

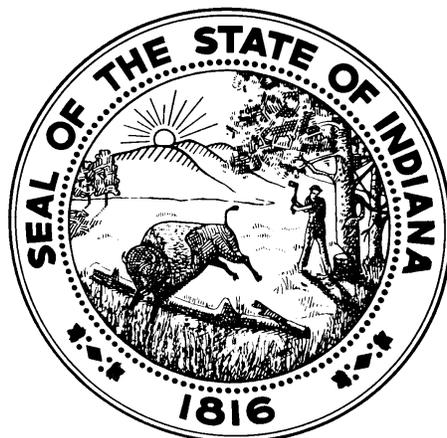
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2008

CITY OF LAPORTE

LAPORTE COUNTY, INDIANA



FILED
09/28/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Teresa L. Ludlow	01-01-08 to 12-31-11
Mayor	Kathleen A. Chroback	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Kathleen A. Chroback	01-01-08 to 12-31-09
President Pro Tem of the Common Council	Andrea Renner David J. Schmitt	01-01-08 to 12-31-08 01-01-09 to 12-31-09
Superintendent of Water Utility	Todd A. Taylor	01-01-08 to 12-31-09
Superintendent of Wastewater Utility	Jerry P. Jackson	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of LaPorte (City), as of and for the year ended December 31, 2008, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated September 10, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The Combining Schedules, as listed in the Table of Contents, 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 Long-Term Debt has 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 it.

STATE BOARD OF ACCOUNTS

September 10, 2009



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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 LAPORTE, LAPORTE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of LaPorte (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated September 10, 2009. 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.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements 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

September 10, 2009

CITY OF LAPORTE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 7,222,420	\$ 889,247	\$ 2,136,364	\$ -	\$ (4,196,809)	\$ -	\$ (4,196,809)
Public safety	4,875,320	219,463	100,000	99,359	(4,456,498)	-	(4,456,498)
Highways and streets	2,252,319	5,010	822,373	212,712	(1,212,224)	-	(1,212,224)
Sanitation	447,527	841,342	-	-	393,815	-	393,815
Economic development	1,268,481	-	-	445,325	(823,156)	-	(823,156)
Culture and recreation	1,802,286	494,812	-	16,650	(1,290,824)	-	(1,290,824)
Urban redevelopment and housing	478,726	-	-	-	(478,726)	-	(478,726)
Principal and interest on indebtedness	1,351,315	-	-	-	(1,351,315)	-	(1,351,315)
Tax anticipation warrants	5,000,000	-	-	-	(5,000,000)	-	(5,000,000)
Temporary loan to pension trust	480,000	-	-	-	(480,000)	-	(480,000)
Total governmental activities	25,178,394	2,449,874	3,058,737	774,046	(18,895,737)	-	(18,895,737)
Business-type activities:							
Laporte Wastewater	7,207,430	4,082,868	-	-	-	(3,124,562)	(3,124,562)
Laporte Water	3,161,256	3,253,112	-	-	-	91,856	91,856
Total business-type activities	10,368,686	7,335,980	-	-	-	(3,032,706)	(3,032,706)
Total primary government	\$ 35,547,080	\$ 9,785,854	\$ 3,058,737	\$ 774,046	(18,895,737)	(3,032,706)	(21,928,443)
General receipts:							
Property taxes					11,458,826	-	11,458,826
County economic development income tax					1,224,408	-	1,224,408
Intergovernmental					1,320,978	-	1,320,978
Other local sources					429,517	17,450	446,967
Grants and contributions not restricted to specific programs					62,559	-	62,559
Investment earnings					168,877	140,244	309,121
Temporary loan repaid from pension trust					415,000	-	415,000
Tax anticipation warrants					2,670,000	-	2,670,000
Total general receipts, temporary loan repaid from pension trust, and tax anticipation warrants					17,750,165	157,694	17,907,859
Change in net assets					(1,145,572)	(2,875,012)	(4,020,584)
Net assets - beginning					10,792,763	8,609,421	19,402,184
Net assets - ending					\$ 9,647,191	\$ 5,734,409	\$ 15,381,600
Assets							
Cash and investments					\$ 1,941,115	\$ 1,298,232	\$ 3,239,347
Restricted assets:							
Cash and investments					7,706,076	4,436,177	12,142,253
Total assets					\$ 9,647,191	\$ 5,734,409	\$ 15,381,600
Net Assets							
Restricted for:							
Public safety					\$ 31,751	\$ -	\$ 31,751
Highways and streets					2,366,559	-	2,366,559
Sanitation					219,870	-	219,870
Health and welfare					10,780	-	10,780
Culture and recreation					162,400	-	162,400
Urban redevelopment and housing					613	-	613
Debt service					1,809,457	2,073,651	3,883,108
Capital outlay					2,604,771	-	2,604,771
Other purposes					499,875	2,362,526	2,862,401
Unrestricted					1,941,115	1,298,232	3,239,347
Total net assets					\$ 9,647,191	\$ 5,734,409	\$ 15,381,600

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

CITY OF LAPORTE
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, 2008

	General	Motor Vehicle Highway	Park and Recreation	Major Moves Construction	CEDIT	Other Governmental Funds	Totals
Receipts:							
Taxes	\$ 7,656,274	\$ 184,560	\$ 1,220,091	\$ -	\$ -	\$ 2,397,901	\$ 11,458,826
Special assessments	-	-	-	-	-	1,300	1,300
Licenses and permits	145,578	-	-	-	-	6,822	152,400
Intergovernmental	940,456	602,149	-	453,765	1,224,408	1,869,564	5,090,342
Charges for services	330,820	5,010	411,313	-	-	1,268,327	2,015,470
Fines and forfeits	66,912	-	1,075	-	-	7,090	75,077
Interfund loans	1,500,000	-	-	-	-	-	1,500,000
Other	307,163	834	198	82,740	-	121,675	512,610
Total receipts	10,947,203	792,553	1,632,677	536,505	1,224,408	5,672,679	20,806,025
Disbursements:							
General government	3,523,211	-	-	-	-	1,802,404	5,325,615
Public safety	4,829,417	-	-	-	-	20,903	4,850,320
Highways and streets	188,963	860,541	-	44,086	-	218,888	1,312,478
Sanitation	-	-	-	-	-	447,527	447,527
Economic development	-	-	-	-	1,316,422	121,259	1,437,681
Culture and recreation	46,792	-	1,444,795	-	-	317,102	1,808,689
Urban redevelopment and housing	-	-	-	-	-	180,327	180,327
Interfund loans	-	-	-	1,500,000	-	-	1,500,000
Debt service:							
Principal	-	-	-	-	-	791,000	791,000
Interest	-	-	-	-	-	560,315	560,315
Capital outlay:							
General government	-	-	-	-	-	187,158	187,158
Public safety	25,000	-	-	-	-	-	25,000
Highways and streets	-	-	-	939,841	-	-	939,841
Economic development	-	-	-	-	-	30,800	30,800
Urban redevelopment and housing	-	-	-	-	-	314,973	314,973
Total disbursements	8,613,383	860,541	1,444,795	2,483,927	1,316,422	4,992,656	19,711,724
Excess (deficiency) of receipts over disbursements	2,333,820	(67,988)	187,882	(1,947,422)	(92,014)	680,023	1,094,301
Other financing sources (uses):							
Tax anticipation warrants received	2,670,000	-	-	-	-	-	2,670,000
Tax anticipation warrants repaid	(5,000,000)	-	-	-	-	-	(5,000,000)
Temporary loan received from pension fund	-	-	-	-	-	415,000	415,000
Temporary loan repaid to pension fund	-	-	-	-	-	(480,000)	(480,000)
Transfers in	229,226	-	-	-	-	620,394	849,620
Transfers out	(120,865)	-	-	-	-	(728,755)	(849,620)
Other receipts	202,676	2,269	2,201	1,076	-	68,720	276,942
Total other financing sources (uses)	(2,018,963)	2,269	2,201	1,076	-	(104,641)	(2,118,058)

