

B37094

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

ANNUAL FINANCIAL REPORT

2009

CITY OF LAPORTE

LAPORTE COUNTY, INDIANA



FILED
06/07/2010

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	3
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards	4-5
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	6-7
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis	8
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds	9-10
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds.....	11
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds	12
Notes to Financial Statements	13-26
Required Supplementary Information:	
Schedules of Funding Progress	27
Schedules of Contributions From the Employer and Other Contributing Entities	28
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	29-37

TABLE OF CONTENTS
(Continued)

<u>Description</u>	<u>Page</u>
Supplementary Information (continued):	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Internal Service Funds	38
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds	39
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds	40
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	41
Schedule of Capital Assets.....	42
Schedule of Long-Term Debt	43
Audit Results and Comments:	
Capital Asset Records	44
Temporary Loan	44
Overdrawn Cash Balances.....	45
Payroll.....	45
Supplemental Audit of Federal Awards:	
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.....	48-49
Schedule of Expenditures of Federal Awards	50
Notes to Schedule of Expenditures of Federal Awards.....	51
Schedule of Findings and Questioned Costs	52
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	53
Exit Conference.....	54

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 12-31-11
President Pro Tem of the Common Council	David J. Schmitt A.C. Pressler	01-01-09 to 12-31-09 01-01-10 to 12-31-10
Superintendent of Water Utility	Todd A. Taylor	01-01-09 to 12-31-10
Superintendent of Wastewater Utility	Jerry P. Jackson	01-01-09 to 12-31-10



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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, 2009, 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, 2009, 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 April 1, 2010, 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.

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,

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

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, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 1, 2010



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

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, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated April 1, 2010. 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.

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

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

STATE BOARD OF ACCOUNTS

April 1, 2010

CITY OF LAPORTE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

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	\$ 8,436,764	\$ 1,191,822	\$ 457,965	\$ -	\$ (6,786,977)	\$ -	\$ (6,786,977)
Public safety	4,525,609	219,993	46,756	91,345	(4,167,515)	-	(4,167,515)
Highways and streets	2,669,957	5,010	790,662	201,574	(1,672,711)	-	(1,672,711)
Sanitation	12,909	1,302,319	-	-	1,289,410	-	1,289,410
Health and welfare	3,000	1,383	-	-	(1,617)	-	(1,617)
Economic development	1,301,957	-	-	386,018	(915,939)	-	(915,939)
Culture and recreation	1,433,399	452,904	-	12,417	(968,078)	-	(968,078)
Urban redevelopment and housing	4,000	-	-	-	(4,000)	-	(4,000)
Principal and interest on indebtedness	1,442,584	-	-	-	(1,442,584)	-	(1,442,584)
Tax anticipation warrants	4,767,888	-	-	-	(4,767,888)	-	(4,767,888)
Temporary loan to pension trust	486,549	-	-	-	(486,549)	-	(486,549)
Total governmental activities	<u>25,084,616</u>	<u>3,173,431</u>	<u>1,295,383</u>	<u>691,354</u>	<u>(19,924,448)</u>	<u>-</u>	<u>(19,924,448)</u>
Business-type activities:							
Water Utility	2,977,574	3,226,667	-	-	-	249,093	249,093
Wastewater Utility	4,011,192	3,776,712	-	-	-	(234,480)	(234,480)
Total business-type activities	<u>6,988,766</u>	<u>7,003,379</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>14,613</u>	<u>14,613</u>
Total primary government	<u>\$ 32,073,382</u>	<u>\$ 10,176,810</u>	<u>\$ 1,295,383</u>	<u>\$ 691,354</u>	<u>(19,924,448)</u>	<u>14,613</u>	<u>(19,909,835)</u>
General receipts:							
Property taxes					5,868,953	-	5,868,953
County economic development income tax					1,320,218	-	1,320,218
Intergovernmental					2,166,210	-	2,166,210
Other local sources					342,560	7,200	349,760
Grants and contributions not restricted to specific programs					2,799,208	-	2,799,208
Investment earnings					10,982	12,597	23,579
Temporary loan repaid from pension trust					966,549	-	966,549
Tax anticipation warrants					5,678,399	-	5,678,399
Total general receipts, temporary loan, and tax anticipation warrants					<u>19,153,079</u>	<u>19,797</u>	<u>19,172,876</u>
Change in net assets					(771,369)	34,410	(736,959)
Net assets - beginning					<u>9,647,191</u>	<u>5,734,409</u>	<u>15,381,600</u>
Net assets - ending					<u>\$ 8,875,822</u>	<u>\$ 5,768,819</u>	<u>\$ 14,644,641</u>
<u>Assets</u>							
Cash and investments					\$ 2,250,528	\$ 5,768,819	\$ 8,019,347
Restricted assets:							
Cash and investments					<u>6,625,294</u>	<u>-</u>	<u>6,625,294</u>
Total assets					<u>\$ 8,875,822</u>	<u>\$ 5,768,819</u>	<u>\$ 14,644,641</u>
<u>Net Assets</u>							
Restricted for:							
General government					\$ 299,573	\$ -	\$ 299,573
Public safety					1,279	-	1,279
Highways and streets					1,976,492	-	1,976,492
Culture and recreation					28,849	-	28,849
Debt service					1,742,949	-	1,742,949
Capital outlay					2,576,152	-	2,576,152
Unrestricted					<u>2,250,528</u>	<u>5,768,819</u>	<u>8,019,347</u>
Total net assets					<u>\$ 8,875,822</u>	<u>\$ 5,768,819</u>	<u>\$ 14,644,641</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
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	General Fund	Motor Vehicle Highway	Park and Recreation	Riverboat	Major Moves Construction	Cedit	Other Governmental Funds	Totals
Receipts:								
Taxes	\$ 3,761,645	\$ 90,648	\$ 599,257	\$ -	\$ -	\$ -	\$ 1,417,403	\$ 5,868,953
Special assessments	-	-	-	-	-	-	1,450	1,450
Licenses and permits	110,033	-	-	-	-	-	6,287	116,320
Intergovernmental	1,625,323	607,591	101,031	152,910	-	1,320,218	1,724,286	5,531,359
Charges for services	398,975	5,010	398,362	-	649,125	-	1,285,161	2,736,633
Fines and forfeits	101,740	-	2,985	-	-	-	8,416	113,141
Interfund loans	1,500,000	-	-	-	1,500,000	-	-	3,000,000
Other	250,403	468	102	-	1,887	-	52,315	305,175
Total receipts	7,748,119	703,717	1,101,737	152,910	2,151,012	1,320,218	4,495,318	17,673,031
Disbursements:								
General government	3,370,623	-	-	-	-	-	1,791,357	5,161,980
Public safety	4,510,541	-	-	-	-	-	15,068	4,525,609
Highways and streets	192,582	709,315	-	-	1,068,913	-	699,147	2,669,957
Sanitation	-	-	-	-	-	-	12,909	12,909
Health and welfare	-	-	-	-	-	-	3,000	3,000
Economic development	-	-	-	-	-	1,226,932	59,062	1,285,994
Culture and recreation	48,176	-	1,185,287	-	-	-	199,936	1,433,399
Urban redevelopment and housing	-	-	-	-	-	-	4,000	4,000
Interfund loans	1,500,000	-	-	-	1,500,000	-	-	3,000,000
Debt service:								
Principal	-	-	-	-	-	-	970,000	970,000
Interest	34,675	-	-	-	-	-	437,909	472,584
Capital outlay:								
General government	-	-	-	-	-	-	345,639	345,639
Economic development	-	-	-	-	-	-	15,963	15,963
Total disbursements	9,656,597	709,315	1,185,287	-	2,568,913	1,226,932	4,553,990	19,901,034
Excess (deficiency) of receipts over disbursements	(1,908,478)	(5,598)	(83,550)	152,910	(417,901)	93,286	(58,672)	(2,228,003)
Other financing sources (uses):								
Tax anticipation warrants received	4,555,842	35,462	708,120	-	-	-	378,975	5,678,399
Tax anticipation warrants repaid	(4,369,250)	(17,731)	(270,700)	-	-	-	(110,207)	(4,767,888)
Temporary loan from pension trust fund	-	-	-	966,549	-	-	-	966,549
Temporary loan to pension trust fund	-	-	-	(486,549)	-	-	-	(486,549)
Transfers in	-	-	-	-	-	-	522,879	522,879
Transfers out	-	-	-	-	-	-	(522,879)	(522,879)
Other receipts	205,159	16,903	12,181	-	111	6,730	25,341	266,425
Total other financing sources (uses)	391,751	34,634	449,601	480,000	111	6,730	294,109	1,656,936
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,516,727)	29,036	366,051	632,910	(417,790)	100,016	235,437	(571,067)
Cash and investment fund balance - beginning	1,445,789	(4,162)	(475,749)	447,976	2,272,626	1,278,669	4,182,167	9,147,316
Cash and investment fund balance - ending	\$ (70,938)	\$ 24,874	\$ (109,698)	\$ 1,080,886	\$ 1,854,836	\$ 1,378,685	\$ 4,417,604	8,576,249
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.								299,573
Net assets of governmental activities								\$ 8,875,822

