

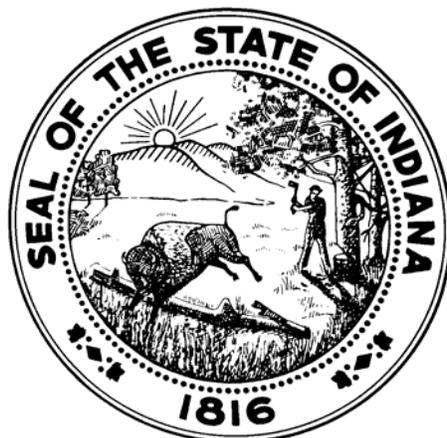
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2765

ANNUAL FINANCIAL REPORT

2004

CITY OF COLUMBUS

BARTHOLOMEW COUNTY, INDIANA



FILED
11/29/2006

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda Sullivan	01-01-04 to 12-31-07
Mayor	Fred Armstrong	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	Fred Armstrong	01-01-04 to 12-31-07
President of the Common Council	Martha Myers	01-01-04 to 12-31-06
Director of Utilities	Keith Reeves	01-01-04 to 12-31-06
Utility Business Manager	Dale Langferman	01-01-04 to 12-31-06
Airport Manager	Rod Blasdel	01-01-04 to 12-31-06



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AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW 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 Columbus (City), as of and for the year ended December 31, 2004, as listed in the table of contents, which collectively comprise the City's basic financial statements. 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 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, business-type 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 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the cash and investment balances of the governmental activities, the business-type activities, each major governmental fund, and the aggregate remaining fund information of the City as of December 31, 2004, and the 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 enterprise funds present fairly, in all material respects, the financial position of each major proprietary fund as of December 31, 2004, 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.

The Schedules of Funding Progress, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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.

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

The City has not presented Management's Discussion and Analysis that the Governmental Accounting Standards Board has determined is necessary to supplement, although not required to be part of, the basic financial statements.

In accordance with Government Auditing Standards, we have also issued a report dated October 4, 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. This separate report is an integral part of an audit performed in accordance with Government Auditing Standards issued by the Comptroller General of the United States and, in considering the results of the audit, this report should be read along with the auditor's report on the financial statements.

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

STATE BOARD OF ACCOUNTS

October 4, 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 COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

We have audited the financial statements of the City of Columbus (City), as of and for the year ended December 31, 2004, and have issued our report thereon dated October 4, 2006. The opinion to the financial statements was unqualified. 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

October 4, 2006

CITY OF COLUMBUS
STATEMENT OF CASH AND INVESTMENTS
December 31, 2004

<u>Assets</u>	Primary Government		
	Governmental Activities	Business-Type Activities	Total
Cash and investments	\$ 19,827,427	\$ 6,609,813	\$ 26,437,240
Restricted assets:			
Cash and investments	-	10,368,518	10,368,518
Total assets	<u>\$ 19,827,427</u>	<u>\$ 16,978,331</u>	<u>\$ 36,805,758</u>
 <u>Net Assets</u>			
Restricted for:			
Depreciation	\$ -	\$ 8,004,339	\$ 8,004,339
Debt service	-	1,797,678	1,797,678
Other purposes	-	566,501	566,501
Unrestricted	19,827,427	6,609,813	26,437,240
Total net assets	<u>\$ 19,827,427</u>	<u>\$ 16,978,331</u>	<u>\$ 36,805,758</u>

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

CITY OF COLUMBUS
STATEMENT OF CASH ACTIVITIES
For The Year Ended December 31, 2004

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 8,236,655	\$ 211,127	\$ 93,017	\$ -	\$ (7,932,511)	\$ -	\$ (7,932,511)
Public safety	13,565,137	118,439	142,000	-	(13,304,698)	-	(13,304,698)
Highways and streets	4,241,450	35,924	2,195,709	-	(2,009,817)	-	(2,009,817)
Sanitation	1,851,258	-	-	-	(1,851,258)	-	(1,851,258)
Health and welfare	50	370,521	-	-	370,471	-	370,471
Economic development	3,735,627	149,089	2,142,205	1,198,454	(245,879)	-	(245,879)
Culture and recreation	6,166,997	1,406,513	-	-	(4,760,484)	-	(4,760,484)
Interest on long-term debt	183,615	-	-	-	(183,615)	-	(183,615)
Total governmental activities	<u>37,980,789</u>	<u>2,291,613</u>	<u>4,572,931</u>	<u>1,198,454</u>	<u>(29,917,791)</u>	<u>-</u>	<u>(29,917,791)</u>
Business-type activities:							
Water	3,795,829	4,145,322	-	-	-	349,493	349,493
Wastewater	5,024,550	3,973,499	-	-	-	(1,051,051)	(1,051,051)
Aviation	1,209,192	156,205	-	-	-	(1,052,987)	(1,052,987)
Total business-type activities	<u>10,029,571</u>	<u>8,275,026</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(1,754,545)</u>	<u>(1,754,545)</u>
Total primary government	<u>\$ 48,010,360</u>	<u>\$ 10,566,639</u>	<u>\$ 4,572,931</u>	<u>\$ 1,198,454</u>	<u>(29,917,791)</u>	<u>(1,754,545)</u>	<u>(31,672,336)</u>
General receipts:							
Property taxes					20,877,029	-	20,877,029
Other local sources					1,691,834	1,934,770	3,626,604
Grants and contributions not restricted to specific programs					8,047,779	1,878,404	9,926,183
Unrestricted investment earnings					139,892	267,249	407,141
Total general receipts					<u>30,756,534</u>	<u>4,080,423</u>	<u>34,836,957</u>
Change in net assets					838,743	2,325,878	3,164,621
Net assets - beginning					<u>18,988,684</u>	<u>77,416,833</u>	<u>96,405,517</u>
Net assets - ending					<u>\$ 19,827,427</u>	<u>\$ 79,742,711</u>	<u>\$ 99,570,138</u>

