

City of Noblesville Indiana



New City Hall (View from 10th Street)



New City Hall (View of East Side from Corner)

John Ditslear, Mayor

Janet S. Jaros, Clerk-Treasurer

Comprehensive Annual Financial Report

Year Ended December 31, 2005

COMPREHENSIVE ANNUAL FINANCIAL REPORT

CITY OF NOBLESVILLE, INDIANA

Year Ended December 31, 2005

Prepared by:

Janet Jaros, Clerk Treasurer

INTRODUCTORY SECTION

INTRODUCTORY SECTION

CITY OF NOBLESVILLE, INDIANA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2005

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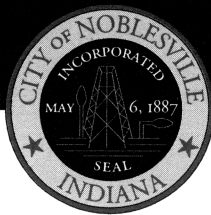
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**Members of the Board
of Public Works**



Jack Martin, John Ditslear, Lawrence Stork

*Serving Noblesville
ONE person at a time.*



CITY OF NOBLESVILLE
JOHN DITSLEAR, MAYOR

July 21, 2006

Dear Citizens of Noblesville and Interested Persons,

I am proud and please to present to you the 2005 Comprehensive Annual Financial Report, as well as a summary of all the services, projects and activities that make Noblesville a community of families, growth and great potential. This report has been prepared by our outstanding fiscal steward, Clerk-Treasurer Janet Jaros, and follows the guidelines set by the Government Finance Officer's Association (GFOA) of the United States and Canada. This report will be submitted to the GFOA for review.

Noblesville is a city of opportunity. Like many communities, we must provide the amenities and lifestyle opportunities to support and encourage the growth and development of the corporate and institutional sectors. Our city provides high quality services to its citizens, including public safety, streets, sanitation and recycling services, public improvements, planning and zoning administration, parks and recreation, and general administration. Our number one goal is to provide our citizens with efficient cost effective and quality services. To this end, department directors strive to provide up-to-date equipment, planning, and continuous training for all employees in order to provide good city services.

This report would not be possible without the support of the entire City Council, City Management, and most importantly, the commitment by Clerk-Treasurer Janet Jaros to quality reporting and absolute compliance with statutory and regulatory requirements. We invite your comments and questions concerning the information contained in the document.

John Ditslear, Mayor
City of Noblesville

OFFICE OF
THE MAYOR



16 SOUTH 10TH STREET
NOBLESVILLE, INDIANA 46060
PHONE 317.776.6324 • FAX 317.776.6363

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May 15, 2006

CITY OF NOBLESVILLE

JANET S. JAROS
CLERK - TREASURER

Honorable Mayor John Ditslear
Honorable Members of Common Council
City of Noblesville
Noblesville, Indiana 46060

The Comprehensive Annual Financial Report (CAFR) of the City of Noblesville, Indiana, for the year ended December 31, 2005, is submitted herewith. The CAFR is presented as part of a continuing effort to provide the citizens of Noblesville with the highest standards of financial accountability and disclosure.

Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures rests with the City. We believe the data, as presented, is accurate in all material aspects; that it is presented in a manner designed to fairly set forth the financial position and results of operation of the City as measured by the financial activity of its various funds; and that all disclosures necessary to enable the reader to gain understanding of the City's financial activity have been included.

REPORT FORMAT

This Comprehensive Annual Financial Report is composed of three distinct sections. The Introductory Section includes a letter from the Mayor, this letter of transmittal, an organizational chart and a list of elected officials. The Financial Section includes the State Board of Accounts opinion, Management's Discussion and Analysis, the Basic Financial Statements, Notes to the Financial Statements, Required Supplementary Information and Combining and Individual Fund Statements and Schedules. The Statistical Section contains a number of financial, statistical, and demographic information tables.

Generally Accepted Accounting Principles require that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The City of Noblesville's MD&A can be found immediately following the report of the independent auditors.

PROFILE OF THE GOVERNMENT

The City of Noblesville was incorporated in 1851 and is the County seat of Hamilton County. It is located in central Indiana 17 miles northeast of downtown Indianapolis. Noblesville is one of the most rapidly growing municipalities in the State, serving a current population of 39,350, covering an area of approximately 30.8 square miles with 195 miles of public roadways.



