,000	\$ 3,850,000	\$ 266,000
Wastewater Utility:					
Revenue bonds payable	5,751,270	-	509,000	5,242,270	525,270
Stormwater Utility:					
Revenue bonds payable	<u>820,000</u>	<u>-</u>	<u>95,000</u>	<u>725,000</u>	<u>105,000</u>
Total business-type activities long-term liabilities	<u>\$ 10,672,270</u>	<u>\$ -</u>	<u>\$ 855,000</u>	<u>\$ 9,817,270</u>	<u>\$ 896,270</u>

IV. Other Information

A. Risk Management

The City is 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 (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees. The risk financing fund is accounted for in the Nonreverting Logansport Health Insurance fund, a governmental fund. Amounts are paid to Anthem Insurance Company, Inc., by all the plan insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based primarily upon the percentage of each fund's current year payroll as it relates to total payroll, and are reported as expenditures in each fund. Provisions are also made for unexpected and unusual claims. An excess policy through commercial insurance covers aggregated claims in excess of \$50,000 per year per individual. Settled claims resulting from the risk did not exceed commercial insurance coverage in the past three years.

The City has chosen to establish a risk financing fund for risks associated with medical benefits for Utility employees. The risk financing fund is accounted for in the Logansport Municipal Utilities Employees Health and Welfare Plan Fund, an internal service fund. An excess policy through commercial insurance covers aggregated claims in excess of \$1,000,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by the Utilities and are available to pay claims, claim reserves, and administrative costs of the program. The Utility's share of the premium is based primarily upon the percentage of the Utility's current year payroll as it relates to payroll of all utilities, and is paid directly to the plan administrator. Provisions are also made for unexpected and unusual claims. This Plan also funds long-term disability for the Utility employees.

B. Holding Corporation

The City has entered into a capital lease with Logansport Fire Station and Street Facilities Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. Lease payments during the year totaled \$311,724.

C. Postemployment Benefits

In addition to the pension benefits described in Note IV-F, the City provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the City on or after attaining age 55 with at least 20 years of service. Currently, nine retirees meet these eligibility requirements. The City and retirees provide for these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for post-employment benefits cannot be reasonably estimated.

In addition, the Utilities provide postemployment life insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the Utilities and meet the requirements of the pension plan. Currently, 29 retirees of the Electric, Water, Stormwater and Wastewater Utilities meet these eligibility requirements. Expenditures for those postemployment benefits are recognized on a pay-as-you-go basis. The Utilities provide 100% of these postemployment benefits. During the year ended December 31, 2005, disbursements of \$2,306 were recognized as postemployment life insurance benefits. Records are not maintained to allow separation for the cost between the Electric, Water, Stormwater and Wastewater Utilities.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Loans Receivable

Loan Date	Borrower	Purpose	Original Loan	Interest Rate	Loan Annual Payment	Balance 12-31-05
10-09-96	Butler Development	Building construction	\$ 50,000	4.00%	\$ 26,497	\$ 281
06-19-98	SUS Cast Products	Equipment purchase	40,000	5.50%	4,400	12,089
12-30-03	Nelson Acquisition	Material purchase	100,000	5.00%	10,706	74,634

E. Rate Structure – Enterprise Funds

Water Utility

On November 6, 2000, the City Council adopted Ordinance No. 2000-18 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on November 1, 2004.

Wastewater Utility

The current rate structure was approved by the City Council on November 1, 2004.

Electric Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on May 25, 2005.

Stormwater Utility

The current rate structure was approved by the City Council on March 6, 1995.

F. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), 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 the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which 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 and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The City's annual pension cost and related information as provided by the actuary is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which 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.

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The City's annual pension cost and related information, as provided by the actuary, is presented in this note.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

Actuarial Information for the Above Plans

	PERF	Officers' Pension	Firefighters' Pension
Annual required contribution	\$ 539,763	\$ 747,100	\$ 1,247,800
Interest on net pension obligation	4,875	91,600	223,300
Adjustment to annual required contribution	<u>(5,555)</u>	<u>(152,800)</u>	<u>(372,500)</u>
Annual pension cost	539,083	685,900	1,098,600
Contributions made	<u>446,083</u>	<u>442,050</u>	<u>558,336</u>
Increase in net pension obligation	93,000	243,850	540,264
Net pension obligation, beginning of year	<u>67,241</u>	<u>1,356,482</u>	<u>3,307,759</u>
Net pension obligation, end of year	<u>\$ 160,241</u>	<u>\$ 1,600,332</u>	<u>\$ 3,848,023</u>