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

CITY OF COLUMBUS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004

	General	Parks and Recreation	Thoroughfare	Other Governmental Funds	Totals
Cash and investments - January 1	\$ 5,498,249	\$ 1,149,540	\$ 3,271,334	\$ 7,301,629	\$ 17,220,752
Operating receipts:					
Taxes	13,913,951	4,264,378	650,174	2,048,527	20,877,030
Licenses and permits	147,479	-	-	-	147,479
Intergovernmental	7,689,127	324,314	50,017	5,755,706	13,819,164
Charges for services	40,917	173,680	-	1,868,914	2,083,511
Fines and forfeits	53,664	-	-	6,958	60,622
Other	183,813	33,002	39,581	1,562,379	1,818,775
Total operating receipts	22,028,951	4,795,374	739,772	11,242,484	38,806,581
Transfers in	-	-	-	834,986	834,986
Total receipts	22,028,951	4,795,374	739,772	12,077,470	39,641,567
Operating disbursements:					
General government	6,438,935	22,747	-	766,319	7,228,001
Public safety	13,164,614	-	-	209,628	13,374,242
Highways and streets	347,450	-	256,195	1,990,322	2,593,967
Sanitation	1,540,364	-	-	-	1,540,364
Health and welfare	-	-	-	50	50
Culture and recreation	-	3,742,514	-	2,269,483	6,011,997
Urban redevelopment and housing	188,718	-	-	3,546,909	3,735,627
Debt service:					
Principal	-	-	-	155,000	155,000
Interest	-	-	-	183,615	183,615
Capital outlay:					
Highways and streets	-	-	-	1,647,483	1,647,483
Public safety	-	-	-	190,895	190,895
Sanitation	-	-	-	310,894	310,894
Total operating disbursements	21,680,081	3,765,261	256,195	11,270,598	36,972,135
Transfers out	398,986	-	-	436,000	834,986
Total disbursements	22,079,067	3,765,261	256,195	11,706,598	37,807,121
Excess (deficiency) of total receipts over (under) total disbursements	(50,116)	1,030,113	483,577	370,872	1,834,446
Cash and investments - December 31	\$ 5,448,133	\$ 2,179,653	\$ 3,754,911	\$ 7,672,501	19,055,198
Amounts reported for governmental activities in the statement of net assets are different because: Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets.					772,229
Net assets of governmental activities					\$ 19,827,427

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

CITY OF COLUMBUS
STATEMENT OF NET ASSETS
ENTERPRISE FUNDS
December 31, 2004

<u>Assets</u>	<u>Business-Type Activities - Enterprise Funds</u>			
	Water Utility	Wastewater Utility	Aviation	Total
Current assets:				
Cash and cash equivalents	\$ 1,571,308	\$ 737,314	\$ 599,993	\$ 2,908,615
Investments	2,251,198	1,450,000	-	3,701,198
Interest receivable	48,874	31,437	-	80,311
Accounts receivable	346,871	364,998	12,424	724,293
Notes receivable	2,822	1,289	-	4,111
Inventories	175,482	46,583	-	222,065
Prepaid items	69,563	60,981	21,137	151,681
Total current assets	4,466,118	2,692,602	633,554	7,792,274
Noncurrent assets:				
Restricted cash, cash equivalents and investments:				
Depreciation cash and cash equivalents	889,673	1,186,071	-	2,075,744
Depreciation investments	4,028,595	1,900,000	-	5,928,595
Bond reserve investments	-	32,095	-	32,095
Bond and interest cash and cash equivalents	843,413	554,945	-	1,398,358
Bond and interest investments	210,411	156,814	-	367,225
Customer deposits cash and cash equivalents	6,697	7,552	-	14,249
Customer deposit investment	76,000	85,000	-	161,000
FAA Grant	-	-	391,252	391,252
Total restricted assets	6,054,789	3,922,477	391,252	10,368,518
Deferred charges	86,847	127,239	-	214,086
Capital assets:				
Land and construction in progress	986,702	2,184,331	3,501,738	6,672,771
Other capital assets (net of accumulated depreciation)	26,950,956	34,457,420	6,089,375	67,497,751
Total capital assets	27,937,658	36,641,751	9,591,113	74,170,522
Total noncurrent assets	34,079,294	40,691,467	9,982,365	84,753,126
Total assets	38,545,412	43,384,069	10,615,919	92,545,400
Liabilities				
Current liabilities:				
Accounts payable	52,618	60,770	138,071	251,459
Accrued payroll and withholdings payable	26,340	28,442	4,425	59,207
Taxes payable	12,524	-	-	12,524
Notes payable	-	240,680	-	240,680
Deferred revenue	-	-	226,734	226,734
Compensated absences	9,806	17,882	-	27,688
Current liabilities payable from restricted assets:				
Customer deposits	82,697	92,552	-	175,249
Loan payable	-	15,000	-	15,000
Revenue bonds payable	1,095,000	670,000	-	1,765,000
Accrued interest payable	95,698	112,386	-	208,084
Contracts payable	-	-	381,282	381,282
Total current liabilities	1,374,683	1,237,712	750,512	3,362,907
Noncurrent liabilities:				
Revenue bonds payable (net of unamortized discounts and deferred amount on refunding)	4,292,121	4,648,944	-	8,941,065
Notes payable	-	144,000	-	144,000
Loans payable	-	354,717	-	354,717
Total noncurrent liabilities	4,292,121	5,147,661	-	9,439,782
Total liabilities	5,666,804	6,385,373	750,512	12,802,689
Net Assets				
Invested in capital assets, net of related debt	23,043,960	31,269,490	8,880,729	63,194,179
Deposits cash and cash equivalents	246,371	193,623	-	439,994
FAA grant	-	-	391,252	391,252
Unrestricted	9,588,277	5,535,583	593,426	15,717,286
Total net assets	\$ 32,878,608	\$ 36,998,696	\$ 9,865,407	\$ 79,742,711

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

CITY OF COLUMBUS
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
For The Year Ended December 31, 2004