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, 2009
(Continued)

	General Fund	Motor Vehicle Highway	Park and Recreation	Riverboat	Major Moves Construction	Cedit	Other Governmental Funds	Totals
<u>Cash and Investment Assets - Ending</u>								
Cash and investments	\$ (70,938)	\$ 24,874	\$ (109,698)	\$ 1,080,886	\$ -	\$ -	\$ 1,325,404	\$ 2,250,528
Restricted assets:								
Cash and investments	-	-	-	-	1,854,836	1,378,685	3,092,200	6,325,721
Total cash and investment assets - Ending	<u>\$ (70,938)</u>	<u>\$ 24,874</u>	<u>\$ (109,698)</u>	<u>\$ 1,080,886</u>	<u>\$ 1,854,836</u>	<u>\$ 1,378,685</u>	<u>\$ 4,417,604</u>	<u>\$ 8,576,249</u>
<u>Cash and Investment Fund Balance - Ending</u>								
Restricted for:								
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,279	\$ 1,279
Highways and streets	-	-	-	-	1,854,836	-	121,656	1,976,492
Culture and recreation	-	-	-	-	-	-	28,849	28,849
Debt service	-	-	-	-	-	-	1,742,949	1,742,949
Capital outlay	-	-	-	-	-	1,378,685	1,197,467	2,576,152
Unrestricted	<u>(70,938)</u>	<u>24,874</u>	<u>(109,698)</u>	<u>1,080,886</u>	<u>-</u>	<u>-</u>	<u>1,325,404</u>	<u>2,250,528</u>
Total cash and investment fund balance - ending	<u>\$ (70,938)</u>	<u>\$ 24,874</u>	<u>\$ (109,698)</u>	<u>\$ 1,080,886</u>	<u>\$ 1,854,836</u>	<u>\$ 1,378,685</u>	<u>\$ 4,417,604</u>	<u>\$ 8,576,249</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, 2009

	Water Utility	Wastewater Utility	Totals	Internal Service Funds
Operating receipts:				
Metered/measured	\$ 2,837,403	\$ 3,494,171	\$ 6,331,574	\$ -
Fire protection receipts	352,984	-	352,984	-
Customer deposits	36,280	-	36,280	-
City contributions	-	-	-	1,530,124
Utility contributions	-	-	-	348,030
Employee contributions	-	-	-	326,121
Miscellaneous	-	282,541	282,541	523,924
	<u>3,226,667</u>	<u>3,776,712</u>	<u>7,003,379</u>	<u>2,728,199</u>
Total operating receipts				
Operating disbursements:				
Salaries and wages	733,467	806,816	1,540,283	-
Employee pensions and benefits	334,106	366,732	700,838	-
Purchased water	194,356	-	194,356	-
Sludge removal	-	18,401	18,401	-
Purchased power	-	235,487	235,487	-
Chemicals	31,515	56,540	88,055	-
Material and supplies	164,000	206,488	370,488	-
Contractual services	79,372	338,523	417,895	-
Transportation	42,967	22,504	65,471	-
Insurance claims and expense	55,050	54,219	109,269	2,929,145
Refunds	28,675	-	28,675	-
Miscellaneous	823,281	1,072,161	1,895,442	-
	<u>2,486,789</u>	<u>3,177,871</u>	<u>5,664,660</u>	<u>2,929,145</u>
Total operating disbursements				
Excess (deficiency) of operating receipts over operating disbursements	<u>739,878</u>	<u>598,841</u>	<u>1,338,719</u>	<u>(200,946)</u>
Nonoperating receipts (disbursements):				
Rent	7,200	-	7,200	-
Investment income	1,885	10,712	12,597	644
Debt service of principal	(445,000)	(410,000)	(855,000)	-
Interest disbursements	(45,785)	(423,321)	(469,106)	-
	<u>(481,700)</u>	<u>(822,609)</u>	<u>(1,304,309)</u>	<u>644</u>
Total nonoperating receipts (disbursements)				
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	258,178	(223,768)	34,410	(200,302)
Transfers in	490,785	993,981	1,484,766	-
Transfers out	(490,785)	(993,981)	(1,484,766)	-
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	258,178	(223,768)	34,410	(200,302)
Cash and investment fund balance - beginning	<u>1,714,573</u>	<u>4,019,836</u>	<u>5,734,409</u>	<u>499,875</u>
Cash and investment fund balance - ending	<u>\$ 1,972,751</u>	<u>\$ 3,796,068</u>	<u>\$ 5,768,819</u>	<u>\$ 299,573</u>
<u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 1,972,751	\$ 3,796,068	\$ 5,768,819	\$ -
Restricted assets:				
Cash and investments	-	-	-	299,573
Total cash and investment assets - December 31	<u>\$ 1,972,751</u>	<u>\$ 3,796,068</u>	<u>\$ 5,768,819</u>	<u>\$ 299,573</u>
<u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Other purposes	\$ -	\$ -	\$ -	\$ 299,573
Unrestricted	<u>1,972,751</u>	<u>3,796,068</u>	<u>5,768,819</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 1,972,751</u>	<u>\$ 3,796,068</u>	<u>\$ 5,768,819</u>	<u>\$ 299,573</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, 2009