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

CITY OF LAPORTE
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, 2008
(Continued)

	General	Motor Vehicle Highway	Park and Recreation	Major Moves Construction	CEDIT	Other Governmental Funds	Totals
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	314,857	(65,719)	190,083	(1,946,346)	(92,014)	575,382	(1,023,757)
Cash and investment fund balance - beginning	1,130,932	61,557	(665,832)	4,218,972	1,370,683	4,054,761	10,171,073
Cash and investment fund balance - ending	<u>\$ 1,445,789</u>	<u>\$ (4,162)</u>	<u>\$ (475,749)</u>	<u>\$ 2,272,626</u>	<u>\$ 1,278,669</u>	<u>\$ 4,630,143</u>	<u>9,147,316</u>
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>499,875</u>
Net assets of governmental activities							<u>\$ 9,647,191</u>
<u>Cash and Investment Assets - Ending</u>							
Cash and investments	\$ 1,445,789	\$ (4,162)	\$ (475,749)	\$ -	\$ -	\$ 975,237	\$ 1,941,115
Restricted assets:							
Cash and investments	-	-	-	2,272,626	1,278,669	3,654,906	7,206,201
Total cash and investment assets - ending	<u>\$ 1,445,789</u>	<u>\$ (4,162)</u>	<u>\$ (475,749)</u>	<u>\$ 2,272,626</u>	<u>\$ 1,278,669</u>	<u>\$ 4,630,143</u>	<u>\$ 9,147,316</u>
<u>Cash and Investment Fund Balance - Ending</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 31,751	\$ 31,751
Highways and streets	-	-	-	2,272,626	-	93,933	2,366,559
Sanitation	-	-	-	-	-	219,870	219,870
Economic development	-	-	-	-	-	10,780	10,780
Culture and recreation	-	-	-	-	-	162,400	162,400
Urban redevelopment and housing	-	-	-	-	-	613	613
Debt service	-	-	-	-	-	1,809,457	1,809,457
Capital outlay	-	-	-	-	1,278,669	1,326,102	2,604,771
Unrestricted	1,445,789	(4,162)	(475,749)	-	-	975,237	1,941,115
Total cash and investment fund balance - ending	<u>\$ 1,445,789</u>	<u>\$ (4,162)</u>	<u>\$ (475,749)</u>	<u>\$ 2,272,626</u>	<u>\$ 1,278,669</u>	<u>\$ 4,630,143</u>	<u>\$ 9,147,316</u>

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

CITY OF LAPORTE
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, 2008

	Water Utility	Wastewater Utility	Totals	Internal Service Fund
Operating receipts:				
Metered/measured	\$ 2,802,599	\$ 3,717,825	\$ 6,520,424	\$ -
Fire protection receipts	357,758	-	357,758	-
Customer deposits	38,005	-	38,005	-
City contributions	-	-	-	1,488,614
Utility contributions	-	-	-	357,113
Employee contributions	-	-	-	267,654
Miscellaneous	54,750	365,043	419,793	726,851
Total operating receipts	<u>3,253,112</u>	<u>4,082,868</u>	<u>7,335,980</u>	<u>2,840,232</u>
Operating disbursements:				
Salaries and wages	780,006	840,102	1,620,108	-
Employee pensions and benefits	332,256	363,798	696,054	-
Sludge removal	-	6,926	6,926	-
Purchased power	207,793	228,185	435,978	-
Chemicals	31,542	59,424	90,966	-
Material and supplies	369,309	252,874	622,183	-
Contractual services	12,585	563,911	576,496	-
Transportation	60,523	41,940	102,463	-
Insurance claims and expense	53,008	50,164	103,172	-
Refunds	33,112	-	33,112	-
Insurance claims and expense	-	-	-	2,975,284
Miscellaneous	789,069	3,997,915	4,786,984	-
Total operating disbursements	<u>2,669,203</u>	<u>6,405,239</u>	<u>9,074,442</u>	<u>2,975,284</u>
Excess (deficiency) of operating receipts over operating disbursements	<u>583,909</u>	<u>(2,322,371)</u>	<u>(1,738,462)</u>	<u>(135,052)</u>
Nonoperating receipts (disbursements):				
Rent	8,414	-	8,414	-
Investment income	28,486	111,758	140,244	13,237
Refunds	9,036	-	9,036	-
Debt service of principal	(429,688)	(396,951)	(826,639)	-
Interest disbursements	(62,365)	(405,240)	(467,605)	-
Total nonoperating receipts (disbursements)	<u>(446,117)</u>	<u>(690,433)</u>	<u>(1,136,550)</u>	<u>13,237</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	137,792	(3,012,804)	(2,875,012)	(121,815)
Transfers in	487,365	1,144,045	1,631,410	-
Transfers out	(487,365)	(1,144,045)	(1,631,410)	-
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	137,792	(3,012,804)	(2,875,012)	(121,815)
Cash and investment fund balance - beginning	<u>1,576,781</u>	<u>7,032,640</u>	<u>8,609,421</u>	<u>621,690</u>
Cash and investment fund balance - ending	<u>\$ 1,714,573</u>	<u>\$ 4,019,836</u>	<u>\$ 5,734,409</u>	<u>\$ 499,875</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 952,239	\$ 345,993	\$ 1,298,232	\$ -
Restricted assets:				
Cash and investments	<u>762,334</u>	<u>3,673,843</u>	<u>4,436,177</u>	<u>499,875</u>
Total cash and investment assets - December 31	<u>\$ 1,714,573</u>	<u>\$ 4,019,836</u>	<u>\$ 5,734,409</u>	<u>\$ 499,875</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Debt service	\$ 342,772	\$ 1,730,879	\$ 2,073,651	\$ -
Other purposes	419,562	1,942,964	2,362,526	499,875
Unrestricted	<u>952,239</u>	<u>345,993</u>	<u>1,298,232</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 1,714,573</u>	<u>\$ 4,019,836</u>	<u>\$ 5,734,409</u>	<u>\$ 499,875</u>