	Water Utility	Wastewater Utility	Aviation	Total
Operating revenues:				
Flat rate revenues	\$ -	\$ 74,847	\$ -	\$ 74,847
Measured revenue:				
Residential	2,179,703	2,406,117	-	4,585,820
Commercial	637,314	726,679	-	1,363,993
Industrial	645,080	711,812	-	1,356,892
Penalties	19,334	54,044	-	73,378
Hydrant rentals/sprinkler system	663,891	-	-	663,891
Airport operating revenue	-	-	156,205	156,205
Farming revenue	-	-	229,857	229,857
Land rental	-	-	379,180	379,180
Commercial and other building rental	-	-	40,766	40,766
Other	447,796	655,108	6,863	1,109,767
Total operating revenues	4,593,118	4,628,607	812,871	10,034,596
Operating expenses:				
Source of supply and expense - operations and maintenance:				
Salaries and wages	214,121	276,462	-	490,583
Employee pensions and benefits	16,183	20,007	-	36,190
Materials and supplies	6,929	5,946	-	12,875
Chemicals	-	13,205	-	13,205
Other	-	49,372	-	49,372
Pumping - operations and maintenance:				
Salaries and wages	-	134,043	-	134,043
Employee pensions and benefits	-	9,928	-	9,928
Purchased power	-	64,134	-	64,134
Other	-	26,174	-	26,174
Treatment and disposal -operations and maintenance:				
Salaries and wages	-	786,780	-	786,780
Employee pensions and benefits	-	58,826	-	58,826
Purchased power	-	164,177	-	164,177
Fuel for power production	-	83,472	-	83,472
Chemicals	-	60,004	-	60,004
Materials and supplies	-	45,616	-	45,616
Contractual services	-	331,051	-	331,051
Other	-	68,015	-	68,015
Water treatment - operations and maintenance:				
Salaries and wages	388,611	-	-	388,611
Employee pensions and benefits	28,826	-	-	28,826
Chemicals	63,795	-	-	63,795
Materials and supplies	5,442	-	-	5,442
Purchased power	308,305	-	-	308,305
Fuel for power production	12,411	-	-	12,411
Other	128,247	-	-	128,247
Transmission and distributions/pumping - operations and maintenance:				
Salaries and wages	421,270	-	-	421,270
Employee pensions and benefits	31,119	-	-	31,119
Purchased power	15,435	-	-	15,435
Fuel for power production	8,260	-	-	8,260
Chemicals	9,723	-	-	9,723
Materials and supplies	6,743	-	-	6,743
Other	139,310	-	-	139,310
Customer accounts:				
Salaries and wages	76,339	53,726	-	130,065
Employee pensions and benefits	5,582	3,484	-	9,066
Materials and supplies	6,540	8,220	-	14,760
Contractual services	20,952	24,109	-	45,061
Other	413	28	-	441
Airport operations:				
Materials and supplies	-	-	2,389	2,389
Other services and charges	-	-	23,404	23,404
Properties	-	-	53,651	53,651

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

CITY OF COLUMBUS
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN FUND NET ASSETS
ENTERPRISE FUNDS
For The Year Ended December 31, 2004
(Continued)

	Water Utility	Wastewater Utility	Aviation	Total
Operating expenses (continued):				
Farm operations:				
Materials and supplies	-	-	92,409	92,409
Other services and charges	-	-	85,332	85,332
Properties	-	-	5,440	5,440
Traffic control tower:				
Materials and supplies	-	-	224	224
Other services and charges	-	-	52,215	52,215
Restaurant operations:				
Other services and charges	-	-	14,518	14,518
Properties	-	-	1,108	1,108
Bakalar Museum:				
Other services and charges	-	-	14,000	14,000
Maintenance:				
Personal services	-	-	153,997	153,997
Materials and supplies	-	-	26,429	26,429
Other services and charges	-	-	26,313	26,313
Properties	-	-	1,119	1,119
Administrative and general expense:				
Salaries and wages	187,657	237,356	111,890	536,903
Employee pensions and benefits	243,296	266,300	-	509,596
Materials and supplies	-	4,099	6,889	10,988
Contractual services	42,454	54,062	-	96,516
Purchased power	-	31,496	-	31,496
Depreciation and amortization	657,421	884,434	328,010	1,869,865
Other	385,331	299,242	-	684,573
Other services and charges	-	-	147,824	147,824
Properties	-	-	7,743	7,743
Total operating expenses	<u>3,430,715</u>	<u>4,063,768</u>	<u>1,154,904</u>	<u>8,649,387</u>
Operating income (loss)	<u>1,162,403</u>	<u>564,839</u>	<u>(342,033)</u>	<u>1,385,209</u>
Nonoperating revenues (expenses):				
Interest and investment revenue	151,465	109,235	6,549	267,249
Rent	85,200	90,000	-	175,200
Interest on revenue bonds	(321,021)	(333,651)	-	(654,672)
Amortization of bond issue costs	(6,039)	(25,920)	-	(31,959)
Loss on asset disposal	(32,364)	(186,967)	(54,288)	(273,619)
Total nonoperating revenue (expenses)	<u>(122,759)</u>	<u>(347,303)</u>	<u>(47,739)</u>	<u>(517,801)</u>
Income (loss) before contributions and transfers	1,039,644	217,536	(389,772)	867,408
Capital contributions	<u>287,293</u>	<u>364,374</u>	<u>1,226,737</u>	<u>1,878,404</u>
Change in net assets	<u>1,326,937</u>	<u>581,910</u>	<u>836,965</u>	<u>2,745,812</u>
Total net assets - beginning	31,557,361	36,831,030	9,028,442	77,416,833
Prior period adjustments	<u>(5,690)</u>	<u>(414,244)</u>	<u>-</u>	<u>(419,934)</u>
Total net assets - beginning restated	<u>31,551,671</u>	<u>36,416,786</u>	<u>9,028,442</u>	<u>76,996,899</u>
Total net assets - ending	<u>\$ 32,878,608</u>	<u>\$ 36,998,696</u>	<u>\$ 9,865,407</u>	<u>\$ 79,742,711</u>

