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

ANNUAL FINANCIAL REPORT

2004

CITY OF GREENSBURG

DECATUR COUNTY, INDIANA

FILED
08/25/2006

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SCHEDULE OF OFFICIALS

Office	Official	Term
Clerk-Treasurer	L. June Ryle	01-01-04 to 12-31-07
Mayor	Frank P. Manus	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	Frank P. Manus	01-01-04 to 12-31-07
President of the Common Council	Larry Bower	01-01-04 to 12-31-04
	Ken Dornich	01-01-05 to 12-31-05
	Glenn Tebbe	01-01-06 to 12-31-06
Superintendent of Water Utility	Richard Denney	01-01-04 to 12-31-06
Superintendent of Wastewater Utility	Jeffrey H. Smith	01-01-04 to 12-31-06
Utility Office Manager	Donna Lecher	01-01-04 to 12-31-06

STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF GREENSBURG, DECATUR 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 Greensburg (City), as of and for the year ended December 31, 2004, 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. 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, 2004, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

STATE BOARD OF ACCOUNTS

June 27, 2006

CITY OF GREENSBURG
STATEMENT OF CASH ACTIVITIES AND NET ASSETS - CASH BASIS
For The Year Ended December 31, 2004

		Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
					Primary Government		
Functions/Programs	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Primary government:							
Governmental activities:							
General government	$ 2,803,995	$ 763,949	$ -	$ 382,423	$ (1,657,623)	$ -	$ (1,657,623)
Public safety	2,293,367	299,597	52,456	-	(1,941,314)	-	(1,941,314)
Highways and streets	673,290	-	-	-	(673,290)	-	(673,290)
Sanitation	377,135	145,908	-	-	(231,227)	-	(231,227)
Economic development	68,315	-	-	2,450	(65,865)	-	(65,865)
Health and welfare	40,632	-	-	-	(40,632)	-	(40,632)
Interest on long-term debt	130,340	-	-	-	(130,340)	-	(130,340)
Total governmental activities	6,387,074	1,209,454	52,456	384,873	(4,740,291)	-	(4,740,291)
Business-type activities:							
Water	1,850,737	1,763,350	-	-	-	(87,387)	(87,387)
Wastewater	2,440,273	2,437,221	-	-	-	(3,052)	(3,052)
Total business-type activities	4,291,010	4,200,571	-	-	-	(90,439)	(90,439)
Total primary government	$ 10,678,084	$ 5,410,025	$ 52,456	$ 384,873	(4,740,291)	(90,439)	(4,830,730)
General receipts:							
Property taxes					4,069,069	-	4,069,069
Other local sources					2,159,302	35,416	2,194,718
Unrestricted investment earnings					34,424	37,212	71,636
Total general receipts					6,262,795	72,628	6,335,423
Change in net assets					1,522,504	(17,811)	1,504,693
Net assets - beginning					3,200,331	5,009,049	8,209,380
Net assets - ending					$ 4,722,835	$ 4,991,238	$ 9,714,073
Assets							
Cash and cash equivalents					$ 960,029	$ 3,098,164	$ 4,058,193
Restricted assets:							
Cash and cash equivalents					3,762,806	1,893,074	5,655,880
Total assets					$ 4,722,835	$ 4,991,238	$ 9,714,073
Net Assets							
Restricted for:							
Public safety					$ 414,359	$ -	$ 414,359
Highways and streets					235,579	-	235,579
Health and welfare					84,571	-	84,571
Urban redevelopment and housing					1,548,519	-	1,548,519
Debt service					(269)	1,516,017	1,515,748
Construction					-	326,564	326,564
Other purposes					1,480,047	50,493	1,530,540
Unrestricted					960,029	3,098,164	4,058,193
Total net assets					$ 4,722,835	$ 4,991,238	$ 9,714,073

