

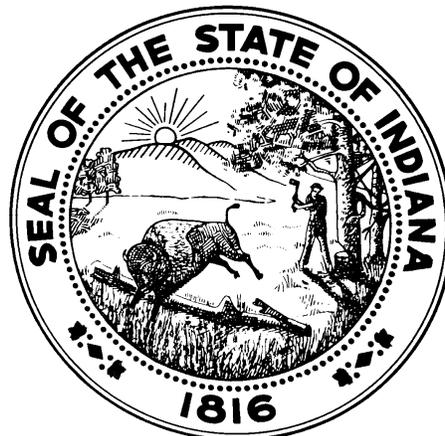
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2006

CITY OF COLUMBUS

BARTHOLOMEW COUNTY, INDIANA



FILED
12/27/2007

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SCHEDULE OF OFFICIALS

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

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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, each major fund, and the aggregate remaining fund information of the City of Columbus (City), as of and for the year ended December 31, 2006, 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 its financial statements 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.

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, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I. As discussed in Note I, the City has presented the business-type activities in a separately issued report.

In accordance with Government Auditing Standards, we have also issued a report dated December 11, 2007, 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.

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.

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

The Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, and Budgetary Comparison Schedules, 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.

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 required parts 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

December 11, 2007



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS 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 governmental 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, 2006, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 11, 2007. 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.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

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 grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City's management, 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

December 11, 2007

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2006**

REPORTING THE CITY AS A WHOLE

Statement of Net Assets and Statement of Activities

The Statement of Net Assets and the Statement of Activities reflect how the City of Columbus did financially during 2006. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

These statements report the City's net assets and changes in those assets. This change in net assets is important because it tells the reader whether the financial position of the City as a whole has increased or decreased from the prior year. Over time, these increases and/or decreases are one indicator of whether the financial position is improving or deteriorating. Causes for these changes may be the result of many factors, some financial, some not. Non-financial factors can include changes in the City's property tax base and the condition of the City's capital assets (buildings, streets, water and wastewater, and storm water lines). The timing of the final property tax draw can also be a factor if the city doesn't receive their tax settlement on December 31st each year. These factors must be considered when assessing the overall health of the City.

In the Statement of Net Assets and the Statement of Activities, the City is divided into two types of activities.

- **Governmental Activities** – Most of the City's programs and services are reported here, including public safety, highway and streets, sanitation, health and welfare, economic development, culture and recreation, interest on long term debt, and general government. These services are primarily funded by property and income taxes and from intergovernmental revenues, including federal and state grants and other shared revenues.
- **Business-Type Activities** – These services are provided on a charge for services basis and are intended to recover all or most of the costs of the services provided. The City's water, wastewater, and aviation services are reported here.

REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

Fund Financial Statements

Fund financial statements provide detailed information about the City's major funds, the General, Street Maintenance and Repair, Water, Wastewater, and Aviation funds. While the City uses many funds to account for its financial transactions, these are the most significant.

Governmental Funds – The City's governmental funds are used to account for essentially the same programs reported as governmental activities on the government-wide financial statements. Most of the City's basic services are reported in these funds and focus on how money flows into and out of the funds as well as the balances available for spending at year end. These funds are reported on the modified accrual basis of accounting which measures cash and all other financial assets that can be readily converted to cash. The governmental fund statements provide a detailed short-term view of the City's general government operations and the basic services being provided.

City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2006

Because the focus of the governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities on the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City's short-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to help make this comparison between governmental funds and governmental activities.

Enterprise Funds – The City's enterprise funds use the accrual basis of accounting, the same as that used for the business-type activities on the government-wide financial statements.

Fiduciary Funds – Fiduciary funds are used to account for resources held for the benefit of parties outside the City. Fiduciary funds are not reflected on the government-wide financial statements because the resources from these funds are not available to support the City's programs. These funds also use the accrual basis of accounting.

Government-Wide Financial Analysis

Table 1 provides a summary of the City's net assets for 2006 compared to 2005.

Table 1
Net Assets

	Governmental Activities		Business-Type Activities		Total	
	2005	2006	2005	2006	2005	2006
Assets						
Current Assets	18,066,567	18,042,915	7,594,455	11,133,046	25,661,022	29,175,961
Restricted Assets	3,392,731	3,624,135	9,945,685	35,803,513	13,338,416	39,427,648
Fixed Assets			76,945,179	79,602,211	76,945,179	79,602,211
Depreciation					-	-
Other Assets			300,971	315,357	300,971	315,357
Total Assets	21,459,298	21,667,050	94,786,290	126,854,127	116,245,588	148,521,177
Liabilities						
Current and Other Liabilities			3,122,396	1,934,119	3,122,396	1,934,119
Long-Term Debt			7,707,148	34,321,720	7,707,148	34,321,720
Other Liabilities					-	-
Equity/Retained Earnings					-	-
Total Liabilities	-	-	10,829,544	36,255,839	10,829,544	36,255,839
Total Net Assets	21,459,298	21,667,050	83,956,746	90,598,288	105,416,044	112,265,338
Net Assets						
Invested in Capital Assets, Net of related debt			67,409,744	44,388,491	67,409,744	44,388,491
Restricted	4,846,013	3,624,135	1,745,578	929,859	6,591,591	4,553,994
Unrestricted	16,613,285	18,042,915	14,801,424	45,279,938	31,414,709	63,322,853
Total Net Assets	21,459,298	21,667,050	83,956,746	90,598,288	105,416,044	112,265,338

Total net assets for governmental activities increased \$207 thousand. The governmental activities had an increase in revenues of \$898,399 thousand and an increase in expenses of \$2.3 million.

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2006**

The net assets for business-type activities increased \$6.6 million. The business-type activities had an increase in revenues of \$2.9 million and a slight increase in expenses of \$4,804 with an increase in beginning assets of \$3.7 million which makes up the net increase of \$6.6 million in net assets.

Table 2 reflects the changes in net assets for 2006 with a comparison to 2005 net assets. This is a comparative analysis of government-wide data to compare the changes in each category of revenues and disbursements.

**Table 2
Changes in Net Assets**

Table 2 reflects the changes in net assets for 2006 compared to 2005

	Governmental Activities		Business-Type Activities		Total	
	2005	2006	2005	2006	2005	2006
Receipts						
Program Receipts						
Charges For Services	11,196,415		8,449,017	10,552,684	19,645,432	20,750,182
Operating Grants and Contributions	2,459,738			4,494,231	2,459,738	4,494,231
Capital Grants and Contributions	2,009,016			-	2,009,016	-
Total Program Receipts	15,665,169		8,449,017	15,046,915	24,114,186	25,244,413
General Receipts						
Property Taxes	22,129,155			22,114,095	22,129,155	22,114,095
Other Local Sources	2,814,612		1,645,917	1,531,031	4,460,529	3,656,689
Other Revenues	7,830,934		3,219,795	10,646,228	3,938,760	14,584,988
Total General Receipts	32,774,701		4,865,712	34,291,354	37,640,413	40,355,772
Total Receipts	48,439,870		13,314,729	49,338,269	61,754,599	65,600,185
Transfers					-	-
Total Receipts and Transfers	48,439,870		13,314,729	49,338,269	61,754,599	65,600,185
Program Disbursements						
General Government	15,231,072			17,226,801	15,231,072	17,226,801
Public Safety	16,072,108			15,120,573	16,072,108	15,120,573
Highway and streets	4,011,817			4,396,271	4,011,817	4,396,271
Sanitation	1,636,611			1,668,746	1,636,611	1,668,746
Health and Welfare	61,562			-	61,562	-
Economic Development	1,381,041			1,523,352	1,381,041	1,523,352
Culture and recreation	8,413,788			9,194,774	8,413,788	9,194,774
Interest on Long-Term Debt					-	-
Water			3,885,422		3,885,422	3,957,083
Wastewater			4,472,024		4,472,024	4,444,916
Aviation			1,258,124		1,258,124	1,218,375
Total Disbursements	46,807,999		9,615,570	49,130,517	56,423,569	58,750,891
Increase in Cash Net Assets	1,631,871		3,699,159	207,752	5,331,030	6,849,294
Beginning Cash Net Assets	19,827,427		80,257,587	21,459,298	100,085,014	105,416,044
Ending Cash Net Assets	21,459,298		83,956,746	21,667,050	105,416,044	112,265,338