The City government is comprised of executive, legislative and judicial branches. The Mayor serves as the head of the executive branch and is elected to a four year term. The Clerk-Treasurer is the City's chief fiscal officer and is also elected to a four year term. The City's seven member Common Council serves as the legislative branch. Five of its members represent individual council districts and two are at-large. All serve four year terms. The Council meets formally twice a month to conduct business. Their duties include the enactment of all ordinances and resolutions and approving the budget and appropriations. The Noblesville City Court is the judicial branch.

The administrative body for the City is the Board of Public Works. The Board of Works is composed of three members, two appointed by the Mayor and the Mayor, who presides. The Board of Works is also administrator to the Wastewater Utility. The utility served 13,758 customers as of December 31, 2005, an increase of 1,211 since the prior year.

The City of Noblesville provides the full range of municipal services to its residents. These include police and fire protection, emergency medical services, highways and streets, parks and recreation activities, culture, public improvements, wastewater utility services, planning and zoning, engineering and general administrative services. Certain financing and economic development functions are provided by the Noblesville Economic Development Infrastructure Building Corporation and the Noblesville Redevelopment Authority. Although both are legally separate entities, they provide service almost exclusively to the City, and therefore are included as an integral part of the City's financial statements. Additional information on these entities is in Note 1.B. in the notes to the financial statements.

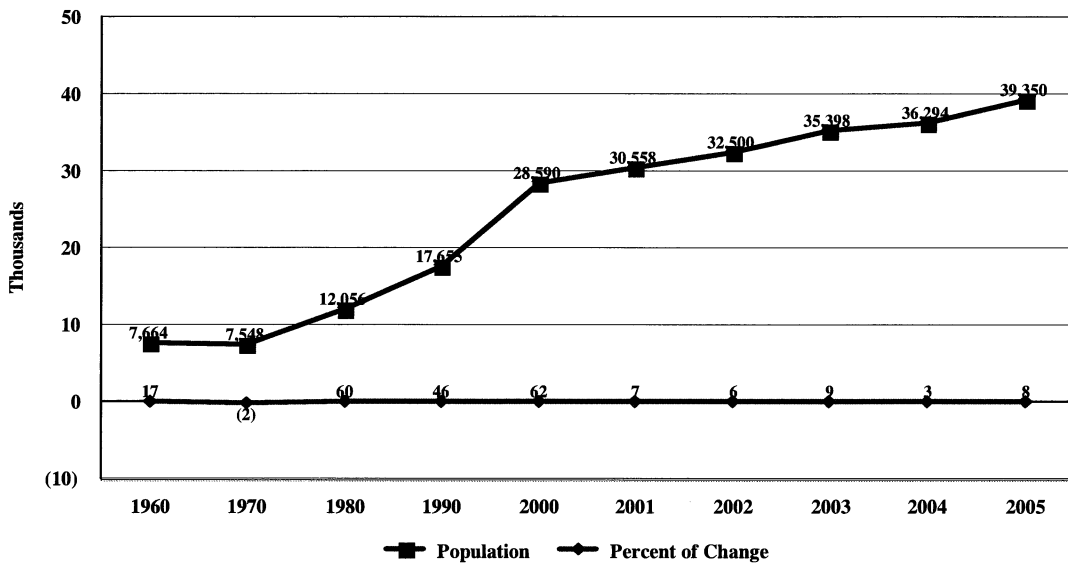
FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements may be better understood when economic and related environmental factors specifically impacting the City of Noblesville are considered. The following sections provide brief summaries of certain key factors related to the local economy, long term financial planning, cash management, risk management and other matters intended to assist readers of this report in assessing the City's financial condition.

Economic Outlook and Condition

Growth in and around the City of Noblesville continues to be a significant factor affecting the state of the local economy. Population increases in the last three U. S. census surveys were as follows: 1980 increased 59.7%; 1990 increased 46.4% and 2000 increased 61.8%. Population based upon a special census conducted in 2005 was 39,350, which represents an increase of almost 38% in the last five years.