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

CITY OF GREENSBURG
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004

	General	EDIT	TIF	Other Governmental Funds	Totals
Receipts:					
Taxes	$ 2,072,268	$ 236,312	$ 1,052,628	$ 707,861	$ 4,069,069
Special assessments	-	-	-	5,769	5,769
Licenses and permits	21,642	-	-	-	21,642
Intergovernmental	1,314,964	-	-	995,740	2,310,704
Charges for services	356,011	-	-	151,654	507,665
Fines and forfeits	11,698	-	-	-	11,698
Other	116,231	5,884	7,994	141,888	271,997
Total receipts	3,892,814	242,196	1,060,622	2,002,912	7,198,544
Disbursements:					
General government	1,797,826	-	-	313,367	2,111,193
Public safety	2,128,730	-	-	60,273	2,189,003
Highways and streets	84,441	142,833	-	446,016	673,290
Sanitation	234,965	-	-	142,170	377,135
Urban redevelopment and housing	37,815	-	-	30,500	68,315
Debt service:					
Principal	-	-	-	90,000	90,000
Interest	-	-	-	130,340	130,340
Capital outlay:					
General government	-	-	-	109,478	109,478
Public safety	-	-	-	10,714	10,714
Health and welfare	-	-	-	40,632	40,632
Total disbursements	4,283,777	142,833	-	1,373,490	5,800,100
Excess (deficiency) of revenue over (under) disbursements	(390,963)	99,363	1,060,622	629,422	1,398,444
Other financing sources (uses)					
Transfers in	-	-	-	75,000	75,000
Transfers out	(75,000)	-	-	-	(75,000)
Total other financing sources (uses)	(75,000)	-	-	75,000	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(465,963)	99,363	1,060,622	704,422	1,398,444
Cash basis fund balance - beginning	492,003	501,720	403,729	984,557	2,382,009
Cash basis fund balance - ending	$ 26,040	$ 601,083	$ 1,464,351	$ 1,688,979	3,780,453
Amounts reported for governmental activities in the Statement of Net Assets are different because:					
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.					942,382
Net assets of governmental activities					$ 4,722,835
Cash Basis Assets - December 31					
Cash and cash equivalents	$ 26,040	$ 601,083	$ -	$ 332,906	$ 960,029
Restricted assets:					
Cash and cash equivalents	-	-	1,464,351	1,356,073	2,820,424
Total cash basis assets - December 31	$ 26,040	$ 601,083	$ 1,464,351	$ 1,688,979	$ 3,780,453
Cash Basis Fund Balance - December 31					
Restricted for:					
Public safety	$ -	$ -	$ -	$ 414,359	$ 414,359
Highways and streets	-	-	-	235,579	235,579
Health and welfare	-	-	-	84,571	84,571
Urban redevelopment and housing	-	-	1,464,351	84,168	1,548,519
Debt service	-	-		(269)	(269)
Other purposes	-	-	-	537,665	537,665
Unrestricted	26,040	601,083	-	332,906	960,029
Total cash basis fund balance - December 31	$ 26,040	$ 601,083	$ 1,464,351	$ 1,688,979	$ 3,780,453

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

CITY OF GREENSBURG
STATEMENT OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2004

	Water Utility	Wastewater Utility	Total	Internal Service Funds
Operating receipts:				
Customer collections	$ 1,769,004	$ 2,437,221	$ 4,206,225	$ -
Other water receipts	29,762	-	29,762	-
Insurance proceeds	-	-	-	703,317
Total operating receipts	1,798,766	2,437,221	4,235,987	703,317
Operating disbursements:				
Cost of sales and services	753,410	912,691	1,666,101	-
Equipment and capital improvements	188,370	183,217	371,587	-
Other	28,712	-	28,712	-
Salaries and wages	607,767	539,515	1,147,282	-
Insurance disbursements	-	-	-	586,974
Total operating disbursements	1,578,259	1,635,423	3,213,682	586,974
Excess of receipts over disbursements	220,507	801,798	1,022,305	116,343
Nonoperating receipts (disbursements):				
Interest and investment receipts	13,978	23,234	37,212	7,717
Debt service of principal	(175,000)	(486,000)	(661,000)	-
Interest and investment disbursement	(96,188)	(318,350)	(414,538)	-
Miscellaneous disbursements	(1,290)	(500)	(1,790)	-
Total nonoperating receipts (disbursements)	(258,500)	(781,616)	(1,040,116)	7,717
Excess (deficiency) of receipts over (under) disbursements and nonoperating receipts (disbursements)	(37,993)	20,182	(17,811)	124,060
Cash basis fund balance - beginning	1,503,461	3,505,588	5,009,049	818,322
Cash basis fund balance - ending	$ 1,465,468	$ 3,525,770	$ 4,991,238	$ 942,382
Cash Basis Assets - December 31				
Cash and cash equivalents	$ 689,618	$ 2,408,546	$ 3,098,164	$ -
Restricted assets:				
Cash and cash equivalents	775,850	1,117,224	1,893,074	942,382
Total cash basis assets - December 31	$ 1,465,468	$ 3,525,770	$ 4,991,238	$ 942,382
Cash Basis Fund Balance - December 31				
Restricted for:				
Debt service	$ 398,793	$ 1,117,224	$ 1,516,017	$ -
Construction	326,564	-	326,564	-
Other purposes	50,493	-	50,493	942,382
Unrestricted	689,618	2,408,546	3,098,164	-
Total cash basis fund balance - December 31	$ 1,465,468	$ 3,525,770	$ 4,991,238	$ 942,382