The major program expenses for governmental activities are for general government, which accounts for just over 35% of all governmental expenses. Public Safety accounts for just below 31% of total disbursements. Culture and recreation increased from 2005 to 2006 by 780 thousand which accounts for just below 19% of all disbursements. These three programs account for over 84% of the total disbursements for the City of Columbus and are funded almost entirely from property taxes, CAGIT revenues, and State shared revenues.

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2006**

The City's water and wastewater operations account for over 87% of the business-type expenses and are funded almost entirely from charges for services.

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues. A comparison is provided to show changes from 2005 to 2006.

**Table 3
Governmental Activities**

Table 3 Indicates the total cost of services and the net cost of services for Governmental Activities.

	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
	2005	2005	2006	2006
Program Disbursements				
General Government	15,231,072	6,542,934	17,226,801	8,324,145
Public Safety	16,072,108	15,873,283	15,120,573	14,995,839
Highway and streets	4,011,817	2,197,059	4,396,271	2,492,138
Sanitation	1,636,611	1,636,611	1,668,746	1,668,746
Health and Welfare	61,562	(691,133)	-	(206,718)
Economic Development	1,381,041	1,081,514	1,523,352	340,554
Culture and recreation	8,413,788	4,502,562	9,194,774	6,468,898
Total Disbursements	46,807,999	31,142,830	49,130,517	34,083,602

It should be noted that for all governmental activities, over 69 percent of the revenues to provide these services are derived from the City's general revenues: that being primarily property taxes, CAGIT monies, and state shared revenues. The negative cost of health and welfare services indicates that program revenues are sufficient enough to cover the costs of this program.

GOVERNMENTAL ACTIVITIES FINANCIAL ANALYSIS

The City's major governmental funds are the General Fund, the Public Safety fund, and the Culture and Recreation fund. A review of these funds indicates a significant change in general government expenses due to the reduction of other revenues for 2006. The public safety disbursements decreased due to the reduction in state shared revenues. Culture and recreation disbursements increased by adding more people trails for the communities to achieve a more active physical life. The other areas either decreased or had a very insignificant change in activity from the prior year.

BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS

The City's enterprise funds are the Water, Wastewater, and Aviation funds. Program revenues, primarily charges for services, have been sufficient to cover the expenses of the respective funds, which can be seen on the statement of activities.

The revenues generated by the utilities division is primarily based on the amount of water the residents use. They are billed based on the quantity they use for both water and sewer. Customers not using the

City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2006

city water supply get billed a flat rate for sewage treatment. Our customer base is primarily residential within the city limits of Columbus. However, we do have an industrial base and do bill a couple rural utilities under a negotiated contract.

The expenses encountered by the utilities division did not change significantly from 2005 to 2006. The charge for services generates enough revenue to offset the expenses generated by utilities and along with the general revenues it covers all the expenses for the utility division.

BUDGETARY HIGHLIGHTS

The City prepares an annual budget of revenues and expenditures/expenses for all funds of the City for use by city officials and department heads and such other budgetary documents are required by State statute, including the annual appropriations ordinance which is effective the first day of January. The City's most significant budgeted fund is the general fund. Any modification to the approved annual budget are only completed upon department request and within qualifying categories based on the State Board of Accounts regulations.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets – The City of Columbus is GASB 34 compliant. This process to become compliant began in 2004 and has taken extensive time to compile the exact, accurate data. The City of Columbus has chosen to use a base of \$5,000.00 for all capital assets. Any purchase above that amount will be part of the fixed asset report. To date, each city department is responsible to submit a document on a quarterly basis to the Clerk Treasurer for any purchases or deletions. The capital asset reporting system includes land, buildings, land improvements, vehicles, machinery and equipment, city infrastructure and artwork.

CURRENT ISSUES

The City of Columbus made State news with Cummins' building expansion of \$22,000,000 and additional manufacturing equipment in the amount of \$143,000,000 for a total investment of \$165,000,000. This will create more than 800 new jobs in Columbus.

The City received the approval for a public works project needed by the Parks Department. The revolving loan was approved by City Council and included in the 2006 budget. The Department of Local Government Finance Control Board approved the loan and a tax rate was set to pay this debt back within one (1) year.

The Clerk Treasurer's office continues to be current on all bank reconciliations on all funds. The paying of claims and proper documentation was discussed in a meeting with all department heads and a written policy put into place as to the necessary paperwork required by the Clerk Treasurer's office recommended by the State Board of Accounts. The 2006 year was closed timely and all monies were accounted for with remaining balances forwarded to the New Year.

**City of Columbus
Management's Discussion and Analysis
For the Year Ended December 31, 2006**

The Vision 20/20 Downtown Committee continues to be hard at work. Many projects are on the table and there is much enthusiasm as to the revitalization of downtown. Hotel Indigo has committed to build a new hotel and construction has begun. Mill Race Adult Community Center is nearing their financial goals and should be under construction in the near future. A sports complex and new educational opportunities are in the near future.

Downtown parking has been an issue for years and the Redevelopment Commission is moving forward with a new parking garage facility. This should be completed in 2008.

A major concern for the city has been the condition of sidewalks, particularly in our Lincoln Center and East Columbus neighborhoods. In cooperation with Community Development, the City Engineer and neighborhood representatives, we targeted Community Development Block Grant funding to repair these sidewalks.

The Columbus Service League was able to obtain funding and create a new park in Columbus named Freedom Field which is assessable to all. The playground equipment was paid for by donations and was gifted to the Columbus Parks Department.

The TAC Team, better known as Technology Advisory Committee, has developed and is implementing E-Columbus telecommunications initiatives throughout the city.

The City has contracted with Milestone Contractors to improve the next phase of Rocky Ford Road from Marr Road to Taylor Road. This is a \$ 4,300,000 project that includes the addition of curbs, gutters and sidewalks to extend our People Trail System as well as two travel lanes. This project represents a milestone for our newly formed Metropolitan Planning Organization since this is the first road project to be completed with MPO funding. Completion date is set for 2008.

After 12 years, the Columbus Transit Department was able to order five new buses for delivery in 2007. The buses are to be paid for by a partial grant of state and federal money. The buses will have Cummins engines and Allison transmissions, both Indiana companies. With an expected lifetime of 12 years, these buses represent the next step in improving an already award-winning transit system.