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

CITY OF COLUMBUS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31, 2004

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Aviation</u>	<u>Total</u>
Cash flows from operating activities:				
Receipts from customers and users	\$ 4,052,621	\$ 3,932,705	\$ 864,332	\$ 8,849,658
Payments to suppliers	(1,095,002)	(1,576,522)	(448,494)	(3,120,018)
Payments to employees	(1,630,620)	(1,832,880)	(268,325)	(3,731,825)
Other receipts (payments)	<u>447,796</u>	<u>655,108</u>	<u>-</u>	<u>1,102,904</u>
Net cash provided by operating activities	<u>1,774,795</u>	<u>1,178,411</u>	<u>147,513</u>	<u>3,100,719</u>
Cash flows from noncapital financing activities:				
Other income	<u>85,200</u>	<u>90,000</u>	<u>-</u>	<u>175,200</u>
Cash flows from capital and related financing activities:				
Purchase of capital assets	(211,236)	(137,338)	(980,127)	(1,328,701)
Acquisition and construction of capital assets	(404,182)	(1,520,491)	-	(1,924,673)
Principal paid on capital debt	(1,065,000)	(645,000)	(4,156)	(1,714,156)
Interest paid on capital debt	(301,333)	(314,061)	-	(615,394)
Bond issue costs paid	32,384	2,028	-	34,412
Bond anticipation notes/principal on loan	-	(87,000)	-	(87,000)
Proceeds from sales of capital assets	-	68,525	-	68,525
Capital contributions	<u>-</u>	<u>-</u>	<u>1,226,737</u>	<u>1,226,737</u>
Net cash provided (used) by capital and related financing activities	<u>(1,949,367)</u>	<u>(2,633,337)</u>	<u>242,454</u>	<u>(4,340,250)</u>
Cash flows from investing activities:				
Interest received	151,465	109,235	6,549	267,249
Investment purchases	<u>(6,566,204)</u>	<u>(3,623,906)</u>	<u>-</u>	<u>(10,190,110)</u>
Net cash used by investing activities	<u>(6,414,739)</u>	<u>(3,514,671)</u>	<u>6,549</u>	<u>(9,922,861)</u>
Net increase in cash and cash equivalents	(6,504,111)	(4,879,597)	396,516	(10,987,192)
Cash and cash equivalents, January 1 (Including \$8,622,358, \$1,737,919, \$155,644 and \$6,224 for the depreciation cash and cash equivalents, bond and interest cash and cash equivalents, consumer deposits cash and cash equivalents and construction, and FAA grant, respectively, reported in restricted accounts)				
	<u>9,815,202</u>	<u>7,365,479</u>	<u>594,730</u>	<u>17,775,411</u>
Cash and cash equivalents, December 31 (Including \$2,075,744, \$1,398,358, \$14,249 and \$391,252 for the depreciation cash and cash equivalents, bond and interest cash and cash equivalents, consumer deposits cash and cash equivalents and FAA grant, respectively, reported in restricted accounts)				
	<u>\$ 3,311,091</u>	<u>\$ 2,485,882</u>	<u>\$ 991,246</u>	<u>\$ 6,788,219</u>

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

CITY OF COLUMBUS
STATEMENT OF CASH FLOWS
ENTERPRISE FUNDS
For The Year Ended December 31,
(Continued)

Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income	\$ 1,162,403	\$ 564,839	\$ (342,033)	\$ 1,385,209
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:				
Depreciation expense	657,421	884,434	328,010	1,869,865
(Increase) decrease in assets:				
Accounts receivable	(59,461)	(5,636)	14,699	(50,398)
Accounts receivable - other	-	(6,161)	-	(6,161)
Notes receivable	2,128	(783)	-	1,345
Interest receivable	(44,556)	(28,214)	-	(72,770)
Inventories	23,855	(5,475)	-	18,380
Prepaid items	3,942	5,689	(3,369)	6,262
Increase (decrease) in liabilities:				
Customer deposits	9,188	10,417	-	19,605
Accounts payable	37,294	11,249	115,882	164,425
Driftwood payable	-	(245,563)	-	(245,563)
Accrued wages payable	(20,994)	(15,910)	(2,438)	(39,342)
Taxes payable	197	-	-	197
Deferred revenue	-	-	36,762	36,762
Compensated absence payable	3,378	9,525	-	12,903
Total adjustments	<u>612,392</u>	<u>613,572</u>	<u>489,546</u>	<u>1,715,510</u>
Net cash provided by operating activities	<u>\$ 1,774,795</u>	<u>\$ 1,178,411</u>	<u>\$ 147,513</u>	<u>\$ 3,100,719</u>
Noncash investing, capital and financing activities:				
Contributions of capital assets from developers	\$ 287,293	\$ 364,374	\$ -	

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

CITY OF COLUMBUS
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH AND INVESTMENTS
INTERNAL SERVICE FUND
For The Year Ended December 31, 2004

	Internal Service
Cash and investments - January 1	\$ <u>1,767,933</u>
Operating receipts:	
Insurance proceeds	6,889,527
Other	<u>484,649</u>
Total operating receipts	<u>7,374,176</u>
Nonoperating receipts:	
Interest earned on investments	<u>12,950</u>
Total receipts	<u>7,387,126</u>
Operating disbursements:	
insurance benefits	<u>8,382,830</u>
Deficiency of total receipts under total disbursements	<u>(995,704)</u>
Cash and investments - December 31	<u>\$ <u>772,229</u></u>

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

CITY OF COLUMBUS
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENTS
FIDUCIARY FUNDS
For The Year Ended December 31, 2004

	Pension Trust Funds	Agency Fund
	<u> </u>	<u> </u>
Cash and investments - January 1	\$ 4,487,957	\$ 52,736
Additions:		
Contributions:		
Employer	2,871,697	-
Plan members	108,794	-
Private donations	-	-
Other	4,547	-
Total contributions	<u>2,985,038</u>	<u>-</u>
Investment earnings:		
Interest	35,996	-
Agency fund additions	<u>-</u>	<u>20,473,421</u>
Total additions	<u>3,021,034</u>	<u>20,473,421</u>
Deductions:		
Benefits	2,426,616	-
Administrative expense	-	-
Agency fund deductions	<u>-</u>	<u>20,256,161</u>
Total deductions	<u>2,426,616</u>	<u>20,256,161</u>
Excess of total additions over total deductions	<u>594,418</u>	<u>217,260</u>
Cash and investments - December 31	<u>\$ 5,082,375</u>	<u>\$ 269,996</u>

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

CITY OF COLUMBUS
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 Council 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, water, wastewater, and urban redevelopment and housing.