POPULATION



Rapid population growth and a strong local economy stimulated activity in both the residential and commercial building sectors. The City issued record 1,161 new single family residential building permits in 2005 for locations within the corporate limits. This represented a 17.4% increase over the prior year. Residential building activity was spread over 28 active subdivisions and 28 builders ranging from modest to high end custom homes. The average new home size in 2005 was 3,432 square feet. In addition, permits were issued for 194 new multifamily units in 2005. Non-residential building permits issued in 2005 totaled \$91.84 million in construction value and are expected to add over 1.4 million square feet in new or remodeled space. Over 75% of the approved projects are for commercial usage. Commercial development is concentrated along the S.R. 37 corridor in developments which the City has made significant infrastructure investments including Stoney Creek Commons, Stoney Creek Market Place and the Noblesville Commerce Park. Public building permits in 2005 included Noblesville Intermediate School (\$30 million) and the City Hall Expansion (\$17 million). Overall, building permits issued in 2005 had an estimated construction value of \$320.2 million (a 26% increase over 2004).

In 2004, the City annexed approximately 520 acres for the Corporate Campus projects. The Corporate Campus area is southeast of downtown Noblesville extending to I-69. Its creation is a significant initiative by the City to secure future economic vitality. It is intended to foster development of a diverse tax base and provide for significant job creation within the community. See long term financial planning below for additional information.

In response to the growth experienced by Noblesville, the City is constantly seeking ways to improve its services to residents. In 2004, the City secured financing of \$7.325 million for improvements to Little Chicago Road, a heavily traveled north/south roadway along the west side of the City. This road is a primary route from SR 32 north to the subdivisions surrounding Morse Reservoir. Plans include expansion to a 4 lane divided boulevard in two stages. The

section from SR 32 to 191st Street began construction in 2004 and was completed in 2005. The section from 191st Street north to the reservoir is estimated to cost \$6.5 million and will begin in 2008 if improvements needed at the intersection of SR 38, which is the State's responsibility, could be coordinated with this schedule. Funding for the Little Chicago Road projects is expected to be through the issuance of lease rental bonds paid by property taxes.

With the completion of Fire Station No. 5 in 2004 and Fire Station No. 6 in 2005, the total number of City fire stations has increased to six and has improved response times to rapidly growing areas. In addition to the improvements to the roads and additional Fire Stations, the City has increased the number of employees in key service areas in the public safety areas to maintain high quality service to its growing population. The Noblesville Fire Department currently has 117 career firefighters that run three shifts operating a 24 hour schedule. They cover an area of 55 square miles within its jurisdiction. The Noblesville Police Department consists of 66 sworn officers and seven reserve officers who run in three shifts as well.

The industries of Noblesville manufacture a variety of products including air springs; glass reinforced polyester sheet and molding, disposable medical equipment, plastic components and aquariums. Retail, governmental, health care and educational services are also among the largest employers in the City. Many local residents are employed in the nearby cities of Carmel, Indianapolis, Muncie and Kokomo. Based upon State employment data, Hamilton County's 2005 labor force totals 127,000. The County unemployment rate in 2005 was 3.1%, the lowest county unemployment rate in the State. The Indiana state wide unemployment rate for 2005 was 5.4%.

Long-Term Financial Planning

Key areas of emphasis related to the future economic development of Noblesville include the Corporate Campus project and road projects linking this area to S.R. 37, an existing major 4 lane north/south highway running through the City. The infrastructure improvements currently in progress will open up more than 700 acres for future commercial, office and industrial development at I-69's Exit 10 interchange which is expected to benefit the City for years to come. The City has also been aggressively marketing the Corporate Campus to potential users. The City used tax abatements as a significant tool in securing several major projects during the year and plans to continue their use as a part of the development process. Helmer Incorporated, a life-science manufacturer which headquarters are currently located in Noblesville, announced that they will construct their new headquarters and manufacturing facility in the Saxony development at the Exit 10 interchange. The Saxony development, along with Hamilton Town Center, will provide a significant eastern gateway into the Corporate Campus as well. The Panattoni development at 146th Street and Cumberland road announced its first user in 2005. Stanley Works plans to construct a 60,000 square foot building at a cost of well over \$5 million. Construction began in the Cumberland Pointe Commercial Park on two additional buildings that will house Midwest Controls and Cable Tie Express. Additionally, construction was completed on the Braun and Sullivan building with office space available for lease.