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	6.5%	2,230%	1,240%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-04	01-01-04
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed 40 years	Level percentage of projected payroll, closed 30 years	Level percentage of projected payroll, closed 30 years
Amortization period	40 years	30 years	30 years
Amortization period (from date)	07-01-97	01-01-05	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

CITY OF LOGANSPORT
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-03	\$ 482,760	50%	\$ (13,695)
	06-30-04	428,265	81%	67,241
	06-30-05	539,083	104%	160,241
1925 Police Officers' Pension Plan	12-31-01	827,500	105%	1,323,133
	12-31-02	684,300	95%	1,356,482
	12-31-03	685,900	64%	1,600,332
1937 Firefighters' Pension Plan	12-31-01	1,194,600	82%	2,875,923
	12-31-02	1,181,100	63%	3,307,759
	12-31-03	1,098,600	51%	3,848,023

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2005, was comprised of the following:

	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Retirees and beneficiaries currently receiving benefits	30	43
Current active employees	1	3

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

CITY OF LOGANSPOUR
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2005, 2004, and 2003, were \$598,548, \$568,636, and \$550,437, respectively, equal to the required contributions for each year.

CITY OF LOGANSPORT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 5,843,606	\$ 7,871,337	\$ (2,027,731)	74%	\$ 6,217,378	(33%)
07-01-04	5,968,785	9,044,102	(3,075,317)	66%	6,670,809	(46%)
07-01-05	6,324,412	10,660,505	(4,336,093)	59%	7,474,231	(58%)

1925 Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-99	\$ 489,352	\$ 8,421,100	\$ (7,931,748)	6%	\$ 143,400	(5,531%)
01-01-00	496,171	8,101,200	(7,605,029)	6%	119,100	(6,385%)
01-01-01	630,347	8,476,900	(7,846,553)	7%	91,900	(8,538%)
01-01-02	985,332	6,895,700	(5,910,368)	14%	63,000	(9,382%)
01-01-03	1,101,353	7,060,900	(5,959,547)	16%	98,200	(6,069%)
01-01-04	983,360	6,681,000	(5,697,640)	15%	33,500	(17,008%)

1937 Firefighters Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-99	\$ 1,136,181	\$ 12,446,900	\$ (11,310,719)	9%	\$ 286,700	(3,945%)
01-01-00	1,093,113	12,369,200	(11,276,087)	9%	238,200	(4,734%)
01-01-01	1,236,719	12,387,200	(11,150,481)	10%	183,800	(6,067%)
01-01-02	1,575,190	12,052,200	(10,477,010)	13%	157,600	(6,648%)
01-01-03	1,612,651	11,638,700	(10,026,049)	14%	261,800	(3,830%)
01-01-04	1,441,441	11,044,700	(9,603,259)	13%	100,600	(9,546%)

CITY OF LOGANSPORT
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan				
	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-96	\$ 729,000	70%	0%
	12-31-97	861,300	62%	0%
	12-31-98	877,600	63%	0%
	12-31-99	834,200	54%	0%
	12-31-00	819,900	75%	0%
	12-31-01	877,300	99%	0%
	12-31-02	738,000	88%	0%
	12-31-03	747,100	59%	0%
1937 Firefighters' Pension Plan	12-31-96	1,242,700	56%	0%
	12-31-97	1,456,300	61%	0%
	12-31-98	1,519,300	70%	0%
	12-31-99	1,250,500	42%	0%
	12-31-00	1,263,200	59%	0%
	12-31-01	1,291,900	76%	0%
	12-31-02	1,297,900	58%	0%
	12-31-03	1,247,800	45%	0%