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 499,258	\$ -	
Plan members	2,485	-	
State	1,607,063	-	
Other	1,397	-	
Total contributions	2,110,203	-	
Investment earnings:			
Interest	827	2,469	
Dividends	-	8,412	
Net realized and unrealized increase in investment value	-	37,068	
Total investment earnings	827	47,949	
Total additions	2,111,030	47,949	
Deductions:			
Benefits	1,547,128	6,237	
Administrative and general	10,078	3,932	
Net realized and unrealized decrease in investment value	-	6,414	
Total deductions	1,557,206	16,583	
Excess (deficiency) of total additions over total deductions	553,824	31,366	
Other financing sources:			
Temporary loans received	486,549	-	
Temporary loans repaid	(966,619)	-	
Cash and investment fund balance - beginning	409,952	342,316	
Cash and investment fund balance - ending	\$ 483,706	\$ 373,682	\$ 7,629

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, health and social services, culture and recreation, public improvements, planning and zoning, 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:

LaPorte Redevelopment Authority: The City appoints a voting majority of the LaPorte Redevelopment Authority's board and a financial benefit/burden relationship exists between the City and the LaPorte Redevelopment Authority. Although it is legally separate from the City, the LaPorte Redevelopment Authority is reported as if it were a part of the City because it provides services entirely or almost entirely to the City.

Joint Venture

The City is a participant in a joint venture to operate Greater LaPorte Economic Development Corporation which was created to advance the economic growth of the greater LaPorte area through a governmental/private sector partnership. The Greater LaPorte Economic Development Corporation's continued existence depends on continued funding by the City. Complete financial statements for the Greater LaPorte Economic Development Corporation can be obtained from the Greater LaPorte Economic Development Corporation, 809 Washington Street, LaPorte, IN 46350.

Related Organizations

The City's officials are also responsible for appointing the voting majority 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 voting majority 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.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 riverboat fund is used to account for riverboat tax revenue and may be used for any legal or corporate purpose of the City.

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 credit 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 enterprise funds:

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

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

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Additionally, the City reports the following fund types:

The internal service funds account 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 fire-fighters' 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 its enterprise funds. 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 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.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. Cash and Investments

Investments, except for those reported in the private-purpose trust funds, 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. Investments reported in the private-purpose trust funds are stated a market value, whereby changes in the market value of the investments are reported as net realized and unrealized increases or decreases in investment value on the Statement of Additions, Deductions, and Changes in Cash and Investment Balances.

3. Property Taxes

Normally, 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 may 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.

4. Capital Assets

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

5. Long-Term Debt

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

6. Equity Classification

Government-Wide Statements

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

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

- 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."

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 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 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.
- 4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Government-Wide Financial Statements

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

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis. The effects of interfund loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

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. Prior to November 1, 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, 2009, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines as authorized by state statute:

Fund	2009
General Fund	\$ 70,938
Park and Recreation	109,698
Transit	75,618
Community Development Block Grant	4,674
DUI Taskforce	1,563
Crash Fatality Reduction	1,785
Landfill Bond Debt Service	34,675
Fire Equipment Lease Bonds	82,326

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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. IC 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. At December 31, 2009, the City had deposit balances in the amount of \$14,328,044.

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, 2009, the City had the following investments:

Investment Type	Primary Government Market Value
Mutual funds	\$ 315,024
Preferred stock	10,667
Total	\$ 325,691

Statutory Authorization for Investments

IC 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

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust 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:

Primary Government:

Investment Type	2009 In the Government's Name
Mutual funds	\$ 315,024
Preferred stock	10,667
Total	\$ 325,691

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
Mutual funds	\$ 315,024
Preferred stock	10,667
 Total	 <u>\$ 325,691</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	City's Investments	
	Mutual Funds	Corporate Stock
Baa	\$ -	\$ 10,667
Unrated	315,024	-
 Totals	 <u>\$ 315,024</u>	 <u>\$ 10,667</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, 2009, were as follows:

Transfer From	Transfer To	2009
Other governmental funds	Other governmental funds	\$ 522,879
 Total		 <u>\$ 522,879</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; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties.

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 Employee Benefit Fund and the Insurance Fund, internal service funds, where assets are set aside for claim settlements. The City purchases commercial insurance for claims in excess of coverage provided by the fund. 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.

Job Related Illnesses or Injuries to Employees

During 2003, the City joined together with other governmental entities in the Indiana Public Employers' Plan, Inc., (IPEP), a public entity risk pool currently operating as a common risk management and insurance program for approximately 700 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 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.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. Holding Corporation

The City has entered into a capital lease with 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 2009 totaled \$254,000.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Subsequent Events

LaPorte County Property Taxes

LaPorte County has not completed and settled an approved property tax cycle since the 2006 payable 2007 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. 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 March 16, 2010, the County has not determined when it will send out provisional property tax bills for 2009 payable 2010.

Potential Shortfall Due To Reassessment

The City has forecasted their financial position for the year ended December 31, 2010. According to this forecast the City's General Fund will have a shortfall of approximately \$5,500,000. This shortfall is due to the County not completing and settling an approved property tax cycle since the 2006 pay 2007 property tax year, as well as the implementation of new legislation placing tax caps on property tax rates.