The improvements to 146th Street, a major east/west Hamilton County thoroughfare through running along the southern border of Noblesville, were completed in 2005 creating a four lane

divided roadway. Those improvements currently end just east of S.R. 37 in Noblesville. The City and County have agreed to jointly make similar upgrades to 146th Street from Cumberland road (just east of SR 37) along a 3.5 mile route east to I-69. This project includes a 4 to 6 lane road which will serve as the backbone to the Corporate Campus. In addition, improvements to the Exit 10 interchange of I-69 will be made to serve Corporate Campus and handle traffic from significant retail growth planned at this interchange. The total cost of the 146th Street Corridor project including Exit 10 improvements is estimated at approximately \$61 million. The City plans to issue approximately \$43 million in bonds in 2006 secured by tax increment revenue and property taxes. The bulk of the remaining funding is from federal highway funds and grants which have already been secured. Construction is expected to begin in 2006 and last for 12 to 15 months.

In 2005, the City secured financing of \$17 million for the expansion and renovation of City Hall. Construction commenced in fall of 2005 and is anticipated to be completed the 4th quarter of 2006. The project includes improvements to City Hall including interior renovation and exterior restoration and construction of 46,000 sq. ft. two story addition plus 21,000 sq. ft. basement under the addition. The expanded facility will provide for consolidation of City Administrative functions in the downtown building and eliminate the need for leased space. Funding for this project is through the issuance of lease rental bonds payable with property taxes.

In 2005, the City announced a joint venture between Gershman Brown and Simon Property to develop property located on the eastern gateway of the Corporate Campus. Hamilton Town Center, a Simon Companies life style commercial center at I-69 near the Exit 10 interchange, was approved through the cooperative efforts of Planning and Economic Development. This investment of over \$100 million and over 1 million square feet of retail users will present the City as a future regional shopping destination with significant commercial presence on I-69 drawing from a much wider regional shopping base than ever experienced before. This project further meets another City long term goal of stabilizing our community tax base. The City will issue approximately \$22 million in lease rental bonds in 2006 payable with tax increment revenue and developer guarantees to fund related infrastructure improvements for roadways, storm sewers and drainage.

The City's Wastewater Utility will begin a \$15.3 million treatment plant expansion to comply with Phase I of its Long Term Control Plan and double pumping capacity at the plant. Funding plans include the issuance of \$9 million in sewage works revenue bonds in 2006 with the remainder funded with utility cash on hand.

The City Council retained financial advisors in 2004 to assist with the development of a five year capital plan. The purpose of this effort is to define needed projects over the next five years, develop priorities, identify possible funding sources and estimate the financial impact of such major projects. Due to the number of new projects identified since that time, the plan was completely updated in early 2006.

Internal Controls

The management of the City of Noblesville is responsible for establishing and maintaining a system of internal financial controls. The purpose of the internal financial controls is to ensure that the assets of the City are protected from loss, theft or misuse, and that adequate accounting data is compiled to allow for the efficient preparation of financial statements in conformance with generally accepted accounting principles. The internal control structure must provide reasonable assurance these objectives are met within appropriate cost benefit performance. The concept of reasonable assurance recognizes that the cost of internal control should not exceed the benefits likely to be received; and that the evaluation of cost and benefits requires estimates and judgments by management. It is the assessment of City management that the internal control structure does meet these criteria. The City consults with the Indiana State Board of Accounts, not only during the audit, but also, routinely throughout the year as needed.

Budgetary Controls

In accordance with Indiana Statute, the City maintains budgetary controls integrated within the accounting system. The objective of these budgetary controls is to ensure compliance with the annual appropriated budget adopted by the City Council and as approved by the Department of Local Government Finance. The annual budget includes the General Fund, Motor Vehicle Highway Fund, Local Road and Street Fund, Local Law Enforcement Continuing Education Fund, Park and Recreation Fund, Park Nonreverting Operating Fund, Parking Meter Fund, Adult Probation Fund, County Option Income Tax Fund, Fire Station 2 Debt Fund, Public Safety Building Debt Bond Fund, Fire Station Five and Six Debt, Little Chicago Road Debt, Cumulative Capital Improvement Fund, Cumulative Capital Development Fund and Cumulative Building and Fire Fighting Equipment Fund. The Redevelopment Commission approves the budgets for the TIF Funds.