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

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

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	$ 101,775	$ -
Plan members	2,015	-
Total contributions	103,790	-
Investment earnings:		
Interest	2,280	-
Agency fund additions	-	1,539,211
Total additions	106,070	1,539,211
Deductions:		
Benefits	317,263	-
Administrative and general	414	-
Agency fund deductions	-	1,540,158
Total deductions	317,677	1,540,158
Deficiency of total additions under total deductions	(211,607)	(947)
Cash and cash equivalents - beginning	369,781	3,493
Cash and cash equivalents - ending	$ 158,174	$ 2,546

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

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, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment and housing.

The City's financial reporting entity is composed of the primary government.

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

The City reports the following major governmental 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 EDIT fund accounts for the financial resources used for public improvements and economic development.

The TIF fund accounts for the financial resources used for public improvements and economic development within the TIF district.

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund types:

The internal service fund accounts for medical benefits provided to employees and their dependents.

The pension trust funds account for the activities of the Police Pension and Firefighter's Pension, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the City as an agent for various taxing entities and benefit providers for payroll withholdings.

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 then 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, Wastewater Utility and Water Utility. 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.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

<u>Government-Wide Statements</u>

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

a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments (2) law through constitutional provisions or enabling legislations.

b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

<u>Fund Financial Statements</u>

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

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.

3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

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

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

B. Cash and Investment Balance Deficits

At December 31, 2004, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and State statute:

Fund	2004
Bond General Sinking	$ 269

Cash and investment deficits arose primarily from disbursements exceeding receipts due to the underestimate of current requirements; these deficits are to be repaid from future receipts.

III. Detailed Notes on All Funds

A. Deposits and Investments

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

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2004, were as follows:

Transfer From	Transfer To	2004
General	Animal shelter building	$ 75,000

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

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees, and Dependents

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Insurance Claims Reserve Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of $25,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program.

B. Holding Corporation

The City has entered into a capital lease with the City of Greensburg Public Safety Facilities Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year totaled $146,000.

C. Rate Structure – Enterprise Funds

Water Utility

On June 30, 1997, the City Council adopted Ordinance No. 1997-7 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on July 1, 2002.

Wastewater Utility

The current rate structure was approved by the City Council on June 19, 2000.

D. 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 and Annual Pension Cost

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

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

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

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

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

c. 1937 Firefighters' Pension Plan

Plan Description

The City contributes to the 1937 Firefighters' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

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

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

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	$ 64,205	$ 315,600	$ 252,300
Interest on net pension obligation	(1,530)	48,800	69,200
Adjustment to annual required contribution	1,744	(81,500)	(115,500)
Annual pension cost	64,419	282,900	206,000
Contributions made	73,250	97,542	75,810
Increase (decrease) in net pension obligation	(8,831)	185,358	130,190
Net pension obligation, beginning of year	(21,104)	723,438	1,025,311
Net pension obligation, end of year	$ (29,935)	$ 908,796	$ 1,155,501