D. Contingent Liabilities

On May 17, 2006, a class action suit was filed in the U.S. District Court for Northern Indiana by the ACLU of Indiana alleging violation of the Americans with Disabilities Act. The suit seeks two types of relief: (1) an order requiring the City to install ADA compliant curb ramps throughout the City, and (2) an order requiring the City to bring all sidewalks in the City up to ADA standards. The city has agreed to a partial settlement with regard to the curb ramp issue. It is anticipated that this settlement will potentially cost several million dollars spread over approximately a ten year period. The City continues to defend the issue as to sidewalks; however, the Court ruled the City must maintain its sidewalks to ADA standards. The Court further ruled that the City was not required to install new sidewalks in any area where sidewalks do not exist.

It is anticipated that the cost of bringing the existing sidewalks in compliance with ADA standards will exceed 16 million dollars. The City has retained Umbaugh & Associates, an accounting firm, to do a financial analysis of the City's cash flow over the next several years. The cash flow analysis will be used to mitigate the scope of work and to extent the period of time over which the City will have to bring the sidewalks into ADA compliance.

Umbaugh and Associates have prepared a preliminary financial report, which supports the City's position that it does not have the financial ability to bring sidewalks into ADA compliance. The City will continue to negotiate with the American Civil Liberties Union in an attempt to resolve this matter. The Court has indicated if the parties cannot resolve it, the matter will go to mediation. If that is unsuccessful, the Court will then conduct a hearing and render a decision.

If the Court's final order results in a scope of work in a timeframe that is not workable within the City's finances, the City will appeal not only the scope of work but the Court's initial decision declaring that the City was responsible for maintaining sidewalks to ADA standards.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

E. Conduit Debt Obligation

The City has issued conduit debt (no commitment debt) 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, 2009, the outstanding aggregate principal amount payable was \$2,130,000 for the 2001 economic development revenue bonds and \$3,600,000 for the 2003 industrial development revenue bonds.

F. Rate Structure – Enterprise Funds

Water Utility

On July 19, 1993, the City Council adopted Ordinance 19-93 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on November 15, 2004.

Wastewater Utility

The current rate structure was approved by the City Council on November 15, 2004.

G. Receipts Pledged

Water Utility Receipts Pledged

Receipts, net of specified operating expenditures, have been pledged to repay revenue bonds issued in 2005. Proceeds from the bonds provided financing for waterworks system improvements. The bonds are payable solely from income derived from the acquired or constructed assets. Net receipts are payable through 2012. Annual principal and interest payments are expected to require less than 3.3 percent of net receipts.

Wastewater Utility Receipts Pledged

Receipts, net of specified operating expenditures, have been pledged to repay revenue bonds issued in 2006 and 2007. Proceeds from the bonds provided financing for system improvements. The bonds are payable solely from income derived from the acquired or constructed assets. Net receipts are payable through 2027 and 2021, respectively. Annual principal and interest payments are expected to require less than 4% and 3.9%, respectively, of net receipts.

Tax Increment Receipts Pledged

The City has pledged a portion of property tax receipts to repay \$2,097,515 in tax increment bonds issued in 2004 to finance development of East Gate. The bonds are payable solely from the incremental property taxes generated by property taxes. Incremental property taxes were projected to produce 4 percent of the debt service requirements over the life of the bonds.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

H. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

The City contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the City during the period were \$425,585.

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

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The contributions made by the City during the period were \$718,290.

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

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The contributions made by the City during the period were \$1,388,031.

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

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 during the period were \$662,970.

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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (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)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (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
	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, 2009

	Local Road And Street	Recreation Non-Reverting	Cumulative Non-Reverting Training	Park Non-Reverting	Restricted Donations	Economic Development Commission	Laporte Strategic Planning
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	201,574	-	-	-	-	-	-
Charges for services	-	150,136	-	42,365	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	399	-	-	-	13,891	-	1,521
Total receipts	201,973	150,136	-	42,365	13,891	-	1,521
Disbursements:							
General government	-	-	-	-	16,478	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	174,250	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	114,788	-	34,991	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total disbursements	174,250	114,788	-	34,991	16,478	-	-
Excess (deficiency) of receipts over disbursements	27,723	35,348	-	7,374	(2,587)	-	1,521
Other financing sources (uses):							
Tax anticipation warrants received	-	-	-	-	-	-	-
Tax anticipation warrants repaid	-	-	-	-	-	-	-
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	27,723	35,348	-	7,374	(2,587)	-	1,521
Cash and investment fund balance - beginning	93,933	140,871	879	21,475	36,242	10,780	5,712
Cash and investment fund balance - ending	\$ 121,656	\$ 176,219	\$ 879	\$ 28,849	\$ 33,655	\$ 10,780	\$ 7,233
Cash and Investment Assets - Ending							
Cash and investments	\$ -	\$ 176,219	\$ -	\$ -	\$ 33,655	\$ 10,780	\$ 7,233
Restricted assets:							
Cash and investments	121,656	-	879	28,849	-	-	-
Total cash and investment assets - ending	\$ 121,656	\$ 176,219	\$ 879	\$ 28,849	\$ 33,655	\$ 10,780	\$ 7,233
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	-	-	879	-	-	-	-
Highways and streets	121,656	-	-	-	-	-	-
Culture and recreation	-	-	-	28,849	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	176,219	-	-	33,655	10,780	7,233
Total cash and investment fund balance - ending	\$ 121,656	\$ 176,219	\$ 879	\$ 28,849	\$ 33,655	\$ 10,780	\$ 7,233

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, 2009
 (Continued)