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

CITY OF LAPORTE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 873,917	\$ -	
Plan members	2,485	-	
State	957,800	-	
Total contributions	1,834,202	-	
Investment earnings:			
Interest	1,501	6,479	
Dividends	-	9,942	
Total investment earnings	1,501	16,421	
Net investment earnings	1,501	16,421	
Total additions	1,835,703	16,421	
Deductions:			
Benefits	1,616,454	6,571	
Administrative and general	14,574	3,431	
Net realized and unrealized decrease in investment value	-	54,025	
Total deductions	1,631,028	64,027	
Excess (deficiency) of total additions over total deductions	204,675	(47,606)	
Other financing sources:			
Temporary loan received	480,000	-	
Temporary loan repaid	(415,000)	-	
Cash and investment fund balance - beginning	140,277	389,922	
Cash and investment fund balance - ending	\$ 409,952	\$ 342,316	\$ 10,755

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

CITY OF LAPORTE
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, sanitation, culture and recreation, public improvements, planning and zoning, economic development, general administrative services, water, wastewater, and urban redevelopment.

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

Primary Government: City of LaPorte
Blended Component Unit: LaPorte Redevelopment Authority

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

Blended Component Unit

A blended component unit is a separate legal entity that meets the component unit criteria. In addition, the blended component unit's governing body is the same or substantially the same as the City's governing body or the component unit provides services entirely to the City. The component unit's funds are blended into those of the City by appropriate fund type to constitute the primary government presentation. The blended component unit is presented below:

<u>Component Unit</u>	<u>Description/Inclusion Criteria</u>	<u>Fund Included In</u>
LaPorte Redevelopment Authority (Authority)	The primary government appoints a voting majority of the Authority's board and a financial benefit/burden relationship exists between the City and the Authority. Although it is legally separate from the City, the Authority is reported as if it were a part of the City because it provides services entirely or almost entirely to the City.	Other governmental funds

Joint Venture

The City is a participant with the LaPorte Chamber of Commerce and LaPorte Economic Advancement Foundation in a joint venture to operate the Greater LaPorte Economic Development Corporation (Corporation) which was created to advance the economic growth of the greater LaPorte area through a governmental/private sector partnership. The City remitted \$112,500 to supplement the Corporation. The Corporation's continued existence depends on continued funding by the City. Complete financial information or statements for the Corporation can be obtained from the Greater LaPorte Economic Development Corporation, 809 Washington Street, LaPorte, IN 46350.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Related Organizations

The City's officials are also responsible for appointing the members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the Board members of the LaPorte Municipal Airport Authority (Airport Authority). The City and Airport Authority have entered into an agreement to allow the Airport Authority's personnel to be included as participants in the City's health insurance plan with monthly premiums being paid by the Airport Authority to the City for such benefits.

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.

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, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental 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 motor vehicle highway fund is used to account for state motor vehicle highway distributions which are restricted for the construction and maintenance of streets and alleys.

The park and recreation fund is used to account for the operating receipts and disbursements made in connection with the City's recreation programs and facilities.

The major moves construction fund is used to account for the state distribution of toll road lease proceeds for the construction of highways, roads, and bridges and other allowable disbursements in accordance with Indiana Code 8-14-16.

The CEDIT fund accounts for the county economic development income tax financial resources received for the promotion of economic development within the City in accordance with Indiana Code 6-3.5-7-13.

The City reports the following major proprietary funds:

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

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Additionally, the City reports the following fund types:

The internal service fund accounts for life and medical benefits provided to other departments on a cost-reimbursement basis.

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

The private-purpose trust funds report a trust arrangement under which principal and income benefit the Park Department's civic auditorium.

Agency funds account for assets held by the City as an agent for others 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.

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

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

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

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. Property Taxes

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

3. 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.

4. 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.

5. 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."

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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.
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. 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 government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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.

B. Cash and Investment Balance Deficits

At December 31, 2008, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and state statute:

Fund	
Motor Vehicle Highway	\$ 4,162
Park and Recreation	475,749
Transit	35,834
Big City - County Seatbelts	805
DUI Taskforce	4,503
Crash Fatality Reduction	4,236
Fire Equipment Lease Bonds	27,453
Bond - Debt Service	26,290

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the delay in assessment, billing, collection, and distribution of property taxes by County government; these deficits are to be repaid from future receipts.

CITY OF LAPORTE
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. The City does not have a deposit policy for custodial credit risk. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2008, the City had the following investments:

Investment Type	Primary Government Market Value
U.S. agencies	\$ 35,755
Mutual funds	199,715
Preferred stock	10,184
Total	\$ 245,654

Statutory Authorization for Investments

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

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments.

The following investments held by the City were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Investment Type	In the Government's Name	Not in the Government's Name
U.S. agencies	\$ 35,755	\$ -
Mutual funds	199,715	-
Preferred stock	10,184	-
Totals	\$ 245,654	\$ -

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years. The City does not have a formal investment policy for interest rate risk for investments.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. agencies	\$ 35,755	\$ -	\$ -
Mutual funds	199,715	-	-
Preferred stock	10,184	-	-
Totals	<u>\$ 245,654</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The City does not have a formal investment policy for credit risk for investments.

Moody's Rating	Mutual Funds	Corporate Stock	Government Sponsored Enterprise
Aaa	\$ -	\$ -	\$ 35,755
Baa	-	10,184	-
Unrated	199,715	-	-
Totals	<u>\$ 199,715</u>	<u>\$ 10,184</u>	<u>\$ 35,755</u>

Concentration of Credit Risk

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

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

Transfer From	Transfer To	2008
General Fund	Other governmental funds	\$ 120,865
Other governmental funds	General Fund	229,226
Other governmental funds	Other governmental funds	<u>499,529</u>
Total		<u>\$ 849,620</u>

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; 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.

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. The risk financing fund is accounted for in the Insurance 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 \$85,000 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 a family and single plan monthly rate determined by the insurance company multiplied by the number of employees each department has enrolled in the plan and are reported as quasi-external interfund transactions. Annual cost overruns are paid by the general and CEDIT funds.

Job Related Illnesses or Injuries to Employees

During 2003, the City joined with other governmental entities in the Indiana Public Employers' Plan Inc., a public entity risk pool currently operating as a common risk management and insurance program for approximately 740 member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The City pays an annual premium to the risk pool for its job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Holding Corporation

The City has entered into a capital lease with the LaPorte Fire Station Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year totaled \$251,000.

C. Subsequent Events

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2005 payable 2006 property tax year. Each subsequent year the County has sent out various forms of provisional bills with the notice that a reconciliation bill will be provided to taxpayers once assessments are approved and certified and final tax rates are established.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

These delays and uncertainties have resulted in a lower than budgeted property tax collection rate for the City. It is undeterminable how much property tax collections the City will receive once all the reconciliation bills have been distributed and the collections received.