These financial statements present the City (primary government). There are no significant component units which require inclusion.

B. Government-wide and Fund Financial Statements

Government-wide financial statements, (i.e., the Statement of Cash and Investments and the Statement of Cash Activities) report information on all of the nonfiduciary activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Cash Activities demonstrates the degree to which direct disbursements of a given function or segments are offset by program receipts. Direct disbursements are clearly identifiable with a specific function or segment. Program receipts include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program receipts are reported instead as general receipts.

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.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

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 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. Receipts are recorded when received and disbursements are recorded when paid.

The cash basis of accounting differs from accounting principles generally accepted in the United States 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.

The enterprise fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The City reports the following major governmental funds:

The general fund is the City's primary operating fund and accounts for all financial resources of the City, except those required to be accounted for in another fund.

The parks and recreation fund is a special revenue type fund used to account for the operating receipts and disbursements made in connection with the town's recreation programs and facilities.

The thoroughfare fund is a capital projects type fund used for long-range development of thoroughfare improvements.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the primary government's water distribution system.

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

The aviation fund accounts for the operation of the airport.

Additionally, the City reports the following fund types:

The internal service fund for self insurance provided to other departments on a cost-reimbursement basis.

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 agreement under which principal and income benefits individuals, private organizations or other governments.

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

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 primary government 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 water and wastewater. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Enterprise funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

When both restricted and unrestricted resources are available for use, the City's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Net Assets or Equity

1. Deposits and Investments

State statute (IC 5-13-9) authorizes the City to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

a. Governmental, Internal Service and Fiduciary Funds

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

b. Enterprise Funds

The enterprise fund's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

Nonparticipating certificates of deposit, demand deposits, and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

Investment income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the City on or prior to December 31 of the year collected.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Inventories and Prepaid Items – Enterprise 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 enterprise fund financial statements.

4. Interfund Transactions – Enterprise Funds

During the course of operations, the individual enterprise funds have numerous transactions with the governmental funds and other enterprise funds. Activities between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables" (i.e., the current and noncurrent portion of interfund loans). All other outstanding balances 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 enterprise funds.

5. Restricted Assets – Enterprise Funds

Certain proceeds of the enterprise 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 by bond covenants.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets are reported in the enterprise fund statement of net assets.

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 enterprise fund financial statements are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 500	Straight-line	67 to 80 years
Improvements other than buildings	500	Straight-line	20 to 80 years
Machinery and equipment	500	Straight-line	5 to 20 years
Transportation equipment	500	Straight-line	5 to 10 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.

7. Compensated Absences

a. Sick Leave

Employees earn sick leave at the rate of 6 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is not paid to employees.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

b. Vacation Leave

Employees earn vacation leave at rates from 6 days to 25 days per year based upon the number of years of service. Vacation leave may be accumulated to a maximum of 10 days. Accumulated vacation leave is paid to employees through cash payments.

c. Personal Leave

Employees earn personal leave at the rate of 2 days per year. Personal leave does not accumulate from year to year.

Vacation leave is accrued when incurred.

8. Long-Term Obligations

In the enterprise fund 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.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States. 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 without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the total appropriations for any budgeted fund or any department of the general fund. The legal level of budgetary control is by function for all budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

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

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Capital Assets

Capital asset activity for the year ended December 31, 2004, follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 3,847,200	\$ -	\$ -	\$ 3,847,200
Infrastructure	178,205,737	2,698,512	-	180,904,249
Buildings and Improvements	31,334,622	463,185	37,450	31,760,357
Land improvements	9,462,856	90,950	-	9,553,806
Transportation equipment	8,815,229	642,202	104,875	9,352,556
Machinery and equipment	3,306,433	528,267	589,357	3,245,343
Construction in progress	<u>-</u>	<u>562,536</u>	<u>508,636</u>	<u>53,900</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 234,972,077</u>	<u>\$ 4,985,652</u>	<u>\$ 1,240,318</u>	<u>\$ 238,717,411</u>
Business-type activities:				
Water Utility:				
Capital assets, not being depreciated:				
Land	\$ 237,523	\$ -	\$ -	\$ 237,523
Construction in progress	592,965	420,511	264,296	749,180
Capital assets, being depreciated:				
Buildings	33,915,986	606,485	44,008	34,478,463
Transportation equipment	478,876	-	36,060	442,816
Machinery and equipment	1,722,497	259,034	164,063	1,817,468
Office equipment, furniture, and fixtures	650,576	27,948	23,510	655,014
Fully depreciated assets	772,852	79,414	58,889	793,377
Less accumulated depreciation for:				
Buildings	(8,872,658)	(491,474)	(26,808)	(9,337,324)
Transportation equipment	(185,362)	(47,316)	(36,060)	(196,618)
Machinery and equipment	(636,871)	(86,105)	(19,436)	(703,540)
Office equipment, furniture, and fixtures	(178,800)	(32,526)	(6,002)	(205,324)
Fully depreciated assets	<u>(772,852)</u>	<u>(79,414)</u>	<u>(58,889)</u>	<u>(793,377)</u>
Total Water Utility capital assets, net	<u>27,724,732</u>	<u>656,557</u>	<u>443,631</u>	<u>27,937,658</u>