	Landfill RDC Bonds	Transit	Community Development Block Grant	Downtown Bid District	Law Enforcement Continuing Education	Unsafe Building	Drug Free Partnership
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 141,613	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	6,287	-	-
Intergovernmental	-	354,343	386,018	-	-	-	5,200
Charges for services	-	98,411	-	-	6,717	-	-
Fines and forfeits	-	-	-	-	8,416	-	-
Other	428	22,107	-	489	-	-	-
Total receipts	428	474,861	386,018	142,102	21,420	-	5,200
Disbursements:							
General government	-	-	159,683	-	-	-	-
Public safety	-	-	-	-	10,267	-	4,801
Highways and streets	-	524,897	-	-	-	-	-
Sanitation	12,909	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	59,012	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	69,350	-	-	-	-	-	-
Capital outlay:							
General government	-	-	231,622	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total disbursements	82,259	524,897	391,305	59,012	10,267	-	4,801
Excess (deficiency) of receipts over disbursements	(81,831)	(50,036)	(5,287)	83,090	11,153	-	399
Other financing sources (uses):							
Tax anticipation warrants received	-	-	-	-	-	-	-
Tax anticipation warrants repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	10,252	-	-	-	-	-
Total other financing sources (uses)	-	10,252	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(81,831)	(39,784)	(5,287)	83,090	11,153	-	399
Cash and investment fund balance - beginning	219,870	(35,834)	613	3,268	29,714	69,206	1
Cash and investment fund balance - ending	<u>\$ 138,039</u>	<u>\$ (75,618)</u>	<u>\$ (4,674)</u>	<u>\$ 86,358</u>	<u>\$ 40,867</u>	<u>\$ 69,206</u>	<u>\$ 400</u>
Cash and Investment Assets - Ending							
Cash and investments	\$ 138,039	\$ (75,618)	\$ (4,674)	\$ 86,358	\$ 40,867	\$ 69,206	\$ -
Restricted assets:							
Cash and investments	-	-	-	-	-	-	400
Total cash and investment assets - ending	<u>\$ 138,039</u>	<u>\$ (75,618)</u>	<u>\$ (4,674)</u>	<u>\$ 86,358</u>	<u>\$ 40,867</u>	<u>\$ 69,206</u>	<u>\$ 400</u>
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	-	-	-	-	-	-	400
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	138,039	(75,618)	(4,674)	86,358	40,867	69,206	-
Total cash and investment fund balance - ending	<u>\$ 138,039</u>	<u>\$ (75,618)</u>	<u>\$ (4,674)</u>	<u>\$ 86,358</u>	<u>\$ 40,867</u>	<u>\$ 69,206</u>	<u>\$ 400</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, 2009
 (Continued)

	Trash	Golf Non-Reverting	Mayor's Veteran Committee	Good Samaritan Fund	Big City-County Seatbelts	DUI Taskforce	Crash Fatality Reduction
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	21,604	29,648	17,108
Charges for services	906,103	4,536	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	4	-	1,075	-	-	-	-
Total receipts	906,107	4,536	1,075	-	21,604	29,648	17,108
Disbursements:							
General government	866,436	-	-	1,000	21,381	26,708	14,657
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	-
Culture and recreation	-	4,590	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	1,564	-	-	-	-
Economic development	-	-	-	-	-	-	-
Total disbursements	866,436	4,590	1,564	1,000	21,381	26,708	14,657
Excess (deficiency) of receipts over disbursements	39,671	(54)	(489)	(1,000)	223	2,940	2,451
Other financing sources (uses):							
Tax anticipation warrants received	-	-	-	-	-	-	-
Tax anticipation warrants repaid	-	-	-	-	-	-	-
Transfers in	-	-	-	-	1,014	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	1,000	-	-	-
Total other financing sources (uses)	-	-	-	1,000	1,014	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	39,671	(54)	(489)	-	1,237	2,940	2,451
Cash and investment fund balance - beginning	153,676	54	9,180	1,804	(805)	(4,503)	(4,236)
Cash and investment fund balance - ending	\$ 193,347	\$ -	\$ 8,691	\$ 1,804	\$ 432	\$ (1,563)	\$ (1,785)
Cash and Investment Assets - Ending							
Cash and investments	\$ 193,347	\$ -	\$ 8,691	\$ 1,804	\$ 432	\$ (1,563)	\$ (1,785)
Restricted assets:							
Cash and investments	-	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 193,347	\$ -	\$ 8,691	\$ 1,804	\$ 432	\$ (1,563)	\$ (1,785)
Cash and Investment Fund Balance - Ending							
Restricted for:							
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	193,347	-	8,691	1,804	432	(1,563)	(1,785)
Total cash and investment fund balance - ending	\$ 193,347	\$ -	\$ 8,691	\$ 1,804	\$ 432	\$ (1,563)	\$ (1,785)

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, 2009
 (Continued)

	Head Creek	Civic Non-Reverting	Exac Target Grant Trees	Aquatic Weed Grant	L.A.R.E. Sonar Grant	Master Plan Donation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	3,000	4,000	5,575	-
Charges for services	-	69,252	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	69,252	3,000	4,000	5,575	-
Disbursements:						
General government	-	-	-	4,000	5,575	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	3,000	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	45,567	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	-	45,567	3,000	4,000	5,575	-
Excess (deficiency) of receipts over disbursements	-	23,685	-	-	-	-
Other financing sources (uses):						
Tax anticipation warrants received	-	-	-	-	-	-
Tax anticipation warrants repaid	-	-	-	-	-	-
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	-	23,685	-	-	-	-
Cash and investment fund balance - beginning	80,995	32,387	-	-	-	5,413
Cash and investment fund balance - ending	<u>\$ 80,995</u>	<u>\$ 56,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,413</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 80,995	\$ 56,072	\$ -	\$ -	\$ -	\$ 5,413
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 80,995</u>	<u>\$ 56,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,413</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	80,995	56,072	-	-	-	5,413
Total cash and investment fund balance - ending	<u>\$ 80,995</u>	<u>\$ 56,072</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 5,413</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, 2009
 (Continued)

	Vertical Real Estate Fund	Central Station Roof	IFA Powerhouse Grant	Central Station Interior	Kiwanis/ Teledyne Non-Reverting	EPA Petroleum Assessment
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	48,442	-	99,164
Charges for services	7,641	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	6,165	-	-
Total receipts	7,641	-	-	54,607	-	99,164
Disbursements:						
General government	-	-	146,344	57,077	-	99,164
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	-	-	146,344	57,077	-	99,164
Excess (deficiency) of receipts over disbursements	7,641	-	(146,344)	(2,470)	-	-
Other financing sources (uses):						
Tax anticipation warrants received	-	-	-	-	-	-
Tax anticipation warrants repaid	-	-	-	-	-	-
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	7,641	-	(146,344)	(2,470)	5,000	-
Cash and investment fund balance - beginning	61,006	240	147,467	2,883	30,946	-
Cash and investment fund balance - ending	<u>\$ 68,647</u>	<u>\$ 240</u>	<u>\$ 1,123</u>	<u>\$ 413</u>	<u>\$ 35,946</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 68,647	\$ 240	\$ 1,123	\$ 413	\$ 35,946	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 68,647</u>	<u>\$ 240</u>	<u>\$ 1,123</u>	<u>\$ 413</u>	<u>\$ 35,946</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	68,647	240	1,123	413	35,946	-
Total cash and investment fund balance - ending	<u>\$ 68,647</u>	<u>\$ 240</u>	<u>\$ 1,123</u>	<u>\$ 413</u>	<u>\$ 35,946</u>	<u>\$ -</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, 2009
 (Continued)