The level of budgetary control (that is, the level at which expenditures cannot legally exceed the appropriated amount) is established by major budget classification within a fund, and in the General Fund, within a department. The Common Council maintains budgetary control on all funds approved in the annual budget with the exception of the Non-Reverting Operating Fund for which the Park Board maintains budgetary control. The Common Council or Park Board may transfer appropriations from one major budget classification to another within a department or fund, by ordinance or resolution, as long as the annual budget for the department or fund is not exceeded. Additional appropriations in excess of the original budget must be approved by the Common Council and subsequently submitted for approval to the Department of Local Government Finance.

The City also maintains an encumbrance account system as one technique of accomplishing budgetary control. Encumbered amounts, for goods or services for which delivery or invoicing is not complete, can be carried over to the subsequent year as part of the subsequent year net appropriation.

The annual budget is prepared from June through August, taking into consideration Council priorities and the City's strategic plan objectives.

Department heads prepare draft budgets in June for presentation to the Council in a series of public work sessions. A budget ordinance is prepared under the Mayor's direction for introduction to the Common Council at its first meeting in August. The budget is advertised per Indiana statute, and a public hearing is held prior to final adoption in September. The Clerk-Treasurer's office provides a comprehensive budget packet on prior expenditures, revenues, and estimated fund cash balance forecasts and tax rates for public review, which is made available at the office of the Clerk-Treasurer. The Common Council has the power to decrease any major category proposed by the Mayor, but may not increase any category in the budget.

Subsequent to the Common Council adoption of the budget, the Department of Local Government Finance holds a final budget hearing review and revision in the fall of each year, prior to issuing a final budget approval order in January.

Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented on pages 58-61. For other governmental funds with appropriated annual budgets, this comparison is presented in the governmental fund subsection of this report on pages 92-99.

Pension Trust and Agency Funds

The City of Noblesville employees are covered by four pension plans:

- 1) 1977 Police Officer's and Fire fighters' Pension Fund - a cost sharing multi-employer defined benefit plan administered by the Indiana Public Employees Retirement Fund (PERF). The City makes required annual contributions at the level determined by PERF.
- 2) 1925 Police Pension Fund and 1937 Fire Fighters' Pension Fund – a single employer defined benefit plan administered by the City of Noblesville.
- 3) 1937 Firefighter's Pension Fund - a single employer defined benefit plan administered by the City of Noblesville.
- 4) All other City Employees are members of the Indiana Public Employees' Retirement Fund (PERF) which administers the plan and establishes the annual contributions which are funded by the City.

Additional information on funding policies and pension costs is in Note IV D in the notes to the financial statements.

Cash Management

Excess cash is invested in short-term investments with maturities of two years or less in conformance with Indiana statute 5-13-4 et seq., governing investment of public funds. Investments authorized by statute are certificates of deposit at local financial institutions that are qualified as depositories for public funds, U.S. Treasury securities and U.S. agency securities backed by the full faith and credit of the U. S. Government.

The City's investment portfolio in 2005 included overnight repurchase agreements collateralized by U. S. Treasury securities and deposit accounts tied to federal fund rates.

Risk Management

The City carries traditional insurance for workers' compensation, automobile liability and physical damage, general liability, public official's liability, property and casualty, inland marine and boiler coverage, crime insurance coverage and also builders risk and flood insurance for the Wastewater treatment Utility. The City is self-insured for health care, dental and vision care.

INDEPENDENT AUDIT

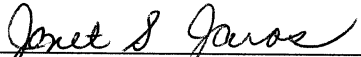
Indiana State Law requires an annual audit of the financial records and transactions of all City functions. The Indiana State Board of Accounts performed our audit for 2005. Their audit met the requirements of the state statutes and was conducted in accordance with generally accepted auditing standards and Government Auditing Standards. The State Board of Accounts concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City of Noblesville's financial statements for the year ended December 31, 2005, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

ACKNOWLEDGEMENTS

The preparation of this report would not have been possible without the dedication and cooperation of all city officials, council members and department directors. We also appreciate the assistance of the Indiana State Board of Accounts and Jim Treat of O. W. Krohn & Associates, LLP, in the completion of this report. We want to thank Steve Sharp of Sharp printing for his assistance in the printing of this report and the many people who provided pictures.

Collectively we believe this report to be of benefit to the entire city, its visitors and prospective investors in present and future expansion.