For our utilities division a major construction project was started in 2006. We have begun a 40 million dollar project to abate our CSO problems as mandated by the state. We are also replacing and adding capacity to our southern and eastern sewer system. We are adding water lines to the eastern side of the community. The water project will be funded from current reserves, but a rate increase has been implemented to fund the wastewater improvements. Bonds in the amount of \$27,449,000 were sold through the State Revolving Loan Fund in December of 2006. Another \$17,000,000 will be sold mid-year of 2007 to complete the projects. The projects should be completed over the next three years.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City's finances for all those interested in our City's financial well being. Questions concerning any of the information provided in this report or requests for additional information should be directed to Brenda Sullivan, City Clerk Treasurer, 123 Washington Street, Columbus, Indiana 47201.

CITY OF COLUMBUS
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2006

<u>Functions/Programs</u>	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets	
	Disbursements	Charges for Services	Operating Grants and Contributions	Primary Government	
				Governmental Activities	Totals
Primary government:					
Governmental activities:					
General government	\$ 17,226,801	\$ 8,895,166	\$ 7,490	\$ (8,324,145)	\$ (8,324,145)
Public safety	15,120,573	76,465	48,269	(14,995,839)	(14,995,839)
Highways and streets	4,396,271	10,467	1,893,666	(2,492,138)	(2,492,138)
Sanitation	1,668,746	-	-	(1,668,746)	(1,668,746)
Health and welfare	-	206,718	-	206,718	206,718
Urban redevelopment and housing	1,523,352	118,323	1,064,475	(340,554)	(340,554)
Culture and recreation	<u>9,194,774</u>	<u>1,245,545</u>	<u>1,480,331</u>	<u>(6,468,898)</u>	<u>(6,468,898)</u>
Total primary government	<u>\$ 49,130,517</u>	<u>\$ 10,552,684</u>	<u>\$ 4,494,231</u>	<u>(34,083,602)</u>	<u>(34,083,602)</u>
General receipts:					
Property taxes				22,114,095	22,114,095
Other local sources				1,531,031	1,531,031
Grants and contributions not restricted to specific programs				9,900,368	9,900,368
Unrestricted investment earnings				<u>745,860</u>	<u>745,860</u>
Total general receipts				<u>34,291,354</u>	<u>34,291,354</u>
Change in net assets				207,752	207,752
Net assets - beginning				<u>21,459,299</u>	<u>21,459,299</u>
Net assets - ending				<u>\$ 21,667,051</u>	<u>\$ 21,667,051</u>
 <u>Assets</u>					
Cash and investments				\$ 18,184,771	\$ 18,184,771
Cash with fiscal agent				1,990,502	1,990,502
Restricted assets:					
Cash and investments				<u>1,491,778</u>	<u>1,491,778</u>
Total assets				<u>\$ 21,667,051</u>	<u>\$ 21,667,051</u>
 <u>Net Assets</u>					
Restricted for:					
Culture and recreation				\$ 421,333	\$ 421,333
Public safety				1,000,000	1,000,000
Debt service				212,300	212,300
Other purposes				1,990,502	1,990,502
Unrestricted				<u>18,042,916</u>	<u>18,042,916</u>
Total net assets				<u>\$ 21,667,051</u>	<u>\$ 21,667,051</u>

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

CITY OF COLUMBUS
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, 2006

	General	Thoroughfare	Other Governmental Funds	Totals
Receipts:				
Taxes	\$ 15,901,135	\$ 221,967	\$ 5,990,992	\$ 22,114,094
Licenses and permits	119,171	-	7,530	126,701
Intergovernmental	8,927,138	17,331	4,450,131	13,394,600
Charges for services	179,997	-	1,668,413	1,848,410
Fines and forfeits	28,017	-	28,847	56,864
Other	1,005,103	44,725	1,227,064	2,276,892
Total receipts	26,160,561	284,023	13,372,977	39,817,561
Disbursements:				
General government	8,653,880	-	157,941	8,811,821
Public safety	14,457,061	-	357,556	14,814,617
Highways and streets	394,145	1,283,653	1,759,656	3,437,454
Sanitation	1,592,386	-	76,360	1,668,746
Culture and recreation	-	-	6,415,603	6,415,603
Urban redevelopment and housing	-	-	1,523,352	1,523,352
Debt service:				
Principal	-	-	1,212,500	1,212,500
Interest	-	-	161,959	161,959
Capital outlay:				
General government	-	-	385,250	385,250
Highways and streets	-	-	975,846	975,846
Public safety	-	-	305,956	305,956
Culture and recreation	-	-	1,433,925	1,433,925
Total disbursements	25,097,472	1,283,653	14,765,904	41,147,029
Excess (deficiency) of receipts over disbursements	1,063,089	(999,630)	(1,392,927)	(1,329,468)
Other financing sources (uses):				
Loan proceeds	-	-	1,000,000	1,000,000
Transfers in	790,625	-	2,104,545	2,895,170
Transfers out	(942,018)	-	(1,953,152)	(2,895,170)
Total other financing sources (uses)	(151,393)	-	1,151,393	1,000,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	911,696	(999,630)	(241,534)	(329,468)
Cash and investment fund balance - beginning	7,585,713	3,812,666	8,607,638	20,006,017
Cash and investment fund balance - ending	<u>\$ 8,497,409</u>	<u>\$ 2,813,036</u>	<u>\$ 8,366,104</u>	19,676,549
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 assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.				
				<u>1,990,502</u>
Net assets of governmental activities				<u>\$ 21,667,051</u>
Cash and Investment Assets - December 31				
Cash and investments	\$ 8,497,409	\$ 2,813,036	\$ 6,874,326	\$ 18,184,771
Restricted assets:				
Cash and investments	-	-	1,491,778	1,491,778
Total cash and investment assets - December 31	\$ 8,497,409	\$ 2,813,036	\$ 8,366,104	\$ 19,676,549
Cash and Investment Fund Balance - December 31				
Restricted for:				
Culture and recreation	\$ -	\$ -	\$ 421,333	\$ 421,333
Public safety	-	-	1,000,000	1,000,000
Debt service	-	-	212,300	212,300
Unrestricted	8,497,409	2,813,036	6,732,471	18,042,916
Total cash and investment fund balance - December 31	\$ 8,497,409	\$ 2,813,036	\$ 8,366,104	\$ 19,676,549

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

CITY OF COLUMBUS
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2006

	Internal Service Funds
Operating receipts:	
Insurance proceeds	\$ 8,105,803
Other	1,572,275
Total operating receipts	9,678,078
Operating disbursements:	
Insurance disbursements	9,147,455
Excess of operating receipts over operating disbursements	530,623
Nonoperating receipts:	
Interest and investment receipts	6,597
Excess of receipts over disbursements and nonoperating receipts	537,220
Cash and investment fund balance - beginning	1,453,282
Cash and investment fund balance - ending	\$ 1,990,502
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	\$ 1,966,856
Cash with fiscal agent	23,646
Total cash and investment assets - December 31	\$ 1,990,502
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	\$ 1,990,502

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 INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2006

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 444,744	\$ -
Plan members	34,662	-
State	67,100	-
Other	1,577,781	-
Total contributions	2,124,287	-
Investment earnings:		
Interest	163,271	-
Agency fund additions	-	22,218,303
Total additions	2,287,558	22,218,303
Deductions:		
Benefits	2,713,667	-
Agency fund deductions	-	23,887,145
Total deductions	2,713,667	23,887,145
Deficiency of total additions over total deductions	(426,109)	(1,668,842)
Cash and investment fund balance - beginning	4,929,807	1,841,776
Cash and investment fund balance - ending	\$ 4,503,698	\$ 172,934

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 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, aviation, and urban redevelopment and housing.