	Rainy Day Fund	EPA Hazardous Assessment	EPA Railroad Clean-Up Grant	DEA Fund	Police Vest Fund	Operation Pullover
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	179,579	135,885	-	4,053	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	2,003	-
Total receipts	-	179,579	135,885	-	6,056	-
Disbursements:						
General government	-	179,579	124,822	-	6,055	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	-	179,579	124,822	-	6,055	-
Excess (deficiency) of receipts over disbursements	-	-	11,063	-	1	-
Other financing sources (uses):						
Tax anticipation warrants received	-	-	-	-	-	-
Tax anticipation warrants repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(1,014)
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	(1,014)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	11,063	-	1	(1,014)
Cash and investment fund balance - beginning	68,971	-	-	443	143	1,014
Cash and investment fund balance - ending	<u>\$ 68,971</u>	<u>\$ -</u>	<u>\$ 11,063</u>	<u>\$ 443</u>	<u>\$ 144</u>	<u>\$ -</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 68,971	\$ -	\$ 11,063	\$ 443	\$ 144	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 68,971</u>	<u>\$ -</u>	<u>\$ 11,063</u>	<u>\$ 443</u>	<u>\$ 144</u>	<u>\$ -</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	68,971	-	11,063	443	144	-
Total cash and investment fund balance - ending	<u>\$ 68,971</u>	<u>\$ -</u>	<u>\$ 11,063</u>	<u>\$ 443</u>	<u>\$ 144</u>	<u>\$ -</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, 2009
 (Continued)

	Rental Rehab Lien Payment	Transit Fire Suppression	Redevelopment TIF I	Redevelopment TIF II	Redevelopment TIF III	Redevelopment Authority
Receipts:						
Taxes	\$ -	\$ -	\$ 432,540	\$ 102,701	\$ 23,695	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	39,366	5,432	1,042	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	4,050	-	133
Total receipts	-	39,366	437,972	107,793	23,695	133
Disbursements:						
General government	-	26,966	13,746	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	4,000
Debt service:						
Principal	-	-	-	-	-	290,000
Interest	-	-	-	-	-	219,155
Capital outlay:						
General government	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total disbursements	-	26,966	13,746	-	-	513,155
Excess (deficiency) of receipts over disbursements	-	12,400	424,226	107,793	23,695	(513,022)
Other financing sources (uses):						
Tax anticipation warrants received	-	-	-	-	-	-
Tax anticipation warrants repaid	-	-	-	-	-	-
Transfers in	-	-	-	-	-	521,865
Transfers out	-	-	(414,764)	(107,101)	-	-
Other receipts	-	-	-	-	1,625	181
Total other financing sources (uses)	-	-	(414,764)	(107,101)	1,625	522,046
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	12,400	9,462	692	25,320	9,024
Cash and investment fund balance - beginning	661	-	420,595	476,988	79,320	744,748
Cash and investment fund balance - ending	<u>\$ 661</u>	<u>\$ 12,400</u>	<u>\$ 430,057</u>	<u>\$ 477,680</u>	<u>\$ 104,640</u>	<u>\$ 753,772</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 661	\$ 12,400	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	430,057	477,680	104,640	753,772
Total cash and investment assets - ending	<u>\$ 661</u>	<u>\$ 12,400</u>	<u>\$ 430,057</u>	<u>\$ 477,680</u>	<u>\$ 104,640</u>	<u>\$ 753,772</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	-	-	430,057	477,680	104,640	753,772
Capital outlay	-	-	-	-	-	-
Unrestricted	661	12,400	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 661</u>	<u>\$ 12,400</u>	<u>\$ 430,057</u>	<u>\$ 477,680</u>	<u>\$ 104,640</u>	<u>\$ 753,772</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, 2009
 (Continued)

	Landfill Bond Debt Service	Fire Equipment Lease Bonds	Bond Debt Service	Park Bond Debt Service	Cumulative Capital Improvement	Cumulative Capital Development
Receipts:						
Taxes	\$ -	\$ 144,547	\$ 130,827	\$ 185,216	\$ -	\$ 256,264
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	23,583	21,345	30,218	66,297	41,810
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	-	168,130	152,172	215,434	66,297	298,074
Disbursements:						
General government	-	-	-	-	-	21,686
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	254,000	171,000	255,000	-	-
Interest	34,675	-	53,036	61,693	-	-
Capital outlay:						
General government	-	-	-	-	-	109,258
Economic development	-	-	-	-	15,963	-
Total disbursements	34,675	254,000	224,036	316,693	15,963	130,944
Excess (deficiency) of receipts over disbursements	(34,675)	(85,870)	(71,864)	(101,259)	50,334	167,130
Other financing sources (uses):						
Tax anticipation warrants received	-	61,994	168,726	148,255	-	-
Tax anticipation warrants repaid	-	(30,997)	(59,097)	(20,113)	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	7,283
Total other financing sources (uses)	-	30,997	109,629	128,142	-	7,283
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(34,675)	(54,873)	37,765	26,883	50,334	174,413
Cash and investment fund balance - beginning	-	(27,453)	(26,290)	87,806	217,185	878,653
Cash and investment fund balance - ending	<u>\$ (34,675)</u>	<u>\$ (82,326)</u>	<u>\$ 11,475</u>	<u>\$ 114,689</u>	<u>\$ 267,519</u>	<u>\$ 1,053,066</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ (82,326)	\$ -	\$ 114,689	\$ 267,519	\$ -
Restricted assets:						
Cash and investments	(34,675)	-	11,475	-	-	1,053,066
Total cash and investment assets - ending	<u>\$ (34,675)</u>	<u>\$ (82,326)</u>	<u>\$ 11,475</u>	<u>\$ 114,689</u>	<u>\$ 267,519</u>	<u>\$ 1,053,066</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service	(34,675)	-	11,475	-	-	-
Capital outlay	-	-	-	-	-	1,053,066
Unrestricted	-	(82,326)	-	114,689	267,519	-
Total cash and investment fund balance - ending	<u>\$ (34,675)</u>	<u>\$ (82,326)</u>	<u>\$ 11,475</u>	<u>\$ 114,689</u>	<u>\$ 267,519</u>	<u>\$ 1,053,066</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, 2009
 (Continued)