As of September 10, 2009, the County has not determined when it will send out provisional property tax bills for 2008 payable 2009.

Police and Fire Pension Funds

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Indiana Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

D. Conduit Debt Obligation

From time to time, the City has issued Economic and Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2008, there was one series of economic development revenue bonds and one series of industrial development revenue bonds outstanding. The 2001 economic development revenue bonds have an aggregate principal amount payable due in 2018 of \$2,130,000. The aggregate principal amount payable for the industrial development revenue bonds series, issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$6,500,000.

E. Rate Structure – Enterprise Funds

The current rate structure for the Water and Wastewater Utilities was approved by the Council on November 15, 2004.

F. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>	<u>1937 Firefighters' Pension</u>
Annual required contribution	\$ 269,413	\$ 532,300	\$ 966,000
Interest on net pension obligation	(9,436)	71,500	199,700
Adjustment to annual required contribution	<u>10,753</u>	<u>(90,300)</u>	<u>(252,000)</u>
Annual pension cost	270,730	513,500	913,700
Contributions made	<u>244,943</u>	<u>585,073</u>	<u>1,249,129</u>
Increase (decrease) in net pension obligation	25,787	(71,573)	(335,429)
Net pension obligation, beginning of year	<u>(130,150)</u>	<u>1,192,240</u>	<u>3,328,357</u>
Net pension obligation, end of year	<u>\$ (104,363)</u>	<u>\$ 1,120,667</u>	<u>\$ 2,992,928</u>

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	6.63%	*	2,333%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-08	01-01-08	01-01-08
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed 30 years	Level percentage of projected payroll, closed 30 years	Level percentage of projected payroll, closed 30 years
Amortization period			
Amortization period (from date)	07-01-97	01-01-05	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

*All plan members are retired.

<u>Actuarial Assumptions</u>	PERF	1925 Police Officers' 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	06-30-06	\$ 188,518	132%	\$ (142,403)
	06-30-07	254,762	95%	(130,150)
	06-30-08	270,730	90%	(104,363)
1925 Police Officers' Pension Plan	12-31-06	570,500	140%	1,081,306
	12-31-07	534,700	79%	1,192,240
	12-31-08	513,500	114%	1,120,667
1937 Firefighters' Pension Plan	12-31-06	1,067,200	100%	3,035,947
	12-31-07	1,000,200	71%	3,328,357
	12-31-08	913,700	137%	2,992,928

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2008, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	30	46
Current active employees	-	1

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.

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, 2008, 2007, and 2006, were \$734,336, \$696,663, and \$668,170, respectively, equal to the required contributions for each year.

CITY OF LAPORTE
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)
07-01-06	\$ 3,616,085	\$ 4,418,349	\$ (802,264)	82%	\$ 3,339,668	(24%)
07-01-07	4,106,386	4,789,609	(683,223)	86%	3,644,736	(19%)
07-01-08	4,260,655	5,143,722	(883,067)	83%	3,561,646	(25%)

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)
01-01-03	\$ 342,963	\$ 7,963,500	\$ (7,620,537)	4%	\$ 70,600	(10,794%)
01-01-04	94,356	7,967,700	(7,873,344)	1%	73,400	(10,727%)
01-01-05	141,018	7,873,400	(7,732,382)	2%	74,800	(10,337%)
01-01-06	120,768	8,079,500	(7,958,732)	1%	38,500	(20,672%)
01-01-07	243,915	7,594,000	(7,350,085)	3%	*	*
01-01-08	149,606	7,237,700	(7,088,094)	2%	*	*

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)
01-01-03	\$ 518,871	\$ 14,012,400	\$ (13,493,529)	4%	\$ 459,500	(2,937%)
01-01-04	128,885	14,838,900	(14,710,015)	1%	403,700	(3,644%)
01-01-05	308,848	12,976,300	(12,667,452)	2%	261,500	(4,844%)
01-01-06	210,374	14,695,600	(14,485,226)	1%	231,000	(6,271%)
01-01-07	250,044	13,805,800	(13,555,756)	2%	160,800	(8,430%)
01-01-08	260,345	12,991,400	(12,731,055)	2%	41,400	(30,751%)

*All plan members are retired.

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

	1925 Police Officers' Pension Plan			
	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-03	\$ 891,100	4%	36%
	12-31-04	928,000	1%	32%
	12-31-05	579,200	39%	56%
	12-31-06	588,200	72%	64%
	12-31-07	550,400	26%	70%
	12-31-08	532,300	64%	71%
1937 Firefighters' Pension Plan	12-31-03	1,694,300	3%	22%
	12-31-04	1,791,500	17%	22%
	12-31-05	981,600	37%	49%
	12-31-06	1,108,400	48%	48%
	12-31-07	1,044,400	49%	49%
	12-31-08	966,000	105%	60%

CITY OF LAPORTE
 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, 2008

	Local Road and Streets	Recreation Non-Reverting	Cumulative Nonreverting Training	Park Non-Reverting	Restricted Donations	Economic Development Commission
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	212,712	-	-	-	-	-
Charges for services	-	163,014	-	56,440	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	14,445	-
Total receipts	212,712	163,014	-	56,440	14,445	-
Disbursements:						
General government	-	-	-	-	17,280	-
Public safety	-	-	-	-	-	-
Highways and streets	218,888	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	139,863	-	52,531	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	218,888	139,863	-	52,531	17,280	-
Excess (deficiency) of receipts over disbursements	(6,176)	23,151	-	3,909	(2,835)	-
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,176)	23,151	-	3,909	(2,835)	-
Cash and investment fund balance - beginning	100,109	117,720	879	17,566	39,077	10,780
Cash and investment fund balance - ending	<u>\$ 93,933</u>	<u>\$ 140,871</u>	<u>\$ 879</u>	<u>\$ 21,475</u>	<u>\$ 36,242</u>	<u>\$ 10,780</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 36,242	\$ -
Restricted assets:						
Cash and investments	93,933	140,871	879	21,475	-	10,780
Total cash and investment assets - ending	<u>\$ 93,933</u>	<u>\$ 140,871</u>	<u>\$ 879</u>	<u>\$ 21,475</u>	<u>\$ 36,242</u>	<u>\$ 10,780</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ 879	\$ -	\$ -	\$ -
Highways and streets	93,933	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	10,780
Culture and recreation	-	140,871	-	21,475	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	36,242	-
Total cash and investment fund balance - ending	<u>\$ 93,933</u>	<u>\$ 140,871</u>	<u>\$ 879</u>	<u>\$ 21,475</u>	<u>\$ 36,242</u>	<u>\$ 10,780</u>

CITY OF LAPORTE
 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, 2008
 (Continued)