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

Primary Government: City of Columbus

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 displays 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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services. Business-type activities of the Water Utility, Wastewater Utility, and the Aviation Commission are reported separately in a report dated October 18, 2007.

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 and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The City reports the following major proprietary funds in a separate report dated October 18, 2007:

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

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

The wastewater utility fund accounts for the operation of the 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 accounts for workers compensation and medical benefits 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.

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.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary 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 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, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

D. 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. 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.

3. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary 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.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

4. 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.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

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

Operating receipts and disbursements for proprietary funds and the similar discretely presented component unit result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

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.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 and Net Assets – Cash and Investment Basis.

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 of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, 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.

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 funds of the political subdivision. 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

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 City 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 City'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 COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 942,018
Other governmental	General Fund	790,625
	Other governmental	1,162,527
Total		\$ 2,895,170

The City typically uses transfers to fund ongoing operating subsidies and to transfer the portion of state-shared revenues from the General Fund to the debt service fund for current-year debt service requirements.

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 Illness 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 Non-reverting 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. Interfund premiums are paid into the fund by all affected funds 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 affected fund 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

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

risk did not exceed commercial insurance coverage in the past three years. Interfund premiums 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 affected fund and are reported as quasi-external interfund transactions.

B. Subsequent Events

The City awarded the contract for the construction of the new fire station to Repp and Mundt in the amount of \$2,060,000 on February 6, 2007.

During 2007, the City began construction on a new parking garage with an estimated cost of \$10,000,000. The City issued redevelopment district bonds on September 20, 2007, to fund the project.

During 2007, the City began construction of a sanitary sewer system at Cummins Incorporated, along with street improvements. This project is considered necessary to assure that Cummins Incorporated remains in the area. Cummins Incorporated will provide a maximum of \$20,000 in administrative fees to Administrative Resources association (ARa) for grant administration. The City of Lawrenceburg is providing a maximum grant of \$1,000,000 toward the sewer project. The State, through the Industrial Development Grant Fund, is providing a maximum of \$1,000,000 for street improvements and the Wastewater Utility is providing a maximum of \$315,000 for the sewer project. During the project, the Wastewater Utility will pay all expenses and request reimbursement from the appropriate source.

During 2007, the City began an infrastructure project for Woodside Northwest which is an industrial park. On August 7, 2007, the City awarded the bid to Dave O'Mara Contractors, Inc., in the amount of \$1,158,157. The project is funded by a bond from Old National Bank along with a \$100,000 grant from the City of Lawrenceburg, \$100,000 from state funds, and \$160,317 from local businesses.

C. 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 COLUMBUS
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 COLUMBUS
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	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 424,454	\$ 1,155,300	\$ 1,891,400
Interest on net pension obligation	(11,493)	381,500	666,700
Adjustment to annual required contribution	<u>13,097</u>	<u>(415,900)</u>	<u>(726,800)</u>
Annual pension cost	426,058	1,120,900	1,831,300
Contributions made	<u>359,084</u>	<u>842,104</u>	<u>1,287,202</u>
Increase in net pension obligation	66,974	278,796	544,098
Net pension obligation, beginning of year	<u>(158,526)</u>	<u>5,651,425</u>	<u>9,876,557</u>
Net pension obligation, end of year	<u>\$ (91,552)</u>	<u>\$ 5,930,221</u>	<u>\$ 10,420,655</u>

	PERF	1925 Police Officer's Pension	1937 Firefighters' Pension
Contribution rates:			
City	5.5%	1,305%	389%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-06	01-01-06	01-01-06
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	30 years	30 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

CITY OF COLUMBUS
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF	1925 Police Officer's Pension	1937 Firefighters' Pension
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

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 320,560	85%	\$ (182,699)
	06-30-05	338,720	93%	(158,526)
	06-30-06	426,058	106%	(91,552)
1925 Police Officers' Pension Plan	12-31-03	1,576,500	94%	5,241,318
	12-31-04	1,615,600	75%	5,651,425
	12-31-05	1,120,900	75%	5,930,221
1937 Firefighters' Pension Plan	12-31-03	2,434,200	106%	9,147,131
	12-31-04	2,483,400	71%	9,876,557
	12-31-05	1,831,300	70%	10,420,655

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2006, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	46	66
Current active employees	1	7

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 COLUMBUS
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, 2006, 2005, and 2004, were \$1,443,992, \$1,397,967, and \$1,398,621, 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)
07-01-04	\$ 6,081,741	\$ 6,618,903	\$ (537,162)	92%	\$ 6,193,312	(9%)
07-01-05	6,331,234	7,682,218	(1,350,984)	82%	6,346,344	(21%)
07-01-06	7,340,740	8,363,060	(1,022,320)	88%	6,881,804	(15%)

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)
01-01-01	\$ 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%)
01-01-05	1,779,679	14,253,100	(12,473,421)	12%	86,200	(14,470%)
01-01-06	1,696,515	15,837,800	(14,141,285)	11%	88,500	(15,979%)

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)
01-01-01	\$ 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%)
01-01-05	3,302,696	24,390,800	(21,088,104)	14%	517,200	(4,077%)
01-01-06	3,233,292	24,606,700	(21,373,408)	13%	486,600	(4,392%)

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

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-00	\$ 1,644,700	39%	61%
	12-31-01	1,684,900	42%	58%
	12-31-02	1,710,700	68%	32%
	12-31-03	1,808,800	82%	18%
	12-31-04	1,879,900	64%	36%
	12-31-05	1,155,300	73%	27%
1937 Firefighters' Pension Plan	12-31-00	2,667,700	32%	68%
	12-31-01	2,762,700	64%	36%
	12-31-02	2,889,100	66%	34%
	12-31-03	2,853,600	91%	9%
	12-31-04	2,944,700	60%	40%
	12-31-05	1,891,400	68%	32%

CITY OF COLUMBUS
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2006

	General Fund			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 14,298,412	\$ 14,298,412	\$ 15,901,135	\$ 1,602,723
Licenses and permits	167,900	167,900	119,171	(48,729)
Intergovernmental	5,987,775	7,384,427	8,927,138	1,542,711
Charges for services	36,000	249,000	179,997	(69,003)
Fines and forfeits	83,600	83,600	28,017	(55,583)
Miscellaneous Revenue	150,000	150,000	-	(150,000)
Other	213,000	-	1,005,103	1,005,103
Total revenues	20,936,687	22,333,339	26,160,561	3,827,222
Expenditures:				
Current:				
General government	9,382,607	10,104,050	8,653,880	1,450,170
Public safety	15,326,863	15,290,151	14,457,061	833,090
Highways and streets	569,327	558,837	394,145	164,692
Sanitation	1,731,963	1,730,278	1,592,386	137,892
Total expenditures	27,010,760	27,683,315	25,097,472	2,585,843
Other financing sources (uses):				
Operating transfers in	-	-	790,625	790,625
Operating transfers out	-	-	(942,018)	(942,018)
Total other financing sources (uses)	-	-	(151,393)	(151,393)
Net change in fund balance	(6,074,073)	(5,349,976)	911,696	6,261,672
Fund balance - beginning	7,585,713	7,585,713	7,585,713	-
Fund balance - ending	\$ 1,511,640	\$ 2,235,737	\$ 8,497,409	\$ 6,261,672