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Motor Vehicle Highway	Local Road and Street	Law Enforcement Continuing Education	Park Nonreverting Operating	Aviation	Ben Long	Fire Report
Receipts:							
Taxes	\$ 493,333	\$ -	\$ -	\$ -	\$ 5,133	\$ -	\$ -
Intergovernmental	601,631	85,690	-	-	-	-	-
Charges for services	2,580	-	4,577	44,998	-	-	-
Fines and forfeits	6,456	-	-	-	-	-	-
Other	19,587	-	4,000	-	-	-	131
Total receipts	1,123,587	85,690	8,577	44,998	5,133	-	131
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	7,145	-	-	-	90
Highways and streets	818,385	58,734	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	34,464	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	818,385	58,734	7,145	34,464	-	-	90
Excess (deficiency) of revenue over (under) disbursements	305,202	26,956	1,432	10,534	5,133	-	41
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	(153,437)	-	-
Total other financing sources (uses)	-	-	-	-	(153,437)	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	305,202	26,956	1,432	10,534	(148,304)	-	41
Cash and investment fund balance - beginning	311,345	-	29,041	8,037	148,304	473	700
Cash and investment fund balance - ending	<u>\$ 616,547</u>	<u>\$ 26,956</u>	<u>\$ 30,473</u>	<u>\$ 18,571</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ 741</u>
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	<u>\$ 616,547</u>	<u>\$ 26,956</u>	<u>\$ 30,473</u>	<u>\$ 18,571</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ 741</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 30,473	\$ -	\$ -	\$ -	\$ 741
Highway and streets	616,547	26,956	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	18,571	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	473	-
Total cash and investment fund balance - December 31	<u>\$ 616,547</u>	<u>\$ 26,956</u>	<u>\$ 30,473</u>	<u>\$ 18,571</u>	<u>\$ -</u>	<u>\$ 473</u>	<u>\$ 741</u>

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Solid Waste District	Police Reserve	Nonreverting Host Community	Eastgate Property	Earthday	Brownfield #19	Blitz Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	40,644	6,000
Charges for services	-	-	305,862	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	2,700	-	-	154,899	-	-	-
Total receipts	2,700	-	305,862	154,899	-	40,644	6,000
Disbursements:							
General government	7,844	-	194,900	308,481	1,119	40,644	-
Public safety	-	-	-	-	-	-	6,000
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	7,844	-	194,900	308,481	1,119	40,644	6,000
Excess (deficiency) of revenue over (under) disbursements	(5,144)	-	110,962	(153,582)	(1,119)	-	-
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(5,144)	-	110,962	(153,582)	(1,119)	-	-
Cash and investment fund balance - beginning	22,954	190	390,641	500,736	1,119	-	-
Cash and investment fund balance - ending	<u>\$ 17,810</u>	<u>\$ 190</u>	<u>\$ 501,603</u>	<u>\$ 347,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 17,810</u>	<u>\$ 190</u>	<u>\$ 501,603</u>	<u>\$ 347,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ 190	\$ -	\$ -	\$ -	\$ -	\$ -
Highway and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	17,810	-	501,603	347,154	-	-	-
Total cash and investment fund balance - December 31	<u>\$ 17,810</u>	<u>\$ 190</u>	<u>\$ 501,603</u>	<u>\$ 347,154</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Bulletproof Vest	Meth Mini Grant	Brownfield #8	Auto Safety IU Grant	Airport Plan Grant	Donations	AIP Environmental Grant
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	6,120	-	-	-	4,230	-	350
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	-	63	-	1,295	-
Total receipts	6,120	-	-	63	4,230	1,295	350
Disbursements:							
General government	-	-	-	-	4,450	1,658	700
Public safety	6,120	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	6,120	-	-	-	4,450	1,658	700
Excess (deficiency) of revenue over (under) disbursements	-	-	-	63	(220)	(363)	(350)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	(811)	(130)	-	(18,183)	-	-
Total other financing sources (uses)	-	(811)	(130)	-	(18,183)	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	-	(811)	(130)	63	(18,403)	(363)	(350)
Cash and investment fund balance - beginning	-	811	130	11	18,403	428	892
Cash and investment fund balance - ending	\$ -	\$ -	\$ -	\$ 74	\$ -	\$ 65	\$ 542
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	\$ -	\$ -	\$ -	\$ 74	\$ -	\$ 65	\$ 542
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ 74	\$ -	\$ -	\$ -
Highway and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	65	542
Total cash and investment fund balance - December 31	\$ -	\$ -	\$ -	\$ 74	\$ -	\$ 65	\$ 542