	LaPorte Strategic Planning	Landfill RDC Bonds	Transit	Development Block Grant	Downtown BID District	Law Enforcement Continuing Education
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 67,249	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	6,822
Intergovernmental	-	-	319,583	445,325	-	-
Charges for services	-	-	98,995	-	-	8,040
Fines and forfeits	-	-	-	-	-	7,090
Other	1,130	10,938	18,157	62	975	-
Total receipts	1,130	10,938	436,735	445,387	68,224	21,952
Disbursements:						
General government	-	-	558,232	-	-	-
Public safety	-	-	-	-	-	12,170
Highways and streets	-	-	-	-	-	-
Sanitation	-	447,522	-	-	-	-
Economic development	-	-	-	-	89,614	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	135,718	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	56,058	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	314,973	-	-
Total disbursements	-	503,580	558,232	450,691	89,614	12,170
Excess (deficiency) of receipts over disbursements	1,130	(492,642)	(121,497)	(5,304)	(21,390)	9,782
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	120,865	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	6,923	-	5,150	-
Total other financing sources (uses)	-	-	127,788	-	5,150	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,130	(492,642)	6,291	(5,304)	(16,240)	9,782
Cash and investment fund balance - beginning	4,582	712,512	(42,125)	5,917	19,508	19,932
Cash and investment fund balance - ending	\$ 5,712	\$ 219,870	\$ (35,834)	\$ 613	\$ 3,268	\$ 29,714
Cash and Investment Assets - Ending						
Cash and investments	\$ 5,712	\$ -	\$ (35,834)	\$ -	\$ 3,268	\$ -
Restricted assets:						
Cash and investments	-	219,870	-	613	-	29,714
Total cash and investment assets - ending	\$ 5,712	\$ 219,870	\$ (35,834)	\$ 613	\$ 3,268	\$ 29,714
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,714
Highways and streets	-	-	-	-	-	-
Sanitation	-	219,870	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	613	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	5,712	-	(35,834)	-	3,268	-
Total cash and investment fund balance - ending	\$ 5,712	\$ 219,870	\$ (35,834)	\$ 613	\$ 3,268	\$ 29,714

CITY OF LAPORTE
 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, 2008
 (Continued)

	Unsafe Building	Riverboat	Drug Free Partnership	Metro Unit-Police	Trash	Golf Non-Reverting
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	118,792	3,600	-	-	-
Charges for services	-	-	-	-	840,964	5,549
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	118,792	3,600	-	840,964	5,549
Disbursements:						
General government	-	-	-	-	825,268	-
Public safety	1,579	-	3,654	3,500	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	9,477
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	1,579	-	3,654	3,500	825,268	9,477
Excess (deficiency) of receipts over disbursements	(1,579)	118,792	(54)	(3,500)	15,696	(3,928)
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	415,000	-	-	-	-
Temporary loan paid to pension fund	-	(480,000)	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	(65,000)	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,579)	53,792	(54)	(3,500)	15,696	(3,928)
Cash and investment fund balance - beginning	70,785	394,184	55	3,500	137,980	3,982
Cash and investment fund balance - ending	\$ 69,206	\$ 447,976	\$ 1	\$ -	\$ 153,676	\$ 54
Cash and Investment Assets - Ending						
Cash and investments	\$ 69,206	\$ 447,976	\$ -	\$ -	\$ 153,676	\$ -
Restricted assets:						
Cash and investments	-	-	1	-	-	54
Total cash and investment assets - ending	\$ 69,206	\$ 447,976	\$ 1	\$ -	\$ 153,676	\$ 54
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ 1	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	54
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	69,206	447,976	-	-	153,676	-
Total cash and investment fund balance - ending	\$ 69,206	\$ 447,976	\$ 1	\$ -	\$ 153,676	\$ 54

CITY OF LAPORTE
 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, 2008
 (Continued)

	Recycling	Veteran Committee	Good Samaritan	Big City - County Seatbelts	DUI Taskforce	Crash Fatality Reduction
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	16,354	15,681	8,644
Charges for services	345	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	5	500	-	-	-	-
Total receipts	350	500	-	16,354	15,681	8,644
Disbursements:						
General government	-	-	1,000	22,036	18,761	11,941
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	5	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	264	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	5	264	1,000	22,036	18,761	11,941
Excess (deficiency) of receipts over disbursements	<u>345</u>	<u>236</u>	<u>(1,000)</u>	<u>(5,682)</u>	<u>(3,080)</u>	<u>(3,297)</u>
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	(123,217)	-	-	-	-	-
Other receipts	-	-	154	-	-	-
Total other financing sources (uses)	<u>(123,217)</u>	<u>-</u>	<u>154</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(122,872)</u>	<u>236</u>	<u>(846)</u>	<u>(5,682)</u>	<u>(3,080)</u>	<u>(3,297)</u>
Cash and investment fund balance - beginning	<u>122,872</u>	<u>8,944</u>	<u>2,650</u>	<u>4,877</u>	<u>(1,423)</u>	<u>(939)</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,180</u>	<u>\$ 1,804</u>	<u>\$ (805)</u>	<u>\$ (4,503)</u>	<u>\$ (4,236)</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 9,180	\$ 1,804	\$ (805)	\$ (4,503)	\$ (4,236)
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ -</u>	<u>\$ 9,180</u>	<u>\$ 1,804</u>	<u>\$ (805)</u>	<u>\$ (4,503)</u>	<u>\$ (4,236)</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	9,180	1,804	(805)	(4,503)	(4,236)
Total cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ 9,180</u>	<u>\$ 1,804</u>	<u>\$ (805)</u>	<u>\$ (4,503)</u>	<u>\$ (4,236)</u>

CITY OF LAPORTE
 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, 2008
 (Continued)

	Economic Dev Corridor	Head Creek	Civic Non-Reverting	LaPorte High School Liaison Reimbursement	Aquatic Weed Grant	L.A.R.E. Sonar Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	25,645	-	-	-	4,050	14,000
Charges for services	-	13,710	73,470	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	25,645	13,710	73,470	-	4,050	14,000
Disbursements:						
General government	-	1,265	-	-	4,050	14,000
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	25,645	-	-	-	-	-
Culture and recreation	-	-	71,493	43,738	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	25,645	1,265	71,493	43,738	4,050	14,000
Excess (deficiency) of receipts over disbursements	-	12,445	1,977	(43,738)	-	-
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	51,393	-	-
Total other financing sources (uses)	-	-	-	51,393	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,445	1,977	7,655	-	-
Cash and investment fund balance - beginning	-	68,550	30,410	(7,655)	-	-
Cash and investment fund balance - ending	\$ -	\$ 80,995	\$ 32,387	\$ -	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 32,387	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	80,995	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 80,995	\$ 32,387	\$ -	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	80,995	-	-	-	-
Unrestricted	-	-	32,387	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 80,995	\$ 32,387	\$ -	\$ -	\$ -

CITY OF LAPORTE
 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, 2008
 (Continued)