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
City	3.75%	21%	21%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-05	01-01-04	01-01-04
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	32 years	13 years	13 years
Amortization period (from date)	07-01-97	12-31-77	12-31-77
Asset valuation method	4 year Smoothed market	4 year smoothed market	4 year smoothed market

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

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-03	$ 69,844	84%	$ (10,898)
	06-30-04	54,402	119%	(21,104)
	06-30-05	64,419	135%	(29,935)
1925 Police Officers' Pension Plan	12-31-01	266,700	79%	661,516
	12-31-02	271,300	77%	723,438
	12-31-03	282,900	34%	908,796
1937 Firefighters' Pension Plan	12-31-01	239,200	83%	1,048,341
	12-31-02	185,300	112%	1,025,311
	12-31-03	206,000	37%	1,155,501

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

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retires and beneficiaries currently receiving benefits	11	8
Current active employees	1	-

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2004, 2003, and 2002, were $294,248, $283,447, and $280,908, respectively, equal to the required contributions for each year.

CITY OF GREENSBURG
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)
07-01-03	$ 1,512,765	$ 1,264,687	$ 248,078	120%	$ 1,642,404	15%
07-01-04	1,524,673	1,397,844	126,829	109%	1,669,095	8%
07-01-05	1,582,309	1,695,498	(113,189)	93%	1,938,658	(6%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-99	$ 231,936	$ 3,026,300	$ (2,794,364)	8%	$ -	N/A
01-01-00	215,236	2,954,600	(2,739,364)	7%	-	N/A
01-01-01	153,916	2,739,100	(2,585,184)	6%	-	N/A
01-01-02	202,918	2,176,900	(1,973,982)	9%	-	N/A
01-01-03	204,244	1,857,300	(1,653,056)	11%	-	N/A
01-01-04	168,487	2,294,100	(2,125,613)	7%	-	N/A

N/A - Not available.

1925 Police Officers' Pension

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)
01-01-99	$ 172,917	$ 2,753,100	$ (2,580,183)	6%	$ 60,000	(4,300%)
01-01-00	162,281	2,751,800	(2,589,519)	6%	61,400	(4,217%)
01-01-01	133,901	2,787,300	(2,653,399)	5%	30,700	(8,643%)
01-01-02	190,020	2,774,200	(2,584,180)	7%	32,000	(8,076%)
01-01-03	222,455	2,713,100	(2,490,645)	8%	65,400	(3,808%)
01-01-04	201,292	2,797,100	(2,595,808)	7%	33,600	(7,726%)

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

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1925 Police Officers' Pension Plan	12-31-98	$ 301,300	65%
	12-31-99	277,700	47%
	12-31-00	285,400	47%
	12-31-01	288,800	73%
	12-31-02	298,100	70%
	12-31-03	315,600	31%
1937 Firefighters' Pension Plan	12-31-98	$ 463,900	49%
	12-31-99	286,100	48%
	12-31-00	288,000	29%
	12-31-01	276,100	72%
	12-31-02	227,800	91%
	12-31-03	252,300	30%

CITY OF GREENSBURG
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004

	Motor Vehicle Highway	Local Road and Street	DNR Grant	County Building Inspection	Law Enforcement Continuing Education	Fire Contribution	Police Donation
Receipts:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	395,896	42,567	-	-	-	-	-
Charges for services	-	-	-	-	5,747	-	-
Other	1,654	-	-	-	-	2,546	770
Total receipts	397,550	42,567	-	-	5,747	2,546	770
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	7,770	504	1,358
Highways and streets	351,016	95,000	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	351,016	95,000	-	-	7,770	504	1,358
Excess (deficiency) of revenue over (under) disbursements	46,534	(52,433)	-	-	(2,023)	2,042	(588)
Other financing sources (uses)							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	46,534	(52,433)	-	-	(2,023)	2,042	(588)
Cash basis fund balance - beginning	167,005	74,473	125	249	27,463	1,172	6,507
Cash basis fund balance - ending	$ 213,539	$ 22,040	$ 125	$ 249	$ 25,440	$ 3,214	$ 5,919
Cash Basis Assets - December 31							
Cash and cash equivalents	$ -	$ -	$ -	$ 249	$ -	$ -	$ -
Restricted assets:							
Cash and cash equivalents	213,539	22,040	125	-	25,440	3,214	5,919
Total cash basis assets - December 31	$ 213,539	$ 22,040	$ 125	$ 249	$ 25,440	$ 3,214	$ 5,919
Cash Basis Fund Balance - December 31							
Restricted for:							
Public safety	$ -	$ -	$ -	$ -	$ 25,440	$ 3,214	$ 5,919
Highways and streets	213,539	22,040	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	125	-	-	-	-
Unrestricted	-	-	-	249	-	-	-
Total cash basis fund balance - December 31	$ 213,539	$ 22,040	$ 125	$ 249	$ 25,440	$ 3,214	$ 5,919