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Nonreverting Drug Investigation/ Equipment	Nonreverting Unsafe Building	Brownfield #13	Rainy Day	Fire Station Street Department	Cumulative Capital Improvement	County Economic Development Income Tax
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 395,042	\$ -	\$ 546,570
Intergovernmental	-	-	-	-	-	60,849	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	4,610	-	-	-	-	-	53,793
Total receipts	4,610	-	-	-	395,042	60,849	600,363
Disbursements:							
General government	-	-	-	96,629	-	-	-
Public safety	6,355	6,206	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	250,624	-	-
Interest	-	-	-	-	61,100	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	100,000	421,065
Total disbursements	6,355	6,206	-	96,629	311,724	100,000	421,065
Excess (deficiency) of revenue over (under) disbursements	(1,745)	(6,206)	-	(96,629)	83,318	(39,151)	179,298
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	2,552
Transfers out	-	-	(475)	-	-	-	(100,000)
Total other financing sources (uses)	-	-	(475)	-	-	-	(97,448)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(1,745)	(6,206)	(475)	(96,629)	83,318	(39,151)	81,850
Cash and investment fund balance - beginning	10,271	9,724	475	203,952	34,301	79,072	1,413,061
Cash and investment fund balance - ending	<u>\$ 8,526</u>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ 107,323</u>	<u>\$ 117,619</u>	<u>\$ 39,921</u>	<u>\$ 1,494,911</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 8,526</u>	<u>\$ 3,518</u>	<u>\$ -</u>	<u>\$ 107,323</u>	<u>\$ 117,619</u>	<u>\$ 39,921</u>	<u>\$ 1,494,911</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ 8,526	\$ 3,518	\$ -	\$ -	\$ -	\$ -	\$ -
Highway and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	117,619	-	-
Capital outlay	-	-	-	-	-	39,921	-
Other purposes	-	-	-	107,323	-	-	1,494,911
Total cash and investment fund balance - December 31	\$ 8,526	\$ 3,518	\$ -	\$ 107,323	\$ 117,619	\$ 39,921	\$ 1,494,911

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Park Nonreverting Capital	Logansport Nonreverting Equipment	Little Turtle Waterway	CCF McKinley School	Nonreverting Fire Equipment	Nonreverting Infrastructure Maintenance	Nonreverting Old US 24 Highway Relinquishment
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	415,000	-	-	291,617
Charges for services	9,650	146,312	-	-	-	100,000	-
Fines and forfeits	-	1,268	-	-	-	-	-
Other	-	-	-	-	-	-	53,151
Total receipts	9,650	147,580	-	415,000	-	100,000	344,768
Disbursements:							
General government	-	-	2,385	415,000	-	35,235	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	509,425
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	8,199	331,566	-	-	-	-	-
Total disbursements	8,199	331,566	2,385	415,000	-	35,235	509,425
Excess (deficiency) of revenue over (under) disbursements	1,451	(183,986)	(2,385)	-	-	64,765	(164,657)
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	100,000
Transfers out	-	-	-	-	(587)	-	-
Total other financing sources (uses)	-	-	-	-	(587)	-	100,000
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	1,451	(183,986)	(2,385)	-	(587)	64,765	(64,657)
Cash and investment fund balance - beginning	1,957	608,814	9,296	-	587	326,929	2,124,345
Cash and investment fund balance - ending	<u>\$ 3,408</u>	<u>\$ 424,828</u>	<u>\$ 6,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,694</u>	<u>\$ 2,059,688</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 3,408</u>	<u>\$ 424,828</u>	<u>\$ 6,911</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 391,694</u>	<u>\$ 2,059,688</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway and streets	-	-	-	-	-	-	2,059,688
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	3,408	424,828	-	-	-	-	-
Other purposes	-	-	6,911	-	-	391,694	-
Total cash and investment fund balance - December 31	\$ 3,408	\$ 424,828	\$ 6,911	\$ -	\$ -	\$ 391,694	\$ 2,059,688

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Nonreverting Land Development	Nonreverting Golf Course	Tax Increment Financing	AIP Runway Phase I Grant	Airport Runway Rehabilitation 09	CDBG IN Housing Grant	CDBG IN Housing 005
Receipts:							
Taxes	\$ -	\$ -	\$ 51,300	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	44,793	110,302	-
Charges for services	28,399	9,650	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	50	-	-	-	30,000	30,000
Total receipts	28,399	9,700	51,300	-	44,793	140,302	30,000
Disbursements:							
General government	1,301	-	-	-	47,150	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	69,156	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	117,619	7,332
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
Total disbursements	1,301	69,156	-	-	47,150	117,619	7,332
Excess (deficiency) of revenue over (under) disbursements	27,098	(59,456)	51,300	-	(2,357)	22,683	22,668
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	(4,225)	(2,553)	-	-
Total other financing sources (uses)	-	-	-	(4,225)	(2,553)	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	27,098	(59,456)	51,300	(4,225)	(4,910)	22,683	22,668
Cash and investment fund balance - beginning	35,725	59,456	27,946	4,225	4,910	-	-
Cash and investment fund balance - ending	<u>\$ 62,823</u>	<u>\$ -</u>	<u>\$ 79,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,683</u>	<u>\$ 22,668</u>
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	<u>\$ 62,823</u>	<u>\$ -</u>	<u>\$ 79,246</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,683</u>	<u>\$ 22,668</u>
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highway and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	22,683	22,668
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other purposes	62,823	-	79,246	-	-	-	-
Total cash and investment fund balance - December 31	\$ 62,823	\$ -	\$ 79,246	\$ -	\$ -	\$ 22,683	\$ 22,668