CITY OF COLUMBUS
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	1,214,439	-	-	1,214,439
Construction in progress	405,536	1,549,465	985,109	969,892
Capital assets, being depreciated:				
Buildings	39,997,275	1,206,045	40,434	41,162,886
Transportation equipment	406,010	93,189	-	499,199
Machinery and equipment	5,778,016	149,790	380,062	5,547,744
Office equipment, furniture, and fixtures	420,277	64,133	91,316	393,094
Fully depreciated assets	454,839	34,124	25,296	463,667
Less accumulated depreciation for:				
Buildings	(9,782,853)	(534,251)	(23,440)	(10,293,664)
Transportation equipment	(123,458)	(40,601)	-	(164,059)
Machinery and equipment	(2,319,458)	(288,623)	(162,427)	(2,445,654)
Office equipment, furniture, and fixtures	(236,308)	(20,958)	(15,140)	(242,126)
Fully depreciated assets	(454,839)	(34,124)	(25,296)	(463,667)
 Total Wastewater Utility capital assets, net	 <u>35,759,476</u>	 <u>2,178,189</u>	 <u>1,295,914</u>	 <u>36,641,751</u>
 Airport:				
Capital assets, not being depreciated:				
Land	2,010,244	-	-	2,010,244
Construction in progress	978,607	954,264	441,377	1,491,494
Capital assets, being depreciated:				
Buildings	3,679,568	-	371,829	3,307,739
Improvements other than buildings	10,859,833	441,377	76,075	11,225,135
Machinery and equipment	422,169	113,719	33,717	502,171
Transportation equipment	99,131	63,327	-	162,458
Less accumulated depreciation for:				
Buildings	(2,277,138)	(72,195)	(319,760)	(2,029,573)
Improvements other than buildings	(6,564,215)	(210,650)	(73,556)	(6,701,309)
Machinery and equipment	(296,613)	(25,339)	(33,717)	(288,235)
Transportation equipment	(69,185)	(19,826)	-	(89,011)
 Total airport capital assets, net	 <u>8,842,401</u>	 <u>1,244,677</u>	 <u>495,965</u>	 <u>9,591,113</u>
 Total business-type activities capital assets, net	 <u>\$ 72,326,609</u>	 <u>\$ 4,079,423</u>	 <u>\$ 2,235,510</u>	 <u>\$ 74,170,522</u>

C. Construction Commitments

Construction work in progress is composed of the following:

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Project</u>	<u>Total Project Authorized</u>	<u>Expended to December 31, 2004</u>	<u>Committed</u>	<u>Required Future Funding</u>
Governmental fund:				
Storm Sewer Extension	\$ 53,900	\$ 53,900	\$ -	\$ -
Enterprise funds:				
Water Utility	1,680,735	749,180	931,555	-
Wastewater Utility	3,128,071	969,892	2,158,179	-
Airport	<u>3,737,968</u>	<u>1,491,494</u>	<u>2,246,474</u>	-
Totals	<u>\$ 8,600,674</u>	<u>\$ 3,264,466</u>	<u>\$ 5,336,208</u>	<u>\$ -</u>

D. Leases

Capital Leases

The City has entered into various capital leases for vehicles and equipment. Future minimum lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2004, for the years ended December 31, are as follows:

2005	\$ 201,650
2006	163,031
2007	126,898
2008	70,771
2009	<u>26,368</u>
Total minimum lease payments	588,718
Less amount representing interest	<u>(45,607)</u>
Present value of net minimum lease payments	<u>\$ 543,111</u>

The assets acquired through capital leases still in effect are as follows:

	<u>Governmental Activities</u>
Machinery and equipment	\$ 309,031
Transportation equipment	614,841
Office equipment, furniture, and fixtures	<u>27,972</u>
Total	<u>\$ 951,844</u>

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Long-Term Liabilities

1. General Obligation Bonds

The City issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding at year end are as follows:

Purpose	Interest Rates	Amount
1997 Park District Bond	4.88% to 5.10%	<u>\$ 3,440,000</u>

Annual debt service requirements to maturity for general obligation bonds, for the years ended December 31, are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2005	\$ -	\$ 86,682
2006	170,000	169,115
2007	190,000	160,115
2008	200,000	150,365
2009	215,000	139,990
2010-2014	1,300,000	519,075
2015-2018	<u>1,365,000</u>	<u>144,733</u>
Totals	<u>\$ 3,440,000</u>	<u>\$ 1,370,075</u>

2. Revenue Bonds

The City issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end including the amounts of unamortized bond discount or premium and deferred loss on refunding (adjustments) are as follows:

Purpose	Interest Rates	Balance at December 31	Less: Adjustments	Revenue Bonds
1996 Waterworks Refunding Revenue Bonds	5.00% to 5.50%	\$ 3,330,000	\$ (108,446)	\$ 3,221,554
2002 Waterworks Refunding Revenue Bonds	6.45%	2,185,000	(19,433)	2,165,567
1996 Sewage Works Refunding Revenue Bonds	4.80% to 5.40%	4,555,000	(144,743)	4,410,257
2002 Sewage Works Refunding Revenue Bonds	3.10% to 4.00%	<u>920,000</u>	<u>(11,312)</u>	<u>908,688</u>
Totals		<u>\$ 10,990,000</u>	<u>\$ (283,934)</u>	<u>\$ 10,706,066</u>

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Revenue bonds debt service requirements to maturity are as follows:

Year Ended December 31	Business-Type Activities	
	Principal	Interest
2005	\$ 1,765,000	\$ 506,879
2006	1,825,000	439,819
2007	745,000	388,429
2008	790,000	350,904
2009	1,395,000	286,292
2010-2014	4,470,000	401,234
Totals	\$ 10,990,000	\$ 2,373,557

3. Notes and Loans Payable

The City has entered into various notes. Annual debt service requirements to maturity for the notes, as of December 31, 2004, for the years ended December 31, are as follows:

	Wastewater Utility
2005	\$ 240,680
2006	72,000
2007	72,000
Total	\$ 384,680

4. State Revolving Loan Fund

Under the terms of the State Revolving Loan Fund, revenue bonds were purchased by the Indiana Bond Bank, the proceeds of which were used to finance the construction of the Royal View Sewer Improvement Project. Funds were loaned to the City as construction costs accrued to the maximum allowed. The Royal View Sewer Improvement Project loan established a maximum draw of \$400,000. At the completion of construction, the outstanding principal balance of \$399,717 was amortized over a period of 21 years. Annual debt service requirements to maturity for this loan, including \$152,315 in interest, are as follows:

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Year Ended December 31	Principal	Interest
2005	\$ 15,000	\$ 14,863
2006	15,000	14,248
2007	15,000	13,633
2008	15,000	13,018
2009	15,000	12,403
2010-2014	100,000	50,224
2015-2019	115,000	28,802
2020-2022	<u>79,717</u>	<u>5,124</u>
Totals	<u>\$ 369,717</u>	<u>\$ 152,315</u>

5. Changes in Long-Term Debt

Long-term debt activity for the year ended December 31, 2004, was as follows:

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation	\$ 3,930,000	\$ -	\$ 490,000	\$ 3,440,000	\$ -
Capital leases	<u>456,254</u>	<u>236,292</u>	<u>149,435</u>	<u>543,111</u>	<u>179,789</u>
Total governmental activities long-term liabilities	<u>\$ 4,386,254</u>	<u>\$ 236,292</u>	<u>\$ 639,435</u>	<u>\$ 3,983,111</u>	<u>\$ 179,789</u>
Business-type activities:					
Water Utility:					
Revenue bonds payable	\$ 6,580,000	\$ -	\$ 1,065,000	\$ 5,515,000	\$ 1,095,000
Wastewater Utility:					
Revenue bonds payable	6,120,000	-	645,000	5,475,000	670,000
Note payable	288,000	241,543	144,863	384,680	240,680
State revolving fund	<u>384,717</u>	<u>-</u>	<u>15,000</u>	<u>369,717</u>	<u>15,000</u>
Total Wastewater Utility long-term liabilities	<u>6,792,717</u>	<u>241,543</u>	<u>804,863</u>	<u>6,229,397</u>	<u>925,680</u>
Aviation:					
Capital lease	<u>4,156</u>	<u>-</u>	<u>4,156</u>	<u>-</u>	<u>-</u>
Total business-type activities long-term liabilities	<u>\$ 13,376,873</u>	<u>\$ 241,543</u>	<u>\$ 1,874,019</u>	<u>\$ 11,744,397</u>	<u>\$ 2,020,680</u>

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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; 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.

Job Related Illnesses or Injuries to Employees

The City has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the Insurance Nonreverting Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$500,000 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 all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's gross wages, and are reported as quasi-external interfund transactions.

Medical Benefits to Employees, Retirees, and Dependents

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents for City, Utility, and Aviation Commission employees. The risk financing fund is accounted for in the Insurance Nonreverting Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$90,000 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 all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's gross wages, and are reported as quasi-external interfund transactions.

B. Subsequent Events

On April 5, 2005, the City approved Ordinance No. 9, 2005 and Ordinance No. 10, 2005 authorizing the issuance of revenue bonds by the city, to provide funds for the refunding prior to maturity of certain previously issued and currently outstanding sewage works revenue bonds and waterworks revenue bonds, respectively.

On July 5, 2005, the City approved Ordinance No.17, 2005 establishing new fund balances as of January 1, 2004. This ordinance was deemed necessary in overcoming reconciling issues that the unit has had in the past.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Prior Period Adjustments

Wastewater Utility

In 2004, the Utilities reached an agreement with Driftwood Utilities, Inc., to settle an overpayment of \$414,244. To settle this overpayment, adjustments were made for amounts currently due to Columbus Utilities for services rendered, and plans were made to credit the future monthly billings for services rendered by the Utilities to Driftwood. This agreement also included a short-term note payable for the remaining balance due Driftwood Utilities in the amount of \$50,000.

Water Utility

During 2004 the Water Utility was charged for 2003 payroll expenses that the City of Columbus had failed to bill the Utility.

D. Rate Structure – Enterprise Funds

Water Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on November 15, 1992.

Wastewater Utility

The current rate structure was approved by the City Council on May 4, 1992.

E. 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.

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

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

b. 1925 Police Officers' Pension Plan

Plan Description

The primary government 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 primary government's annual pension cost and related information as provided by the actuary, is presented in this note.

c. 1937 Firefighters' Pension Plan

Plan Description

The primary government 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.

Funding Policy and Annual Pension Cost

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

d. Utility Pension

Plan Description

The Columbus City Utilities (Water and Wastewater) have a defined benefit pension plan covering eligible employees. An employee becomes a participant with the completion of one year of eligible service and the attainment of age 21. Benefits are based on a 1.3% of monthly plan compensation multiplied by benefit service. Contributions are intended to provide not only for benefits attributed to service to date, but also those expected to be earned in the near future. Employee contributions are not required by the plan agreement.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

Information is not available.

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Utility Pension
Annual required contribution	\$ 318,215	\$ 1,808,800	\$ 2,853,600	*
Interest on net pension obligation	(16,799)	347,600	627,600	*
Adjustment to annual required contribution	<u>19,144</u>	<u>(579,900)</u>	<u>(1,047,000)</u>	*
Annual pension cost	320,560	1,576,500	2,434,200	*
Contributions made	<u>271,548</u>	<u>1,484,489</u>	<u>2,584,342</u>	*
Increase (decrease) in net pension obligation	49,012	92,011	(150,142)	*
Net pension obligation, beginning of year	<u>(231,711)</u>	<u>5,149,307</u>	<u>9,297,273</u>	*
Net pension obligation, end of year	<u>\$ (182,699)</u>	<u>\$ 5,241,318</u>	<u>\$ 9,147,131</u>	*

*Information not available

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Utility Pension
Contribution rates:				
City	5.25%	1,077%	566%	*
Plan members	3%	6%	6%	*
Actuarial valuation date	07-01-04	01-01-04	01-01-04	*
Actuarial cost method	Entry age	Entry age	Entry age	*
Amortization method	Level	Level	Level	
	percentage of projected payroll, closed	percentage of projected payroll, closed	percentage of projected payroll, closed	*
Amortization period	40 years	40 years	40 years	*
Amortization period (from date)	07-01-97	12-31-77	12-31-77	*
Asset valuation method	4 year smoothed market	4 year smoothed market	4 year smoothed market	*