	Park Non-Reverting Capital	Industrial Development	General Improvement Fund	Beechwood Non-Reverting Capital	North Side Fire Construction	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,417,403
Special assessments	-	1,450	-	-	-	1,450
Licenses and permits	-	-	-	-	-	6,287
Intergovernmental	-	-	-	-	-	1,724,286
Charges for services	-	-	-	-	-	1,285,161
Fines and forfeits	-	-	-	-	-	8,416
Other	-	50	-	-	-	52,315
Total receipts	-	1,500	-	-	-	4,495,318
Disbursements:						
General government	-	-	-	-	-	1,791,357
Public safety	-	-	-	-	-	15,068
Highways and streets	-	-	-	-	-	699,147
Sanitation	-	-	-	-	-	12,909
Health and welfare	-	-	-	-	-	3,000
Economic development	-	50	-	-	-	59,062
Culture and recreation	-	-	-	-	-	199,936
Urban redevelopment and housing	-	-	-	-	-	4,000
Debt service:						
Principal	-	-	-	-	-	970,000
Interest	-	-	-	-	-	437,909
Capital outlay:						
General government	-	-	-	3,195	-	345,639
Economic development	-	-	-	-	-	15,963
Total disbursements	-	50	-	3,195	-	4,553,990
Excess (deficiency) of receipts over disbursements	-	1,450	-	(3,195)	-	(58,672)
Other financing sources (uses):						
Tax anticipation warrants received	-	-	-	-	-	378,975
Tax anticipation warrants repaid	-	-	-	-	-	(110,207)
Transfers in	-	-	-	-	-	522,879
Transfers out	-	-	-	-	-	(522,879)
Other receipts	-	-	-	-	-	25,341
Total other financing sources (uses)	-	-	-	-	-	294,109
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,450	-	(3,195)	-	235,437
Cash and investment fund balance - beginning	53,874	38,215	50,421	3,620	16	4,182,167
Cash and investment fund balance - ending	\$ 53,874	\$ 39,665	\$ 50,421	\$ 425	\$ 16	\$ 4,417,604
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,325,404
Restricted assets:						
Cash and investments	53,874	39,665	50,421	425	16	3,092,200
Total cash and investment assets - ending	\$ 53,874	\$ 39,665	\$ 50,421	\$ 425	\$ 16	\$ 4,417,604
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	-	-	-	-	-	1,279
Highways and streets	-	-	-	-	-	121,656
Culture and recreation	-	-	-	-	-	28,849
Debt service	-	-	-	-	-	1,742,949
Capital outlay	53,874	39,665	50,421	425	16	1,197,467
Unrestricted	-	-	-	-	-	1,325,404
Total cash and investment fund balance - ending	\$ 53,874	\$ 39,665	\$ 50,421	\$ 425	\$ 16	\$ 4,417,604

CITY OF LAPORTE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 As of and for the Year Ended December 31, 2009

	Employee Benefit Fund	Insurance	Totals
Operating receipts:			
City contributions	\$ -	\$ 1,530,124	\$ 1,530,124
Utility contributions	-	348,030	348,030
Employee contributions	-	326,121	326,121
Miscellaneous	<u>488,954</u>	<u>34,970</u>	<u>523,924</u>
Total operating receipts	<u>488,954</u>	<u>2,239,245</u>	<u>2,728,199</u>
Operating disbursements:			
Insurance claims and expense	<u>2,911,288</u>	<u>17,857</u>	<u>2,929,145</u>
Total operating disbursements	<u>2,911,288</u>	<u>17,857</u>	<u>2,929,145</u>
Excess (deficiency) of receipts over disbursements	<u>(2,422,334)</u>	<u>2,221,388</u>	<u>(200,946)</u>
Nonoperating receipts (disbursements):			
Investment income	<u>644</u>	-	<u>644</u>
Total nonoperating receipts (disbursements)	<u>644</u>	-	<u>644</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	<u>(2,421,690)</u>	<u>2,221,388</u>	<u>(200,302)</u>
Cash and investment fund balance - beginning	<u>413,484</u>	<u>86,391</u>	<u>499,875</u>
Cash and investment fund balance - ending	<u>\$ (2,008,206)</u>	<u>\$ 2,307,779</u>	<u>\$ 299,573</u>
<u>Cash and Investment Assets - December 31</u>			
Restricted assets:			
Cash and investments	<u>\$ (2,008,206)</u>	<u>\$ 2,307,779</u>	<u>\$ 299,573</u>
Total cash and investment assets - December 31	<u>\$ (2,008,206)</u>	<u>\$ 2,307,779</u>	<u>\$ 299,573</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Other purposes	<u>\$ (2,008,206)</u>	<u>\$ 2,307,779</u>	<u>\$ 299,573</u>
Total cash and investment fund balance - December 31	<u>\$ (2,008,206)</u>	<u>\$ 2,307,779</u>	<u>\$ 299,573</u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2009

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 117,975	\$ 381,283	\$ 499,258
Plan members	-	2,485	2,485
State	600,315	1,006,748	1,607,063
Miscellaneous	1,397	-	1,397
	<u>719,687</u>	<u>1,390,516</u>	<u>2,110,203</u>
Investment receipts:			
Interest	<u>268</u>	<u>559</u>	<u>827</u>
	<u>719,955</u>	<u>1,391,075</u>	<u>2,111,030</u>
Deductions:			
Benefits	566,871	980,257	1,547,128
Administrative and general	<u>4,033</u>	<u>6,045</u>	<u>10,078</u>
	<u>570,904</u>	<u>986,302</u>	<u>1,557,206</u>
Excess (deficiency) of total additions over total deductions	149,051	404,773	553,824
Other financing sources:			
Temporary loans received	206,559	279,990	486,549
Temporary loans repaid	<u>(341,565)</u>	<u>(625,054)</u>	<u>(966,619)</u>
Cash and investment fund balance - beginning	<u>149,606</u>	<u>260,346</u>	<u>409,952</u>
Cash and investment fund balance - ending	<u>\$ 163,651</u>	<u>\$ 320,055</u>	<u>\$ 483,706</u>