CITY OF GREENSBURG
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004
(Continued)

	EDLP	IRL	Trash Tipping Fee	OWI Overtime	Police Officer Grant	Unsafe Building Fee	911 Dispatch County
Receipts:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	-	5,769	-
Intergovernmental	-	-	-	7,250	17,559	-	24,331
Charges for services	-	-	145,907	-	-	-	-
Other	7,385	150	-	-	-	-	-
Total receipts	7,385	150	145,907	7,250	17,559	5,769	24,331
Disbursements:							
General government	-	-	-	-	-	3,650	-
Public safety	-	-	-	7,167	14,490	-	19,862
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	142,170	-	-	-	-
Urban redevelopment and housing	30,500	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	30,500	-	142,170	7,167	14,490	3,650	19,862
Excess (deficiency) of revenue over (under) disbursements	(23,115)	150	3,737	83	3,069	2,119	4,469
Other financing sources (uses)							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	(23,115)	150	3,737	83	3,069	2,119	4,469
Cash basis fund balance - beginning	55,729	45,204	10,083	799	5,630	111,337	2,097
Cash basis fund balance - ending	$ 32,614	$ 45,354	$ 13,820	$ 882	$ 8,699	$ 113,456	$ 6,566
Cash Basis Assets - December 31							
Cash and cash equivalents	$ -	$ -	$ 13,820	$ -	$ -	$ 113,456	$ -
Restricted assets:							
Cash and cash equivalents	32,614	45,354	-	882	8,699	-	6,566
Total cash basis assets - December 31	$ 32,614	$ 45,354	$ 13,820	$ 882	$ 8,699	$ 113,456	$ 6,566
Cash Basis Fund Balance - December 31							
Restricted for:							
Public safety	$ -	$ -	$ -	$ 882	$ 8,699	$ -	$ 6,566
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	32,614	45,354	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
Unrestricted	-	-	13,820	-	-	113,456	-
Total cash basis fund balance - December 31	$ 32,614	$ 45,354	$ 13,820	$ 882	$ 8,699	$ 113,456	$ 6,566

CITY OF GREENSBURG
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004
(Continued)

	Riverboat	Housing Rehab Loan	Senior Center Project	Police Equitable Sharing	Hazmat Emergency	Brownfield Grant	Rainy Day
Receipts:							
Taxes	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Special assessments	-	-	-	-	-	-	-
Intergovernmental	64,697	-	257,423	-	-	2,450	72,137
Charges for services	-	-	-	-	-	-	-
Other	-	3,750	-	-	353	-	-
Total receipts	64,697	3,750	257,423	-	353	2,450	72,137
Disbursements:							
General government	-	-	282,534	-	-	-	-
Public safety	-	-	-	9,122	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Total disbursements	-	-	282,534	9,122	-	-	-
Excess (deficiency) of revenue over (under) disbursements	64,697	3,750	(25,111)	(9,122)	353	2,450	72,137
Other financing sources (uses)							
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	64,697	3,750	(25,111)	(9,122)	353	2,450	72,137
Cash basis fund balance - beginning	64,877	-	28,373	22,753	3,317	-	-
Cash basis fund balance - ending	$ 129,574	$ 3,750	$ 3,262	$ 13,631	$ 3,670	$ 2,450	$ 72,137
Cash Basis Assets - December 31							
Cash and cash equivalents	$ 129,574	$ -	$ -	$ -	$ 3,670	$ -	$ 72,137
Restricted assets:							
Cash and cash equivalents	-	3,750	3,262	13,631	-	2,450	-
Total cash basis assets - December 31	$ 129,574	$ 3,750	$ 3,262	$ 13,631	$ 3,670	$ 2,450	$ 72,137
Cash Basis Fund Balance - December 31							
Restricted for:							
Public safety	$ -	$ -	$ -	$ 13,631	$ -	$ -	$ -
Highways and streets	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Urban redevelopment and housing	-	3,750	-	-	-	2,450	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	3,262	-	-	-	-
Unrestricted	129,574	-	-	-	3,670	-	72,137
Total cash basis fund balance - December 31	$ 129,574	$ 3,750	$ 3,262	$ 13,631	$ 3,670	$ 2,450	$ 72,137