*Information not available

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Utility Pension
Investment rate of return	7.25%	7%	7%	*
Projected future salary increases:				
Total	5%	5%	5%	*
Attributed to inflation	4%	4%	4%	*
Attributed to merit/seniority	1%	1%	1%	*
Cost-of-living adjustments	2%	0%	0%	*

*Information not available

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-02	\$ 124,041	195%	\$ (387,932)
	06-30-03	393,620	60%	(231,711)
	06-30-04	320,560	85%	(182,699)
1925 Police Officers' Pension Plan	12-31-01	1,540,500	46%	4,789,519
	12-31-02	1,516,200	76%	5,149,307
	12-31-03	1,576,500	94%	5,241,318
1937 Firefighters' Pension Plan	12-31-01	2,471,800	72%	8,662,189
	12-31-02	2,537,300	75%	9,297,273
	12-31-03	2,434,200	106%	9,147,131
Utility Pension Plan	12-31-01	*	*	*
	12-31-02	*	*	*
	12-31-03	*	*	*

*Information not available

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2004, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	44	59
Terminated employees entitled to but not yet receiving benefits	-	7

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government 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.

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 primary government 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 primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2004, 2003, and 2002, were \$1,398,621, \$1,356,498, and \$1,256,535, respectively, equal to the required contributions for each year.

CITY OF COLUMBUS
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)
07-01-02	\$ 6,016,860	\$ 6,920,880	\$ (904,020)	87%	\$ 6,246,157	(14%)
07-01-03	6,022,186	6,262,135	(239,949)	96%	6,381,993	(4%)
07-01-04	6,081,741	6,618,903	(537,162)	92%	6,193,312	(9%)

1925 Police Officers' 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	\$ 438,718	\$ 16,409,000	\$ (15,970,282)	3%	\$ 210,300	(7,594%)
01-01-00	424,757	16,440,200	(16,015,443)	3%	181,400	(8,829%)
01-01-01	291,797	16,295,600	(16,003,803)	2%	186,300	(8,590%)
01-01-02	694,707	16,030,200	(15,335,493)	4%	155,600	(9,856%)
01-01-03	969,707	16,106,600	(15,136,893)	6%	204,500	(7,402%)
01-01-04	1,594,540	16,106,100	(14,511,560)	10%	168,000	(8,638%)

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	\$ 464,365	\$ 25,636,700	\$ (25,172,335)	2%	\$ 806,100	(3,123%)
01-01-00	599,171	25,541,300	(24,942,129)	2%	762,000	(3,273%)
01-01-01	453,666	25,801,200	(25,347,534)	2%	707,800	(3,581%)
01-01-02	1,039,422	26,327,300	(25,287,878)	4%	583,700	(4,332%)
01-01-03	1,610,887	23,998,300	(22,387,413)	7%	860,000	(2,603%)
01-01-04	2,893,417	24,631,900	(21,738,483)	12%	504,000	(4,313%)

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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
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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 COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Columbus (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, 2004. 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, 2004.

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

October 4, 2006

CITY OF COLUMBUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2004

Federal Grantor Agency/Pass-Through Entity 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 Department of Commerce			
Community Development Block Grants/State's Program	14.228		
Industrial Development Incentive Program		ID-03-002	\$ 32,500
Lincoln Central		PI-02-005	33,000
Kids Commons Museum Project		PI-04-004	<u>18,000</u>
Total for program			<u>83,500</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Crime Victim Assistance	16.575		
Turning Point - Victims of Crimes		04-VA-024	19,304
		03-VA-013	19,556
		02-VA-171	6,000
Legal Aid - Victims of Crimes		04-VA-025	6,424
		03-VA-014	<u>19,271</u>
Total for program			<u>70,555</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Award			
Federal Transit Cluster			
Federal Transit - Formula Grant	20.507		
Section 5307 Urban Transit		IN904461	<u>328,349</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
Teen Driving Program		OP-04-02-03-07	5,903
Teen Driving Program		OP-04-02-03-07	3,325
Traffic Safety - Banquet Award		154AL 04-03-03-110	<u>2,000</u>
Total for program			<u>11,228</u>
Direct Grant			
Airport Improvement Program	20.106		
Install Automated Weather Observation System		AIP-11	142,463
Phase III Parallel Taxiway project		AIP-12	848,097
Rehabilitate the South Apron pavement and drainage systems		AIP-13	132,573
Rehabilitate and Narrow Taxiway "E"		AIP-14	344,592
Rehabilitate the South Apron - Phase 2		AIP-15	<u>478,339</u>
Total for program			<u>1,946,064</u>
Total for federal grantor agency			<u>2,285,641</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Domestic Preparedness Equipment Program	97.004		<u>113,105</u>
Total federal awards expended			<u>\$ 2,552,801</u>

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

CITY OF COLUMBUS
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Columbus (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 COLUMBUS
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
20.106	Airport Improvement Program

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

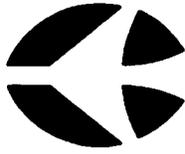
Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.



COLUMBUS MUNICIPAL AIRPORT

October 12, 2006

The following schedule of prior audit findings is planned for the Columbus Municipal Airport regarding a finding by the State Board of Accounts as outlined below:

Section III – Federal Award Findings and Questioned Costs

Finding No. 2003-2. Procurement and Suspension and Debarment

Federal Agency: U.S. Department of Transportation
Federal Program: Airport Improvement Program
CFDA Number: 20.106

In the event that this situation should occur again in the future, the Columbus Municipal Airport, under the direction of airport city officials, will follow the appropriate federal regulations and the Indiana Code procurement requirements, and rebid the project..

R. R. Blasdel, Director
Columbus Municipal Airport

CITY OF COLUMBUS
EXIT CONFERENCE

The contents of this report were discussed on October 12, 2006, with Fred Armstrong, Mayor; Brenda Sullivan, Clerk-Treasurer; Marcia Covert, Deputy Clerk-Treasurer; and Oakel Hardy, Manager of Information Services. Our audit disclosed no material items that warrant comment at this time.