CITY OF COLUMBUS
 BUDGETARY COMPARISON SCHEDULE
 MAJOR CAPITAL PROJECT FUNDS
 For The Year Ended December 31, 2006

	<u>Thoroughfare</u>			Variance with Final Budget- Positive (Negative)
	<u>Budgeted Amounts</u>		<u>Actual</u>	
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes	\$ 223,954	\$ 223,954	\$ 221,967	\$ (1,987)
Intergovernmental	17,640	16,724	17,331	607
Other	<u>-</u>	<u>-</u>	<u>44,725</u>	<u>44,725</u>
Total revenues	<u>241,594</u>	<u>240,678</u>	<u>284,023</u>	<u>43,345</u>
Expenditures:				
Current:				
Highway & Streets:				
Other services and charges	<u>1,695,000</u>	<u>1,997,269</u>	<u>1,283,653</u>	<u>713,616</u>
Total expenditures	<u>1,695,000</u>	<u>1,997,269</u>	<u>1,283,653</u>	<u>713,616</u>
Net change in fund balances	(1,453,406)	(1,756,591)	(999,630)	756,961
Fund balances - beginning	<u>3,812,665</u>	<u>3,812,665</u>	<u>3,812,665</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,359,259</u>	<u>\$ 2,056,074</u>	<u>\$ 2,813,036</u>	<u>\$ 756,961</u>

CITY OF COLUMBUS
 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, 2006

	Parks and Recreation	Motor Vehicle Highway	Local Road and Street	CDBG Local Match	Park Nonreverting Operating	Community Development Special Programs
Receipts:						
Taxes	\$ 3,249,888	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	254,068	1,471,820	421,846	14,468	480,331	-
Charges for services	137,623	10,257	-	-	1,107,922	-
Fines and forfeits	-	-	-	-	-	-
Other	64,894	6,000	-	-	530,587	65,004
Total receipts	3,706,473	1,488,077	421,846	14,468	2,118,840	65,004
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	1,297,067	462,589	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	4,248,939	-	-	-	2,166,664	-
Urban redevelopment and housing	-	-	-	14,468	-	7,419
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	4,248,939	1,297,067	462,589	14,468	2,166,664	7,419
Excess (deficiency) of receipts over disbursements	(542,466)	191,010	(40,743)	-	(47,824)	57,585
Other financing sources (uses):						
Loan Proceeds	-	-	-	-	-	-
Transfers in	600,000	-	-	-	-	-
Transfers out	(612,223)	-	-	-	-	-
Total other financing sources (uses)	(12,223)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(554,689)	191,010	(40,743)	-	(47,824)	57,585
Cash and investment fund balance - beginning	696,544	179,884	173,774	-	248,865	198,944
Cash and investment fund balance - ending	\$ 141,855	\$ 370,894	\$ 133,031	\$ -	\$ 201,041	\$ 256,529
Cash and Investment Assets - December 31						
Cash and investments	\$ 141,855	\$ 370,894	\$ 133,031	\$ -	\$ 201,041	\$ 256,529
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 141,855	\$ 370,894	\$ 133,031	\$ -	\$ 201,041	\$ 256,529
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ 141,855	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unrestricted	-	370,894	133,031	-	201,041	256,529
Total cash and investment fund balance - December 31	\$ 141,855	\$ 370,894	\$ 133,031	\$ -	\$ 201,041	\$ 256,529

CITY OF COLUMBUS
 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, 2006
 (Continued)

	Law Enforcement Continuing Education	Riverboat	Storm Sewer Nonreverting	Medic Nonreverting	City Hall Nonreverting	Geographic Information System
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	7,530	-	-	-	-	-
Intergovernmental	-	245,791	-	-	-	-
Charges for services	11,433	-	-	-	-	-
Fines and forfeits	28,847	-	-	-	-	-
Other	8,108	27,820	-	3,942	-	-
Total receipts	55,918	273,611	-	3,942	-	-
Disbursements:						
General government	-	1	-	-	-	-
Public safety	22,841	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	76,360	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	9,334	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	22,841	1	76,360	-	9,334	-
Excess (deficiency) of receipts over disbursements	33,077	273,610	(76,360)	3,942	(9,334)	-
Other financing sources (uses):						
Loan Proceeds	-	-	-	-	-	-
Transfers in	-	-	68,676	300,304	68,979	-
Transfers out	-	-	-	-	-	(44,054)
Total other financing sources (uses)	-	-	68,676	300,304	68,979	(44,054)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	33,077	273,610	(7,684)	304,246	59,645	(44,054)
Cash and investment fund balance - beginning	93,294	543,929	308,757	327,426	65,696	44,054
Cash and investment fund balance - ending	<u>\$ 126,371</u>	<u>\$ 817,539</u>	<u>\$ 301,073</u>	<u>\$ 631,672</u>	<u>\$ 125,341</u>	<u>\$ -</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 126,371	\$ 817,539	\$ 301,073	\$ 631,672	\$ 125,341	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 126,371	\$ 817,539	\$ 301,073	\$ 631,672	\$ 125,341	\$ -
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unrestricted	126,371	817,539	301,073	631,672	125,341	-
Total cash and investment fund balance - December 31	\$ 126,371	\$ 817,539	\$ 301,073	\$ 631,672	\$ 125,341	\$ -

CITY OF COLUMBUS
 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, 2006
 (Continued)

	Common Council Nonreverting	Transit Nonreverting	Human Rights Nonreverting	Columbus Redevelopment	Police Alarm System	Fire Alarm System
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ 40,158	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	408,718	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	4,730	2,910	21,335	617
Total receipts	-	-	4,730	451,786	21,335	617
Disbursements:						
General government	6,000	-	6,163	-	-	-
Public safety	-	-	-	-	1,266	1
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	422,578	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	13,921
Culture and recreation	-	-	-	-	-	-
Total disbursements	6,000	-	6,163	422,578	1,266	13,922
Excess (deficiency) of receipts over disbursements	(6,000)	-	(1,433)	29,208	20,069	(13,305)
Other financing sources (uses):						
Loan Proceeds	-	-	-	-	-	-
Transfers in	7,832	5,906	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	7,832	5,906	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,832	5,906	(1,433)	29,208	20,069	(13,305)
Cash and investment fund balance - beginning	56,701	194,899	6,199	40,011	30,295	26,178
Cash and investment fund balance - ending	<u>\$ 58,533</u>	<u>\$ 200,805</u>	<u>\$ 4,766</u>	<u>\$ 69,219</u>	<u>\$ 50,364</u>	<u>\$ 12,873</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 58,533	\$ 200,805	\$ 4,766	\$ 69,219	\$ 50,364	\$ 12,873
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 58,533</u>	<u>\$ 200,805</u>	<u>\$ 4,766</u>	<u>\$ 69,219</u>	<u>\$ 50,364</u>	<u>\$ 12,873</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unrestricted	58,533	200,805	4,766	69,219	50,364	12,873
Total cash and investment fund balance - December 31	<u>\$ 58,533</u>	<u>\$ 200,805</u>	<u>\$ 4,766</u>	<u>\$ 69,219</u>	<u>\$ 50,364</u>	<u>\$ 12,873</u>