CITY OF GREENSBURG
COMBINING SCHEDULE OF CASH BASIS ASSETS AND FUND BALANCES AND
CASH RECEIPTS, DISBURSEMENTS, AND CHANGES IN CASH BASIS FUND BALANCES
OTHER GOVERNMENTAL FUNDS
For The Year Ended December 31, 2004
(Continued)

	DSI Project	Bond General Sinking	Cumulative Capital Improvement	Cumulative Building and Firefighting Equipment	Cumulative Capital Development	Animal Shelter Building	Totals
Receipts:							
Taxes	$ -	$ 355,679	$ -	$ 117,242	$ 234,940	$ -	$ 707,861
Special assessments	-	-	-	-	-	-	5,769
Intergovernmental	-	29,168	53,288	9,658	19,316	-	995,740
Charges for services	-	-	-	-	-	-	151,654
Other	125,000	77	-	-	-	203	141,888
Total receipts	125,000	384,924	53,288	126,900	254,256	203	2,002,912
Disbursements:							
General government	27,183	-	-	-	-	-	313,367
Public safety	-	-	-	-	-	-	60,273
Highways and streets	-	-	-	-	-	-	446,016
Sanitation	-	-	-	-	-	-	142,170
Urban redevelopment and housing	-	-	-	-	-	-	30,500
Debt service:							
Principal	-	90,000	-	-	-	-	90,000
Interest	-	130,340	-	-	-	-	130,340
Capital outlay:							
General government	-	-	30,344		79,134		109,478
Public safety	-	-	-	10,714	-	-	10,714
Health and welfare	-	-	-	-	-	40,632	40,632
Total disbursements	27,183	220,340	30,344	10,714	79,134	40,632	1,373,490
Excess (deficiency) of revenue over (under) disbursements	97,817	164,584	22,944	116,186	175,122	(40,429)	629,422
Other financing sources (uses)							
Interfund loans	-	(168,000)	-	168,000	-	-	-
Transfers in	-	-	-	-	-	75,000	75,000
Total other financing sources (uses)	-	(168,000)	-	168,000	-	75,000	75,000
Excess (deficiency) of receipts and other financing sources over (under) disbursements and other financing uses	97,817	(3,416)	22,944	284,186	175,122	34,571	704,422
Cash basis fund balance - beginning	-	3,147	30,823	65,822	207,572	50,000	984,557
Cash basis fund balance - ending	$ 97,817	$ (269)	$ 53,767	$ 350,008	$ 382,694	$ 84,571	$ 1,688,979
Cash Basis Assets - December 31							
Cash and cash equivalents	$ -	$ -	$ -	$ -	$ -	$ -	$ 332,906
Restricted assets:							
Cash and cash equivalents	97,817	(269)	53,767	350,008	382,694	84,571	1,356,073
Total cash basis assets - December 31	$ 97,817	$ (269)	$ 53,767	$ 350,008	$ 382,694	$ 84,571	$ 1,688,979
Cash Basis Fund Balance - December 31							
Restricted for:							
Public safety	$ -	$ -	$ -	$ 350,008	$ -	$ -	$ 414,359
Highways and streets	-	-		-	-	-	235,579
Health and welfare	-	-	-	-	-	84,571	84,571
Urban redevelopment and housing	-	-	-	-	-	-	84,168
Debt service	-	(269)	-	-	-	-	(269)
Other purposes	97,817	-	53,767	-	382,694	-	537,665
Unrestricted	-	-	-	-	-	-	332,906
Total cash basis fund balance - December 31	$ 97,817	$ (269)	$ 53,767	$ 350,008	$ 382,694	$ 84,571	$ 1,688,979