	Central Station Exterior	Master Plan Donation	Vertical Real Estate	Central Station Roof	Ifa Verma Assessment Grt	Ifa Powerhouse Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	23,237	-	-	-	95,038	267,400
Charges for services	-	-	7,800	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	23,237	-	7,800	-	95,038	267,400
Disbursements:						
General government	28,925	-	-	-	95,038	119,933
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	28,925	-	-	-	95,038	119,933
Excess (deficiency) of receipts over disbursements	(5,688)	-	7,800	-	-	147,467
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,688)	-	7,800	-	-	147,467
Cash and investment fund balance - beginning	5,688	5,413	53,206	240	-	-
Cash and investment fund balance - ending	\$ -	\$ 5,413	\$ 61,006	\$ 240	\$ -	\$ 147,467
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 5,413	\$ 61,006	\$ -	\$ -	\$ 147,467
Restricted assets:						
Cash and investments	-	-	-	240	-	-
Total cash and investment assets - ending	\$ -	\$ 5,413	\$ 61,006	\$ 240	\$ -	\$ 147,467
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	240	-	-
Unrestricted	-	5,413	61,006	-	-	147,467
Total cash and investment fund balance - ending	\$ -	\$ 5,413	\$ 61,006	\$ 240	\$ -	\$ 147,467

CITY OF LAPORTE
 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, 2008
 (Continued)

	Central Station Interior	Kiwanis/ Teledyne Nonreverting	EPA Petroleum Assessment	Rainy Day	EPA Hazardous Assessment	EPA Rr's Clean-Up Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	20,077	-	16,283	68,946	20,342	1,473
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	22,339	-	-	-	-	-
Total receipts	42,416	-	16,283	68,946	20,342	1,473
Disbursements:						
General government	39,533	4,667	16,283	-	20,342	1,473
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	39,533	4,667	16,283	-	20,342	1,473
Excess (deficiency) of receipts over disbursements	2,883	(4,667)	-	68,946	-	-
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	5,000	-	-	-	-
Total other financing sources (uses)	-	5,000	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,883	333	-	68,946	-	-
Cash and investment fund balance - beginning	-	30,613	-	25	-	-
Cash and investment fund balance - ending	\$ 2,883	\$ 30,946	\$ -	\$ 68,971	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 30,946	\$ -	\$ 68,971	\$ -	\$ -
Restricted assets:						
Cash and investments	2,883	-	-	-	-	-
Total cash and investment assets - ending	\$ 2,883	\$ 30,946	\$ -	\$ 68,971	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	2,883	-	-	-	-	-
Unrestricted	-	30,946	-	68,971	-	-
Total cash and investment fund balance - ending	\$ 2,883	\$ 30,946	\$ -	\$ 68,971	\$ -	\$ -

CITY OF LAPORTE
 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, 2008
 (Continued)

	Firefighter's Asst. Grant	DEA	Police Vest	Operation Pullover	Rental Rehab Lien Payment	Tax Levy Excess
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	100,000	-	1,863	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	1,720	-	-	-
Total receipts	100,000	-	3,583	-	-	-
Disbursements:						
General government	-	-	2,377	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	100,000	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	100,000	-	2,377	-	-	-
Excess (deficiency) of receipts over disbursements	-	-	1,206	-	-	-
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,720)	-	-	(45,789)
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	(1,720)	-	-	(45,789)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	(514)	-	-	(45,789)
Cash and investment fund balance - beginning	-	443	657	1,014	661	45,789
Cash and investment fund balance - ending	\$ -	\$ 443	\$ 143	\$ 1,014	\$ 661	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 443	\$ -	\$ -	\$ 661	\$ -
Restricted assets:						
Cash and investments	-	-	143	1,014	-	-
Total cash and investment assets - ending	\$ -	\$ 443	\$ 143	\$ 1,014	\$ 661	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ 143	\$ 1,014	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	443	-	-	661	-
Total cash and investment fund balance - ending	\$ -	\$ 443	\$ 143	\$ 1,014	\$ 661	\$ -

CITY OF LAPORTE
 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, 2008
 (Continued)

	Redevelopment TIF I	Redevelopment TIF II	Redevelopment TIF III	Redevelopment Authority	Fire Equipment Lease Bonds	Bond - Debt Service
Receipts:						
Taxes	\$ 697,700	\$ 161,673	\$ 11,759	\$ -	\$ 294,298	\$ 266,365
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	8,775	4,050	26,017	12,562	-	-
Total receipts	706,475	165,723	37,776	12,562	294,298	266,365
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	6,000	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	33,802	6,807	-	4,000	-	-
Debt service:						
Principal	-	-	-	275,000	110,000	166,000
Interest	-	-	-	231,743	141,000	58,189
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Total disbursements	33,802	6,807	6,000	510,743	251,000	224,189
Excess (deficiency) of receipts over disbursements	672,673	158,916	31,776	(498,181)	43,298	42,176
Other financing sources (uses):						
Temporary loan repaid by pension fund	-	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-	-
Transfers in	-	-	-	499,529	-	-
Transfers out	(401,492)	(98,037)	-	-	-	-
Other receipts	100	-	-	-	-	-
Total other financing sources (uses)	(401,392)	(98,037)	-	499,529	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	271,281	60,879	31,776	1,348	43,298	42,176
Cash and investment fund balance - beginning	149,314	416,109	47,544	743,400	(70,751)	(68,466)
Cash and investment fund balance - ending	\$ 420,595	\$ 476,988	\$ 79,320	\$ 744,748	\$ (27,453)	\$ (26,290)
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ (27,453)	\$ (26,290)
Restricted assets:						
Cash and investments	420,595	476,988	79,320	744,748	-	-
Total cash and investment assets - ending	\$ 420,595	\$ 476,988	\$ 79,320	\$ 744,748	\$ (27,453)	\$ (26,290)
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	420,595	476,988	79,320	744,748	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	(27,453)	(26,290)
Total cash and investment fund balance - ending	\$ 420,595	\$ 476,988	\$ 79,320	\$ 744,748	\$ (27,453)	\$ (26,290)

CITY OF LAPORTE
 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, 2008
 (Continued)

	Park Bond Debt Service	Cumulative Capital Improvement	Cumulative Capital Development	Park Nonreverting Capital	Industrial Development
Receipts:					
Taxes	\$ 377,101	\$ -	\$ 521,756	\$ -	\$ -
Special assessments	-	-	-	-	1,300
Licenses and permits	-	-	-	-	-
Intergovernmental	-	70,519	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	-	-	-	-	-
Total receipts	377,101	70,519	521,756	-	1,300
Disbursements:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Debt service:					
Principal	240,000	-	-	-	-
Interest	73,325	-	-	-	-
Capital outlay:					
General government	-	-	86,537	-	-
Economic development	-	30,800	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Total disbursements	313,325	30,800	86,537	-	-
Excess (deficiency) of receipts over disbursements	63,776	39,719	435,219	-	1,300
Other financing sources (uses):					
Temporary loan repaid by pension fund	-	-	-	-	-
Temporary loan paid to pension fund	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	63,776	39,719	435,219	-	1,300
Cash and investment fund balance - beginning	24,030	177,466	443,434	53,874	36,915
Cash and investment fund balance - ending	\$ 87,806	\$ 217,185	\$ 878,653	\$ 53,874	\$ 38,215
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	87,806	217,185	878,653	53,874	38,215
Total cash and investment assets - ending	\$ 87,806	\$ 217,185	\$ 878,653	\$ 53,874	\$ 38,215
Cash and Investment Fund Balance - Ending					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Debt service	87,806	-	-	-	-
Capital outlay	-	217,185	878,653	53,874	38,215
Unrestricted	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 87,806	\$ 217,185	\$ 878,653	\$ 53,874	\$ 38,215