CITY OF COLUMBUS
 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, 2006
 (Continued)

	Tele- communications	Police Asset Forfeiture	LLEBG Crime Prevention Grant	Columbus Technology Fund	Engineering Special Projects	Dorel Projects
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,161	-	-	-	-	-
Charges for services	194,460	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	14,547	12,106	-	11,011	-	333,334
Total receipts	212,168	12,106	-	11,011	-	333,334
Disbursements:						
General government	24,037	-	-	-	-	-
Public safety	-	8,430	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	333,334
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	385,250	-	-
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	24,037	8,430	-	385,250	-	333,334
Excess (deficiency) of receipts over disbursements	188,131	3,676	-	(374,239)	-	-
Other financing sources (uses):						
Loan Proceeds	-	-	-	-	-	-
Transfers in	-	-	-	675,000	-	-
Transfers out	(136,546)	-	-	-	-	-
Total other financing sources (uses)	(136,546)	-	-	675,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	51,585	3,676	-	300,761	-	-
Cash and investment fund balance - beginning	437,084	83,296	9	-	72,061	-
Cash and investment fund balance - ending	<u>\$ 488,669</u>	<u>\$ 86,972</u>	<u>\$ 9</u>	<u>\$ 300,761</u>	<u>\$ 72,061</u>	<u>\$ -</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 488,669	\$ 86,972	\$ 9	\$ 300,761	\$ 72,061	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 488,669</u>	<u>\$ 86,972</u>	<u>\$ 9</u>	<u>\$ 300,761</u>	<u>\$ 72,061</u>	<u>\$ -</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unrestricted	488,669	86,972	9	300,761	72,061	-
Total cash and investment fund balance - December 31	<u>\$ 488,669</u>	<u>\$ 86,972</u>	<u>\$ 9</u>	<u>\$ 300,761</u>	<u>\$ 72,061</u>	<u>\$ -</u>

CITY OF COLUMBUS
 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, 2006
 (Continued)

	Medic Receipts	Donations	Community Development Special Projects	Advanced Technology Nonreverting	Park Nonreverting Capital	CDBG Entitlement House RL FNR
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	38,884	105,519	-	-	535,770
Charges for services	206,718	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	19,912	-	-	-	-	-
Total receipts	226,630	38,884	105,519	-	-	535,770
Disbursements:						
General government	-	21,628	-	100,112	-	-
Public safety	325,018	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	124,011	-	-	550,092
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	325,018	21,628	124,011	100,112	-	550,092
Excess (deficiency) of receipts over disbursements	(98,388)	17,256	(18,492)	(100,112)	-	(14,322)
Other financing sources (uses):						
Loan Proceeds	-	-	-	-	-	-
Transfers in	190,625	-	-	75,000	12,223	-
Transfers out	(490,929)	(80,000)	-	-	-	-
Total other financing sources (uses)	(300,304)	(80,000)	-	75,000	12,223	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(398,692)	(62,744)	(18,492)	(25,112)	12,223	(14,322)
Cash and investment fund balance - beginning	398,764	189,697	69,456	277,003	883	13,931
Cash and investment fund balance - ending	\$ 72	\$ 126,953	\$ 50,964	\$ 251,891	\$ 13,106	\$ (391)
Cash and Investment Assets - December 31						
Cash and investments	\$ 72	\$ 126,953	\$ 50,964	\$ 251,891	\$ 13,106	\$ (391)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	\$ 72	\$ 126,953	\$ 50,964	\$ 251,891	\$ 13,106	\$ (391)
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unrestricted	72	126,953	50,964	251,891	13,106	(391)
Total cash and investment fund balance - December 31	\$ 72	\$ 126,953	\$ 50,964	\$ 251,891	\$ 13,106	\$ (391)

CITY OF COLUMBUS
 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, 2006
 (Continued)

	Maintenance Eastside Community Center	Community Development Maintenance	McCullough Run Park	Cumulative Capital Improvement	Cumulative Capital Development	Cumulative Fire
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 901,430	\$ 457,578
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	139,539	70,396	154,939
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	36,123	28,766
Total receipts	-	-	-	139,539	1,007,949	641,283
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	62,116	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	975,846	-
Public safety	-	-	-	-	-	292,035
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	62,116	-	-	975,846	292,035
Excess (deficiency) of receipts over disbursements	-	(62,116)	-	139,539	32,103	349,248
Other financing sources (uses):						
Loan Proceeds	-	-	-	-	-	-
Transfers in	-	100,000	-	-	-	-
Transfers out	-	-	-	(489,400)	(100,000)	-
Total other financing sources (uses)	-	100,000	-	(489,400)	(100,000)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	37,884	-	(349,861)	(67,897)	349,248
Cash and investment fund balance - beginning	6,200	91,160	38,486	423,335	478,397	974,401
Cash and investment fund balance - ending	<u>\$ 6,200</u>	<u>\$ 129,044</u>	<u>\$ 38,486</u>	<u>\$ 73,474</u>	<u>\$ 410,500</u>	<u>\$ 1,323,649</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 6,200	\$ 129,044	\$ 38,486	\$ 73,474	\$ 410,500	\$ 1,323,649
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - December 31	<u>\$ 6,200</u>	<u>\$ 129,044</u>	<u>\$ 38,486</u>	<u>\$ 73,474</u>	<u>\$ 410,500</u>	<u>\$ 1,323,649</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Safety	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Unrestricted	6,200	129,044	38,486	73,474	410,500	1,323,649
Total cash and investment fund balance - December 31	<u>\$ 6,200</u>	<u>\$ 129,044</u>	<u>\$ 38,486</u>	<u>\$ 73,474</u>	<u>\$ 410,500</u>	<u>\$ 1,323,649</u>

CITY OF COLUMBUS
 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, 2006
 (Continued)