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, 2009

	Fox Memorial Trust	Eleanor Fox Trust	Maurice Fox Trust	Totals
Additions:				
Investment earnings:				
Interest	\$ 214	\$ 1,724	\$ 531	\$ 2,469
Dividends	884	2,898	4,630	8,412
Net realized and unrealized increase in investment value	<u>11,106</u>	<u>3,136</u>	<u>22,826</u>	<u>37,068</u>
Total additions	<u>12,204</u>	<u>7,758</u>	<u>27,987</u>	<u>47,949</u>
Deductions:				
Benefits	-	-	6,237	6,237
Administrative and general	1,876	856	1,200	3,932
Net realized and unrealized decrease in investment value	<u>6,414</u>	<u>-</u>	<u>-</u>	<u>6,414</u>
Total deductions	<u>8,290</u>	<u>856</u>	<u>7,437</u>	<u>16,583</u>
Excess (deficiency) of total additions over total deductions	3,914	6,902	20,550	31,366
Cash and investment fund balance - beginning	<u>44,233</u>	<u>143,447</u>	<u>154,636</u>	<u>342,316</u>
Cash and investment fund balance - ending	<u>\$ 48,147</u>	<u>\$ 150,349</u>	<u>\$ 175,186</u>	<u>\$ 373,682</u>

CITY OF LAPORTE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	<u>Payroll</u>	<u>Flexible Spending Account</u>	<u>Utilities ACH Fund</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 9,924,960	\$ 9,488	\$ 406,853	\$ 10,341,301
Deductions:				
Agency fund deductions	<u>9,928,604</u>	<u>9,470</u>	<u>406,353</u>	<u>10,344,427</u>
Excess (deficiency) of total additions over total deductions	(3,644)	18	500	(3,126)
Cash and investment fund balance - beginning	<u>5,200</u>	<u>5,055</u>	<u>500</u>	<u>10,755</u>
Cash and investment fund balance - ending	<u>\$ 1,556</u>	<u>\$ 5,073</u>	<u>\$ 1,000</u>	<u>\$ 7,629</u>

CITY OF LAPORTE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 1,408,751
Infrastructure	13,942,029
Buildings	4,908,609
Improvements other than buildings	3,915,293
Machinery and equipment	<u>4,686,480</u>
 Total governmental activities, capital assets net	 \$ <u>28,861,162</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 158,380
Buildings	4,717,340
Improvements other than buildings	7,504,541
Machinery and equipment	<u>3,545,602</u>
 Total Water Utility capital assets	 <u>15,925,863</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	131,034
Buildings	4,039,255
Improvements other than buildings	33,959,933
Machinery and equipment	1,137,316
Construction in progress	<u>737,874</u>
 Total Wastewater Utility capital assets	 <u>40,005,412</u>
 Total business-type activities capital assets	 \$ <u>55,931,275</u>

CITY OF LAPORTE
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
December 31, 2009

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	\$ 10,977	\$ 11,526
Closed circuit television	1,714	1,820
Golf carts	45,198	24,428
Fire station building	2,970,000	251,500
HVAC loan	10,664	8,531
Bonds payable:		
General obligation bonds:		
Park district improvements	1,170,000	314,073
City refunding bonds for police station renovations	1,227,000	223,812
Revenue bonds:		
Tax increment revenue bonds for development of East Gate	1,785,659	90,000
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	3,825,000	407,137
Economic development lease rental bonds for improvements to Thomas Rose Industrial Park	<u>285,000</u>	<u>98,856</u>
Total governmental activities debt	<u>\$ 12,896,212</u>	<u>\$ 1,501,033</u>
Business-type activities:		
Water Utility:		
Revenue bonds:		
Refunding bonds for waterworks system improvements	<u>\$ 1,170,000</u>	<u>\$ 498,178</u>
Wastewater Utility:		
State revolving loans:		
State revolving loans for plant improvements	3,986,000	423,510
Revenue bonds:		
2006 Sewage works revenue bonds	4,500,000	180,000
2007 Sewage works revenue bonds, Series A	<u>2,330,000</u>	<u>229,124</u>
Total Wastewater Utility	<u>10,816,000</u>	<u>832,634</u>
Total business-type activities debt	<u>\$ 11,986,000</u>	<u>\$ 1,330,812</u>

CITY OF LAPORTE
AUDIT RESULTS AND COMMENTS

CAPITAL ASSET RECORDS

As stated in prior reports, 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. In addition, cost indexes have incorrectly been applied to many historical cost values.

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 Non-Reverting Fund loaned the Beechwood Non-Reverting Capital Fund \$58,000 in 1991. The loan has yet to be repaid in full. The outstanding balance of this loan at December 31, 2009, was \$5,900.

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 balances of the following funds were overdrawn as of December 31, 2009:

<u>Fund</u>	<u>Amount</u>
General Fund	\$ 70,938
Park and Recreation	109,698
Transit	75,618
Community Development Block Grant	4,674
DUI Taskforce	1,563
Crash Fatality Reduction	1,785
Landfill Bond Debt Service	34,675
Fire Equipment Lease Bonds	82,326

The cash balances of the Transit, Community Development Block Grant, DUI Taskforce, and Crash Fatality Reduction Funds are reimbursable by state and federal grants.

The General, Park and Recreation, Landfill 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 2008 payable 2009 did not occur until February 2010.

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 stated 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."

(This page intentionally left blank.)

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

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

TO: THE OFFICIALS OF THE CITY OF 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 each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2009.

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

April 1, 2010

CITY OF LAPORTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

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	\$ 175,104
		B-08-MC-18-0021	194,332
		B-09-MC-18-0021	<u>21,868</u>
Total for federal grantor agency			<u>391,304</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Bulletproof Vest Partnership Program	16.607		<u>2,050</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Northwestern Indiana Regional Planning Commission			
Federal Transit Cluster			
Federal Transit - Formula Grants	20.507		199,150
Transit Fire Suppression			<u>12,400</u>
Total for Federal Transit Cluster			<u>211,550</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		<u>21,381</u>
Total for federal grantor agency			<u>232,931</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Direct Grant			
Brownfield's Assessment and Cleanup Cooperative Agreements	66.818		
		BF-00E03701-0	124,822
		BF-00E36901-0	99,164
		BF-00E03601-0	<u>179,579</u>
Total for federal grantor agency			<u>403,565</u>
Total federal awards expended			<u>\$ 1,029,850</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 cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

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
66.818	Brownfields Assessment and Cleanup Cooperative Agreements

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
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF LAPORTE
EXIT CONFERENCE

The contents of this report were discussed on April 1, 2010, with Teresa L. Ludlow, Clerk-Treasurer; Kathleen A. Chroback, Mayor; A.C. Pressler, President Pro Tem of the Common Council; and Donald Baugher, City Attorney. The officials concurred with our audit findings.