CITY OF LAPORTE
 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, 2008
 (Continued)

	Fire Nonreverting Capital Equipment	General Improvement	Beechwood Nonreverting Capital	North Side Fire Construction	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 2,397,901
Special assessments	-	-	-	-	1,300
Licenses and permits	-	-	-	-	6,822
Intergovernmental	-	-	-	-	1,869,564
Charges for services	-	-	-	-	1,268,327
Fines and forfeits	-	-	-	-	7,090
Other	-	-	-	-	121,675
Total receipts	-	-	-	-	5,672,679
Disbursements:					
General government	-	-	-	-	1,802,404
Public safety	-	-	-	-	20,903
Highways and streets	-	-	-	-	218,888
Sanitation	-	-	-	-	447,527
Economic development	-	-	-	-	121,259
Culture and recreation	-	-	-	-	317,102
Urban redevelopment and housing	-	-	-	-	180,327
Debt service:					
Principal	-	-	-	-	791,000
Interest	-	-	-	-	560,315
Capital outlay:					
General government	-	-	357	-	187,158
Economic development	-	-	-	-	30,800
Urban redevelopment and housing	-	-	-	-	314,973
Total disbursements	-	-	357	-	4,992,656
Excess (deficiency) of receipts over disbursements	-	-	(357)	-	680,023
Other financing sources (uses):					
Temporary loan repaid by pension fund	-	-	-	-	415,000
Temporary loan paid to pension fund	-	-	-	-	(480,000)
Transfers in	-	-	-	-	620,394
Transfers out	(58,500)	-	-	-	(728,755)
Other receipts	-	-	-	-	68,720
Total other financing sources (uses)	(58,500)	-	-	-	(104,641)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(58,500)	-	(357)	-	575,382
Cash and investment fund balance - beginning	58,500	50,421	3,977	16	4,054,761
Cash and investment fund balance - ending	\$ -	\$ 50,421	\$ 3,620	\$ 16	\$ 4,630,143
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 975,237
Restricted assets:					
Cash and investments	-	50,421	3,620	16	3,654,906
Total cash and investment assets - ending	\$ -	\$ 50,421	\$ 3,620	\$ 16	\$ 4,630,143
Cash and Investment Fund Balance - Ending					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 31,751
Highways and streets	-	-	-	-	93,933
Sanitation	-	-	-	-	219,870
Economic development	-	-	-	-	10,780
Culture and recreation	-	-	-	-	162,400
Urban redevelopment and housing	-	-	-	-	613
Debt service	-	-	-	-	1,809,457
Capital outlay	-	50,421	3,620	16	1,326,102
Unrestricted	-	-	-	-	975,237
Total cash and investment fund balance - ending	\$ -	\$ 50,421	\$ 3,620	\$ 16	\$ 4,630,143

CITY OF LAPORTE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2008

	Police Pension	Fire Pension	Totals
Additions:			
Contributions:			
Employer	\$ 206,508	\$ 667,409	\$ 873,917
Plan members	-	2,485	2,485
State	378,565	579,235	957,800
Total contributions	585,073	1,249,129	1,834,202
Investment receipts:			
Interest	847	654	1,501
Total additions	585,920	1,249,783	1,835,703
Deductions:			
Benefits	593,300	1,023,154	1,616,454
Administrative and general	6,214	8,360	14,574
Total deductions	599,514	1,031,514	1,631,028
Excess (deficiency) of total additions over total deductions	(13,594)	218,269	204,675
Other financing sources:			
Temporary loan received	135,000	345,000	480,000
Temporary loan repaid	(100,000)	(315,000)	(415,000)
Cash and investment fund balance - beginning	128,200	12,077	140,277
Cash and investment fund balance - ending	\$ 149,606	\$ 260,346	\$ 409,952

CITY OF LAPORTE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PRIVATE-PURPOSE TRUST FUNDS
 For The Year Ended December 31, 2008

	Fox Memorial Trust	Eleanor Fox Trust	Maurice Fox Trust	Totals
Additions:				
Investment earnings:				
Interest	\$ 325	\$ 3,731	\$ 2,423	\$ 6,479
Dividends	<u>2,143</u>	<u>2,529</u>	<u>5,270</u>	<u>9,942</u>
Total additions	<u>2,468</u>	<u>6,260</u>	<u>7,693</u>	<u>16,421</u>
Deductions:				
Benefits	-	-	6,571	6,571
Administrative and general	1,485	832	1,114	3,431
Net realized and unrealized decrease in investment value	<u>9,662</u>	<u>1,885</u>	<u>42,478</u>	<u>54,025</u>
Total deductions	<u>11,147</u>	<u>2,717</u>	<u>50,163</u>	<u>64,027</u>
Excess (deficiency) of total additions over total deductions	(8,679)	3,543	(42,470)	(47,606)
Cash and investment fund balance - beginning	<u>52,912</u>	<u>139,904</u>	<u>197,106</u>	<u>389,922</u>
Cash and investment fund balance - ending	<u>\$ 44,233</u>	<u>\$ 143,447</u>	<u>\$ 154,636</u>	<u>\$ 342,316</u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008

	Payroll	Barrett Law	Flexible Spending Account	Utilities ACH Fund	Totals
Additions:					
Agency fund additions	\$ 10,194,287	\$ -	\$ 9,429	\$ 365,043	\$ 10,568,759
Deductions:					
Agency fund deductions	10,191,529	37,544	9,321	364,863	10,603,257
Excess (deficiency) of total additions over total deductions	2,758	(37,544)	108	180	(34,498)
Cash and investment fund balance - beginning	2,442	37,544	4,947	320	45,253
Cash and investment fund balance - ending	<u>\$ 5,200</u>	<u>\$ -</u>	<u>\$ 5,055</u>	<u>\$ 500</u>	<u>\$ 10,755</u>