	Park District Bond	Debt Fund 2005	Debt Fund 2006	Debt Fund 2007	Totals
Receipts:					
Taxes	\$ 428,903	\$ -	\$ 913,035	\$ -	\$ 5,990,992
Licenses and permits	-	-	-	-	7,530
Intergovernmental	33,591	-	71,290	-	4,450,131
Charges for services	-	-	-	-	1,668,413
Fines and forfeits	-	-	-	-	28,847
Other	-	-	35,318	-	1,227,064
Total receipts	462,494	-	1,019,643	-	13,372,977
Disbursements:					
General government	-	-	-	-	157,941
Public safety	-	-	-	-	357,556
Highways and streets	-	-	-	-	1,759,656
Sanitation	-	-	-	-	76,360
Culture and recreation	-	-	-	-	6,415,603
Urban redevelopment and housing	-	-	-	-	1,523,352
Debt service:					
Principal	215,000	-	997,500	-	1,212,500
Interest	133,689	-	28,270	-	161,959
Capital outlay:					
General government	-	-	-	-	385,250
Highways and streets	-	-	-	-	975,846
Public safety	-	-	-	-	305,956
Culture and recreation	-	641,541	792,384	-	1,433,925
Total disbursements	348,689	641,541	1,818,154	-	14,765,904
Excess (deficiency) of receipts over disbursements	113,805	(641,541)	(798,511)	-	(1,392,927)
Other financing sources (uses):					
Loan Proceeds	-	-	-	1,000,000	1,000,000
Transfers in	-	-	-	-	2,104,545
Transfers out	-	-	-	-	(1,953,152)
Total other financing sources (uses)	-	-	-	1,000,000	1,151,393
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	113,805	(641,541)	(798,511)	1,000,000	(241,534)
Cash and investment fund balance - beginning	98,495	722,030	997,500	-	8,607,638
Cash and investment fund balance - ending	<u>\$ 212,300</u>	<u>\$ 80,489</u>	<u>\$ 198,989</u>	<u>\$ 1,000,000</u>	<u>\$ 8,366,104</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 6,874,326
Restricted assets:					
Cash and investments	212,300	80,489	198,989	1,000,000	1,491,778
Total cash and investment assets - December 31	\$ 212,300	\$ 80,489	\$ 198,989	\$ 1,000,000	\$ 8,366,104
Cash and Investment Fund Balance - December 31					
Restricted for:					
Culture and recreation	\$ -	\$ 80,489	\$ 198,989	\$ -	\$ 421,333
Public Safety	-	-	-	1,000,000	1,000,000
Debt service	212,300	-	-	-	212,300
Unrestricted	-	-	-	-	6,732,471
Total cash and investment fund balance - December 31	\$ 212,300	\$ 80,489	\$ 198,989	\$ 1,000,000	\$ 8,366,104

CITY OF COLUMBUS
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 As of and for the Year Ended December 31, 2006

	Insurance Nonreverting	Flex Fund	2005 Dunn & Associates Flex Plan	2006 SIHO Flex Plan	2006 SIHO Medical Claims	Totals
Operating receipts:						
Insurance proceeds	\$ 4,020,923	\$ -	\$ 38,085	\$ 360,802	\$ 3,685,993	\$ 8,105,803
Other	<u>1,227,849</u>	<u>344,426</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,572,275</u>
Total operating receipts	5,248,772	344,426	38,085	360,802	3,685,993	9,678,078
Operating disbursements:						
Insurance disbursements	<u>4,625,592</u>	<u>402,664</u>	<u>37,738</u>	<u>344,596</u>	<u>3,736,865</u>	<u>9,147,455</u>
Excess (deficiency) of receipts over disbursements	<u>623,180</u>	<u>(58,238)</u>	<u>347</u>	<u>16,206</u>	<u>(50,872)</u>	<u>530,623</u>
Nonoperating receipts (disbursements):						
Interest and investment receipts	<u>6,569</u>	<u>-</u>	<u>28</u>	<u>-</u>	<u>-</u>	<u>6,597</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	<u>629,749</u>	<u>(58,238)</u>	<u>375</u>	<u>16,206</u>	<u>(50,872)</u>	<u>537,220</u>
Cash and investment fund balance - beginning	<u>1,337,107</u>	<u>58,238</u>	<u>2,885</u>	<u>5,271</u>	<u>49,781</u>	<u>1,453,282</u>
Cash and investment fund balance - ending	<u>\$ 1,966,856</u>	<u>\$ -</u>	<u>\$ 3,260</u>	<u>\$ 21,477</u>	<u>\$ (1,091)</u>	<u>\$ 1,990,502</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 1,966,856	\$ -	\$ -	\$ -	\$ -	\$ 1,966,856
Cash with fiscal agent	<u>-</u>	<u>-</u>	<u>3,260</u>	<u>21,477</u>	<u>(1,091)</u>	<u>23,646</u>
Total cash and investment assets - December 31	<u>\$ 1,966,856</u>	<u>\$ -</u>	<u>\$ 3,260</u>	<u>\$ 21,477</u>	<u>\$ (1,091)</u>	<u>\$ 1,990,502</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Other purposes	<u>\$ 1,966,856</u>	<u>\$ -</u>	<u>\$ 3,260</u>	<u>\$ 21,477</u>	<u>\$ (1,091)</u>	<u>\$ 1,990,502</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2006

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 221,967	\$ 222,777	\$ 444,744
Plan members	17,331	17,331	34,662
State	33,550	33,550	67,100
Other	<u>644,159</u>	<u>933,622</u>	<u>1,577,781</u>
Total contributions	<u>917,007</u>	<u>1,207,280</u>	<u>2,124,287</u>
Investment receipts:			
Interest	<u>58,175</u>	<u>105,096</u>	<u>163,271</u>
Total additions	<u>975,182</u>	<u>1,312,376</u>	<u>2,287,558</u>
Deductions:			
Benefits	<u>975,536</u>	<u>1,738,131</u>	<u>2,713,667</u>
Deficiency of total additions over total deductions	(354)	(425,755)	(426,109)
Cash and investment fund balance - beginning	<u>1,696,515</u>	<u>3,233,292</u>	<u>4,929,807</u>
Cash and investment fund balance - ending	<u>\$ 1,696,161</u>	<u>\$ 2,807,537</u>	<u>\$ 4,503,698</u>

CITY OF COLUMBUS
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2006

	Levy Excess	Payroll	Pension	American United Life Insurance	Totals
Additions:					
Agency fund additions	\$ 40,028	\$ 19,526,744	\$ 2,592,745	\$ 58,786	\$ 22,218,303
Deductions:					
Agency fund deductions	1,764,161	19,471,958	2,592,745	58,281	23,887,145
Excess (deficiency) of total additions over total deductions	(1,724,133)	54,786	-	505	(1,668,842)
Cash and investment fund balance - beginning	1,724,133	112,206	-	5,437	1,841,776
Cash and investment fund balance - ending	\$ -	\$ 166,992	\$ -	\$ 5,942	\$ 172,934

CITY OF COLUMBUS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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.

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,950,418
Buildings and Improvements	32,203,382
Land Improvements	10,728,117
Vehicles	11,105,858
Machinery and Equipment	3,535,148
Total Infrastructure	187,943,271
Art Work	93,000
Construction in progress	<u>-</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 249,559,194</u>

CITY OF COLUMBUS
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

Description of Debt	Ending Balance	Due Within One Year
Governmental Activities:		
Capital leases:		
2006 Park Vehicle Lease	\$ 144,190.38	\$ 29,171.22
2005 Park Vehicle Lease	256,647.17	69,009.31
2004 City Postage Machine Lease	13,320.00	5,328.00
2004 Parks Vehicle & Equipment Lease	124,729.21	48,376.78
2003 Parks Vehicle & Equipment Lease	52,267.89	34,498.91
2002 Parks Vehicle Lease	11,910.77	11,910.77
2001 Parks Batting Cage Lease	24,819.49	24,819.49
1998 Foundation For Youth	4,189,000.00	350,000.00
Claims and judgments	-	-
Notes and loans payable	1,000,000.00	1,000,000.00
Bonds payable:		
General obligation bonds:		
2005 Parks District Refunding Bonds	3,415,000.00	215,000.00
Revenue bonds:		
	-	-
	-	-
Total governmental activities long-term debt	<u>\$ 9,231,884.91</u>	<u>\$ 1,788,114.48</u>

CITY OF COLUMBUS
OTHER REPORT

The annual report presented herein was prepared in addition to the separately issued report for the Water Utility, Wastewater Utility, and Aviation Commission.