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND RECEIPTS,
 DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

	Nonreverting Logansport Health Insurance	Nonreverting Golf Operating	Nonreverting Grant Administration	Industrial Development Grant	Industrial Development Grant (SUS)	IDEM Grant	Totals
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,491,378
Intergovernmental	-	-	-	16,500	36,000	7,125	1,726,851
Charges for services	-	1,200	-	-	-	-	653,228
Fines and forfeits	-	-	-	-	-	-	7,724
Other	38,225	37,259	150,000	-	-	-	579,763
Total receipts	38,225	38,459	150,000	16,500	36,000	7,125	4,458,944
Disbursements:							
General government	-	-	35,000	16,500	36,000	7,125	1,252,121
Public safety	-	-	-	-	-	-	31,916
Highways and streets	-	-	-	-	-	-	1,386,544
Health and welfare	320,468	-	-	-	-	-	320,468
Culture and recreation	-	1,595	-	-	-	-	105,215
Urban redevelopment and housing	-	-	-	-	-	-	124,951
Debt service:							
Principal	-	-	-	-	-	-	250,624
Interest	-	-	-	-	-	-	61,100
Capital outlay:							
Highways and streets	-	-	-	-	-	-	860,830
Total disbursements	320,468	1,595	35,000	16,500	36,000	7,125	4,393,769
Excess (deficiency) of revenue over (under) disbursements	(282,243)	36,864	115,000	-	-	-	65,175
Other financing sources (uses)							
Transfers in	-	-	-	-	-	-	102,552
Transfers out	-	-	-	-	-	-	(280,401)
Total other financing sources (uses)	-	-	-	-	-	-	(177,849)
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(282,243)	36,864	115,000	-	-	-	(112,674)
Cash and investment fund balance - beginning	326,622	-	-	-	-	-	6,715,883
Cash and investment fund balance - ending	\$ 44,379	\$ 36,864	\$ 115,000	\$ -	\$ -	\$ -	\$ 6,603,209
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	\$ 44,379	\$ 36,864	\$ 115,000	\$ -	\$ -	\$ -	\$ 6,603,209
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 43,522
Highway and streets	-	-	-	-	-	-	2,703,191
Health and welfare	44,379	-	-	-	-	-	44,379
Culture and recreation	-	36,864	-	-	-	-	55,435
Urban redevelopment and housing	-	-	-	-	-	-	45,351
Debt service	-	-	-	-	-	-	117,619
Capital outlay	-	-	-	-	-	-	468,157
Other purposes	-	-	115,000	-	-	-	3,125,555
Total cash and investment fund balance - December 31	\$ 44,379	\$ 36,864	\$ 115,000	\$ -	\$ -	\$ -	\$ 6,603,209

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2005

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 466,520	\$ 588,074	\$ 1,054,594
Plan members	1,380	1,032	2,412
State	<u>279,394</u>	<u>381,487</u>	<u>660,881</u>
Total contributions	<u>747,294</u>	<u>970,593</u>	<u>1,717,887</u>
Investment receipts:			
Interest	<u>23,787</u>	<u>36,595</u>	<u>60,382</u>
Total additions	<u>771,081</u>	<u>1,007,188</u>	<u>1,778,269</u>
Deductions:			
Benefits	588,173	877,607	1,465,780
Administrative and general	<u>1,400</u>	<u>1,800</u>	<u>3,200</u>
Total deductions	<u>589,573</u>	<u>879,407</u>	<u>1,468,980</u>
Excess of total additions over total deductions	181,508	127,781	309,289
Cash and investment fund balance - beginning	<u>992,589</u>	<u>1,472,296</u>	<u>2,464,885</u>
Cash and investment fund balance - ending	<u>\$ 1,174,097</u>	<u>\$ 1,600,077</u>	<u>\$ 2,774,174</u>