CITY OF GREENSBURG
COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH BALANCES
PENSION TRUST FUNDS
For The Year Ended December 31, 2004

	Police Pension	Firefighter's Pension	Total
Additions:			
Contributions:			
Employer	$ 50,887	$ 50,888	$ 101,775
Plan members	2,015	-	2,015
State	101,372	80,688	182,060
Total contributions	154,274	131,576	285,850
Investment earnings:			
Interest	980	1,300	2,280
Total additions	155,254	132,876	288,130
Deductions:			
Benefits	177,273	139,990	317,263
Administrative and general	203	211	414
Total deductions	177,476	140,201	317,677
Deficiency of total additions under total deductions	(22,222)	(7,325)	(29,547)
Cash and cash equivalents - beginning	168,489	201,292	369,781
Cash and cash equivalents - ending	$ 146,267	$ 193,967	$ 340,234

CITY OF GREENSBURG
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
For The Year Ended December 31, 2004

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 are not included.

Primary Government	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	$ 63,572
Buildings	4,216,714
Improvements other than buildings	33,459
Machinery and equipment	3,062,126
Total governmental activities, capital assets not being depreciated	$ 7,375,871

Primary Government	Ending Balance
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	$ 408,506
Intangible plant	111,721
Source of supply	3,074,965
Water treatment	1,970,850
Transportation equipment	270,410
Transmission and distribution	6,297,273
General plant	379,758
Total Water Utility capital assets	12,513,483
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	190,103
Construction in progress	348,791
Treatment plant	15,710,672
Sewer lines	9,324,499
Plant equipment	397,385
Transportation equipment	437,136
Office equipment	118,393
Total Wastewater Utility capital assets	26,526,979
Total business-type activities capital assets	$ 39,040,462

CITY OF GREENSBURG
SUPPLEMENTARY INFORMATION
SCHEDULE OF LONG-TERM DEBT
For The Year Ended December 31, 2004

CAPITAL LEASES

The City has entered into the following capital leases:

Description of Asset	Present Value of Net Minimum Lease Payments	Ending Balance	Due Within One Year
Police station	$ 2,530,000	$ 3,942,000	$ 220,000
Street sweeper	21,407	22,503	22,503
Total capital leases	$ 2,551,407	$ 3,964,503	$ 242,503

	Ending Balance	Due Within One Year
Business-type activities:		
Water Utility:		
Revenue bonds:		
1998 Water refunding revenue bonds	$ 2,290,000	$ 185,000
Wastewater Utility:		
Revenue bonds:		
2002 Wastewater refunding revenue bonds	820,000	490,000
2000 Wastewater expansion bonds	8,012,405	*
Total Wastewater Utility	8,832,405	490,000
Total business-type activities	$ 11,122,405	$ 675,000

*Under the terms of the State Revolving Loan Fund, revenue bonds have been purchased by the Indiana Bond Bank, the proceeds of which are set aside to finance the construction of a wastewater treatment plant. Funds are loaned to the City as construction costs are accrued to the maximum allowed. The 2000 loan established a maximum draw of $9,850,000. Debt service requirements for the loan will not be determined until planned construction projects are completed.

CITY OF GREENSBURG
AUDIT RESULTS AND COMMENTS

POLICE DEPARTMENT RECEIPTS AND FEES

As reported in prior audit reports, receipts and fees collected by the police department were remitted to the Clerk-Treasurer less frequently than once a week.

Receipts and fees collected by a police department should be remitted to the Clerk-Treasurer or City Controller at least once each week. (Cities and Towns Bulletin and Uniform Compliance Guidelines, September 2003)

INFRASTRUCTURE

The City does not record infrastructure with their capital assets.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. 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)

CITY OF GREENSBURG
EXIT CONFERENCE

The contents of this report were discussed on June 27, 2006, with Frank P. Manus, Mayor; L. June Ryle, Clerk-Treasurer; and Donna Lecher, Utility Office Manager. The officials concurred with our audit findings.