CITY OF COLUMBUS
AUDIT RESULTS AND COMMENTS

SALES TAX

Sales tax was paid on some purchases.

Governmental funds generally are exempt from the payment of sales tax on qualifying purchases. Respective tax agencies should always be contacted concerning tax exemptions and payments. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TRAVEL CLAIMS

Parks Department travel claims tested were not accompanied by adequate itemization. Some payments were made from nonitemized credit card slips and reimbursements for meals were made at an estimated amount. The Parks Department overpaid an employee by \$63.55.

Supporting documentation such as receipts, canceled checks, tickets, invoices, bills, contracts, and other public records must be available for audit to provide supporting information for the validity and accountability of monies disbursed. Payments without supporting documentation may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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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 46204-2769

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, 2006. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2006.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
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 was for the limited purpose described in the preceding paragraph would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items 2006-1 and 2006-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

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

This report is intended solely for the information and use of the City's management, 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

December 11, 2007

CITY OF COLUMBUS
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2006

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>			
Direct Award			
Community Development Block Grants/Entitlement Grants	14.218		
CDBG - Entitlement			
B-04-MC-18-0020			\$ 191,294
B-05-MC-18-0020			323,630
B-06-MC-18-0020			<u>14,124</u>
Total for program			<u>529,048</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Crime Victim Assistance	16.575		
Turning Point			
		05VA012	27,355
		06VA010	32,458
		06ST006	9,113
Legal Aid		05VA011	<u>19,380</u>
Total for program			<u>88,306</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Award			
Federal Transit Cluster			
Federal Transit - Formula Grants	20.507		
Section 5307 Urban Transit		IN-90-X500	<u>417,561</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
State and Community Highway Safety	20.600		
Operation Pullover		OP-06-02-03-05	<u>16,875</u>
Direct Grant			
Airport Improvement Program	20.106		
Phase III Parallel Taxiway project		AIP-12	31,664
Rehabilitate and Narrow Taxiway "E"		AIP-14	43,259
Rehabilitate the South Apron Phase 3		AIP-16	1,663,444
South Apron Rehabilitation - Package 3		AIP-18	<u>61,738</u>
Total for program			<u>1,800,105</u>
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction	20.205		
Planning Funds FY 2006			181,022
STP-9903(016)			<u>10,947</u>
Total for program			<u>191,969</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Department of Environmental Management			
Capitalization Grants for Clean Water State Revolving Funds	66.458		
CS18239901			<u>357,889</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044		
EMW-2005-FG-10832			<u>111,592</u>
Pass-Through Indiana Department of Homeland Security			
Public Assistance Grants	97.036		
Disaster Related Expenses, Emergency 1573			<u>11,589</u>
Total federal awards expended			<u>\$ 3,524,934</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

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
Significant deficiencies 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
Significant deficiencies identified that are not considered to be material weaknesses?	yes

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement
20.106	Airport Improvement Program
66.458	Capitalization Grants for Clean Water State Revolving Funds

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.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2006-1, REPORTING

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: CDBG/Entitlement
CFDA Number: 14.218

The City has not sufficiently identified all federal awards for audit purposes. During the 2005 audit the unit failed to identify Community Development Block Grant - Entitlement money received from the Department of Housing and Urban Development. Due to this lack of internal control, these monies were not included in the 2005 A-133 audit.

Circular A-133

Subpart C--Auditees

§___.300 Auditee responsibilities.

The auditee shall:

(a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

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

(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

(d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §___.310.

We recommended the City follow federal regulations in future years. The City should implement procedures to ensure that all Federal Grant monies are identified during the year.

FINDING 2006-2, REPORTING

Federal Agency: U.S. Department of Homeland Security
Federal Program: Assistance to Firefighters
CFDA Number: 97.044

The City has not sufficiently identified all federal awards for audit purposes. During the 2005 audit the unit failed to identify an Assistance to Firefighters grant received from the Department of Homeland Security. Due to this lack of internal control these monies were not included in the 2005 A-133 audit.

CITY OF COLUMBUS
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Circular A-133

Subpart C--Auditees

§___.300 Auditee responsibilities.

The auditee shall:

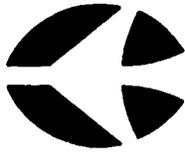
(a) Identify, in its accounts, all Federal awards received and expended and the Federal programs under which they were received. Federal program and award identification shall include, as applicable, the CFDA title and number, award number and year, name of the Federal agency, and name of the pass-through entity.

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

(c) Comply with laws, regulations, and the provisions of contracts or grant agreements related to each of its Federal programs.

(d) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with §___.310.

We recommended the City follow federal regulations in future years. The City should implement procedures to ensure that all Federal Grant monies are identified during the year.



COLUMBUS MUNICIPAL AIRPORT

October 15, 2007

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:

Finding No. 2005-1. Matching

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

Finding No. 2005-2. Cash Management

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

Finding No. 2005-3. Davis-Bacon Act

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

In the event that these situations 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.

R. R. Blasdel, Director
Columbus Municipal Airport



CITY OF COLUMBUS

BRENDA SULLIVAN, CLERK-TREASURER

December 13, 2007

State Board of Accounts
302 Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: 2006 Annual Audit – Columbus, Indiana

To Whom It May Concern:

Finding 2006-1

Federal Agency: U.S. Department of Housing and Urban Development
Federal Program: Community Development Block grant/Entitlement
CFDA Number: 14.218

In the future, the City of Columbus, under the direction of the City Clerk Treasurer, will implement new internal control procedures to ensure that all federal grants are identified.

Finding 2006-2

Federal Agency: U.S. Department of Homeland Security
Federal Program: Assistance to Firefighters Grant
CFDA: 97.044

In the future, the City of Columbus, under the direction of the City Clerk Treasurer, will implement new internal control procedures to ensure that all stipulations of federal grants are in compliance.

Respectfully submitted,

Brenda Sullivan
City Clerk Treasurer
Columbus, Indiana

CITY OF COLUMBUS
EXIT CONFERENCE

The contents of this report were discussed on December 13, 2007, with Fred Armstrong, Mayor; and Brenda Sullivan, Clerk-Treasurer. The official response has been made a part of this report and may be found on page 60.



CITY OF COLUMBUS

BRENDA SULLIVAN, CLERK-TREASURER

December 19, 2007

State Board of Accounts
302 Washington Street, Room E 418
Indianapolis, IN 46204-2765

Re: 2006 Annual Audit – Columbus, Indiana

To Whom It May Concern:

Regarding the two comments made at the exit interview regarding sales tax and travel claims, I offer the following:

On January 8, 2007, the clerk treasurer's office met with department heads and reviewed the issue of sales tax exemption along with other issues regarding the payment of claims. At that time, a hand-out was given to all departments with policy and procedure. At the monthly department head meetings, all department heads are reminded of the sales tax issue and the policy on paying claims.

The travel claim issue from the parks department was addressed with the parks director. It was determined that a misunderstanding had occurred. The city of Columbus was reimbursed on December 13, 2007 in the amount of \$63.55 to cover the overpayment.

Sincerely,

Brenda Sullivan
City Clerk Treasurer