CITY OF LOGANSPOUR
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2005

	Cemetery Endowment	Calvary Perpetual	Cemetery Perpetual	Pratt Charitable	Spry Charitable	Total
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ 11,544	\$ -	\$ -	\$ 11,544
Investment earnings:						
Interest	-	-	-	600	-	600
Total additions	-	-	11,544	600	-	12,144
Deductions:						
Administrative and general	-	14,953	-	600	-	15,553
Excess (deficiency) of total additions over (under) total deductions	-	(14,953)	11,544	-	-	(3,409)
Cash and investment fund balance - beginning	4,772	66,115	52,024	5,000	10,000	137,911
Cash and investment fund balance - ending	<u>\$ 4,772</u>	<u>\$ 51,162</u>	<u>\$ 63,568</u>	<u>\$ 5,000</u>	<u>\$ 10,000</u>	<u>\$ 134,502</u>

CITY OF LOGANSPORT
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2005

	<u>Payroll Withholdings</u>	<u>Payroll</u>	<u>Total</u>
Additions:			
Agency fund additions	\$ 2,326,657	\$ 3,783,698	\$ 6,110,355
Deductions:			
Agency fund deductions	<u>2,326,657</u>	<u>3,783,698</u>	<u>6,110,355</u>
Excess of total additions over total deductions	-	-	-
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LOGANSPORT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSET - GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

Primary Government	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 4,655,602
Infrastructure	551,114
Buildings	12,509,710
Improvement other than buildings	4,065,242
Machinery and equipment	5,613,346
 Total governmental activities, capital assets not being depreciated	 \$ 27,395,014

CITY OF LOGANSPORT
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT - GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

Description of Assets	Present Value of Net Minimum Lease Payments
Logansport Fire Station and Street Facilities Building Corporation	\$ <u>698,612</u>

CITY OF LOGANSPORT
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS (Applies to Clerk-Treasurer)

The records presented for audit indicated the following expenditures in excess of budgeted appropriations:

Fund	Year	Excess Amount Expended
Rainy Day	2005	\$ 92,277
Nonreverting golf course	2005	34,156
Nonreverting unsafe building	2005	6,206

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."

DELINQUENT WASTEWATER ACCOUNTS (Applies to Wastewater Utility)

Delinquent Wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property. A similar comment was in the prior audit reports.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare:

- (1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the:
 - (a) name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
 - (b) description of the premises, as shown by the records of the county auditor; and
 - (c) amount of the delinquent fees, together with the penalty; or
- (2) an individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall not later than ten (10) days after the list or each individual instrument is recorded under subsection (c) certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF LOGANSPORT, CASS COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Logansport (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2005. 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; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2005.

Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

STATE BOARD OF ACCOUNTS

August 8, 2006

CITY OF LOGANSPORT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2005

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program	14.228	CF-03-128	\$ 415,000
Pass-Through Indiana Housing Finance Authority Community Development Block Grants/State's Program	14.228	HD-004-005	<u>113,542</u>
Total for federal grantor agency			<u>528,542</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct grant Bulletproof Vest Partnership Program	16.607	15-0404-0-1-754	<u>6,120</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster	20.600	OP 05-02-03-15 J8-05-03-03-02 C032001497	4,500 2,000 <u>600</u>
Total for cluster			<u>7,100</u>
Direct grant Airport Improvement Program	20.106	#3-18-0051-06 #3-18-0051-09	3,960 <u>42,435</u>
Total for program			<u>46,395</u>
Pass-Through Indiana Department of Transportation Highway Planning and Construction	20.205	STP H 102 (2) STP 9909	278,488 <u>89,950</u>
Total for program			<u>368,438</u>
Total for federal grantor agency			<u>421,933</u>
Total federal awards expended			<u>\$ 956,595</u>

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

CITY OF LOGANSPORT
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Logansport (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF LOGANSPORT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Reportable conditions identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.228	Community Development Block Grants/State's Program
20.205	Highway Planning and Construction

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF LOGANSPORT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF LOGANSPORT
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2006, with Michael E. Fincher, Mayor; Ruth Ellen Bland, Clerk-Treasurer; Paul Hartman, Superintendent of Utilities; and LuAnn Davis, Utility Office Controller. The officials concurred with our audit findings.