CITY OF LAPORTE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2008

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Street patcher	\$ 21,431	\$ 11,526
Closed circuit television	3,728	2,427
Golf carts and miscellaneous equipment	65,538	24,428
Fire station building	3,090,000	254,000
HVAC loan	19,195	8,531
Bonds payable:		
General obligation bonds:		
Park district improvements	1,425,000	316,293
City refunding bonds for police station renovations and equipment purchases for the Fire and Street Departments	1,398,000	223,636
Revenue bonds:		
Tax increment revenue bonds for development of East Gate	1,785,659	-
Redevelopment District Bonds for landfill remediation and redevelopment in the central business area	1,565,000	69,350
Redevelopment Authority lease rental bonds for street and sidewalk improvements	4,025,000	406,977
Economic development lease rental bonds for improvements to Thomas Rose Industrial Park	<u>375,000</u>	<u>102,177</u>
Total governmental activities debt	<u>\$ 13,773,551</u>	<u>\$ 1,419,345</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Refunding bonds for waterworks system improvements	<u>\$ 1,615,000</u>	<u>\$ 490,785</u>
Wastewater Utility:		
State revolving loans:		
State revolving loans for plant improvements	4,261,000	424,135
Revenue bonds:		
2006 Sewage works revenue bonds	4,500,000	180,000
2007 Sewage works revenue bonds, Series A	<u>2,465,000</u>	<u>229,186</u>
Total Wastewater Utility	<u>11,226,000</u>	<u>833,321</u>
Total business-type activities debt	<u>\$ 12,841,000</u>	<u>\$ 1,324,106</u>

CITY OF LAPORTE
AUDIT RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

The City does not maintain sufficient detailed records of capital assets. A valuation was performed in 2004 that produced a detailed listing of capital assets. This detailed listing, however, has not been properly maintained since, and it does not provide a cost for land. Cost indexes have been applied to many historical cost values incorrectly.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TEMPORARY LOAN (Applies to Park Department)

As stated in prior reports, the Kiwanis/Teledyne Park Nonreverting Fund loaned the Beechwood Nonreverting Capital Fund \$58,000 in 1991. The loan has yet to be repaid in full. The outstanding balance of this loan at December 31, 2008, was \$10,900.

IC 36-1-8-4 concerning temporary transfer, states in part:

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

(b) If the fiscal body of a political subdivision determines that an emergency exists that requires an extension of the prescribed period of a transfer under this section, the prescribed period may be extended for not more than six (6) months beyond the budget year of the year in which the transfer occurs if the fiscal body does the following: (1) Passes an ordinance or a resolution that contains the following: (A) A statement that the fiscal body has determined that an emergency exists. (B) A brief description of the grounds for the emergency. (C) The date the loan will be repaid that is not more than six (6) months beyond the budget year in which the transfer occurs. (2) Immediately forwards the ordinance or resolution to the state board of accounts and the department of local government finance."

CITY OF LAPORTE
 AUDIT RESULTS AND COMMENTS
 (Continued)

OVERDRAWN CASH BALANCES

The cash balance of the following funds was overdrawn as of December 31, 2008:

Fund	Fund No.	Amount
Motor Vehicle Highway	201	\$ 4,162
Park and Recreation	214 to 216	475,749
Transit	621	35,834
Big City - County Seatbelts	278	805
DUI Taskforce	279	4,503
Crash Fatality Reduction	283	4,236
Fire Equipment Lease Bonds	638	27,453
Bond - Debt Service	635	26,290

The cash balances of the Big City - County Seatbelts, DUI Taskforce, Crash Fatality Reduction, and Transit Funds are reimbursable by state and federal grants.

The Motor Vehicle Highway, Park and Recreation, Bond - Debt Service, and Fire Equipment Lease Bonds Funds are property tax supported funds. The second provisional billing and settlement of LaPorte County property taxes for 2007 payable 2008 did not occur until February 2009.

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

PAYROLL

As noted in prior reports, the Utilities and City Departments submit payroll claims to the Clerk-Treasurer for hours worked through the date of the payroll check. Payroll is prepared three days before payroll checks are issued. This results in the possibility of employees receiving compensation prior to earning it. This situation exists primarily for long-term employees hired prior to 1995.

IC 5-7-3-1 states in part: "Public officers may not draw or receive their salaries in advance."

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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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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 LAPORTE, LAPORTE COUNTY, INDIANA

Compliance

We have audited the compliance of the City of LaPorte (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 its major federal programs for the year ended December 31, 2008. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to its major federal program 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 its major federal program for the year ended December 31, 2008.

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)

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.

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.

Our consideration of the internal control over compliance 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 compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

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

September 10, 2009

CITY OF LAPORTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

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 Grant			
CDBG - Entitlement and (HUD-Administered) Small Cities Cluster			
Community Development Block Grants/Entitlement Grants	14.218	B-07-MC-18-0021 B-08-MC-18-0021	\$ 431,436 <u>13,951</u>
Total for federal grantor agency			<u>445,387</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Bulletproof Vest Partnership Program	16.607		<u>1,863</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Economic Development Corridor Feasibility Study			<u>25,645</u>
Pass-Through Northwestern Indiana Regional Planning Commission			
Federal Transit Cluster			
Federal Transit - Formula Grants	20.507		<u>220,224</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		<u>16,353</u>
Total for federal grantor agency			<u>262,222</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Brownfields Assessment and Cleanup Cooperative Agreements	66.818	BF-00E03601-0 BF-00E03601-0 BF-00E03701-0	20,342 16,283 <u>1,473</u>
Total for federal grantor agency			<u>38,098</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Direct Grant			
Assistance to Firefighters Grant	97.044	EMW-2006-FG-04704	<u>90,000</u>
Total federal awards expended			<u>\$ 837,570</u>

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

CITY OF LAPORTE
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 LaPorte (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 LAPORTE
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? none reported

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
14.218	Community Development Block Grants/Entitlement Grants

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

City of LaPorte

INDIANA



OFFICE OF COMMUNITY DEVELOPMENT AND PLANNING
801 MICHIGAN AVENUE
LA PORTE, INDIANA 46350
PH. (219) 362-8260 FAX (219) 325-0656

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2007-1, DAVIS BACON

Original SBA Audit Report Number: B32434
Fiscal Year 2007
Auditee Contact Person Mary Jane Thomas
Title of Contact Person Director, Office of Community
Development and Planning
Phone Number 219-362-8260

Status of Finding: The Office of Community Development and Planning provides to contractors the booklet entitled "Making Davis Bacon Work: A Contractors Guide to Prevailing Wage Requirements for Federally Assisted Projects".

Certified payroll and statements of compliance are required in contracts between the City of La Porte and the contractor for the CDBG Sidewalk and Curb Ramp Improvement Project.

The Office of Community Development and Planning staff visits the job site during each payroll period for the purpose of interviewing employees of the contractor. Records of the interview are maintained and kept in the contact file.

Signature Mary Jane Thomas Date 7/21/2009
CITY PLANNER

CITY OF LAPORTE
EXIT CONFERENCE

The contents of this report were discussed on September 10, 2009, with Kathleen A. Chroback, Mayor; Teresa L. Ludlow, Clerk-Treasurer; Joanne Layman, Deputy Clerk-Treasurer; and Donald E. Baugher, City Attorney.