Sincerely,


Janet S. Jaros, Clerk-Treasurer

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Noblesville,
Indiana

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2004

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

Common Council Members

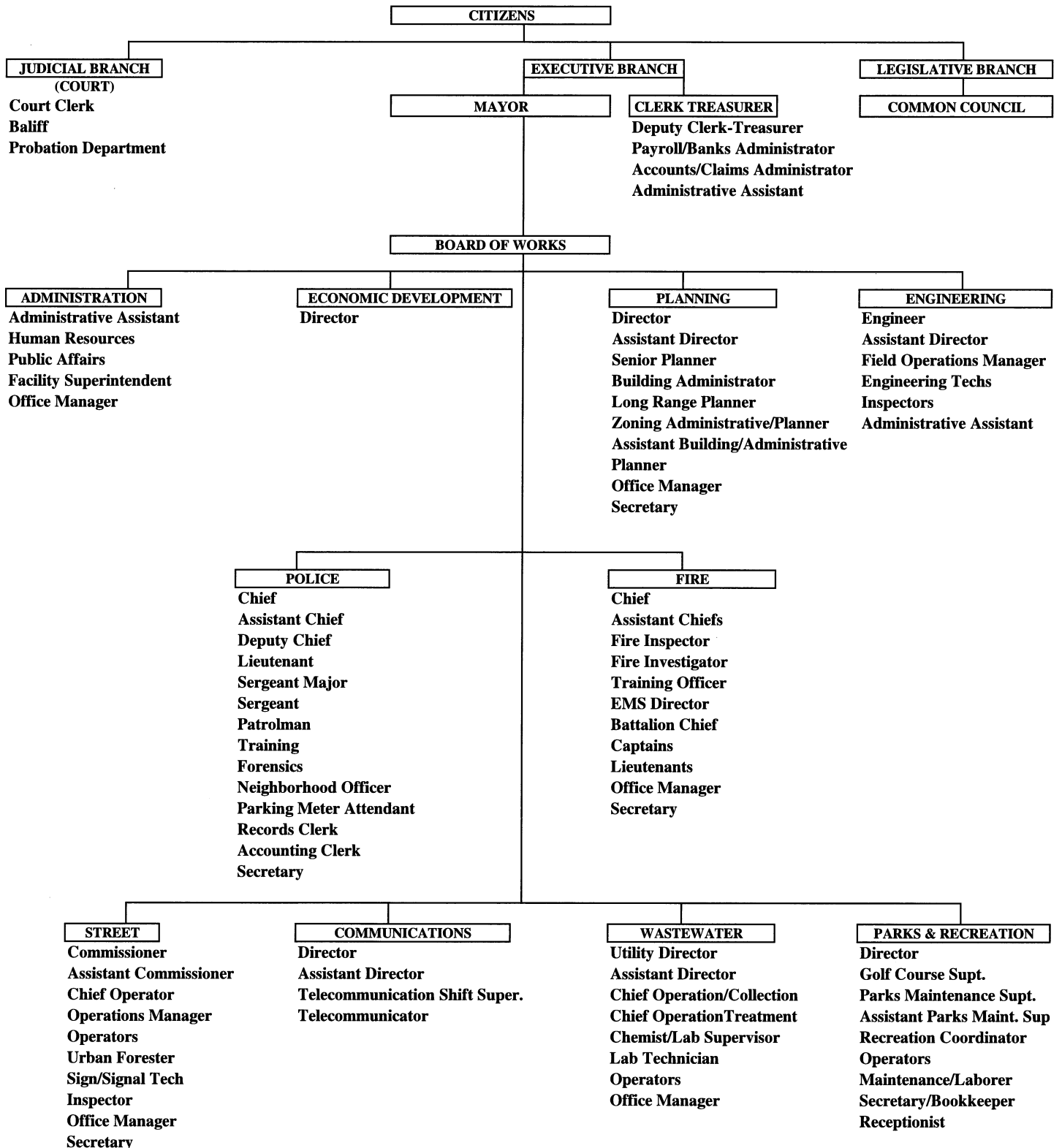


Front (left to right): Mary Sue Rowland, Laurie Jackson, Kathie Stretch
Back (left to right): Alan Hinds, Terry Busby, Dale Snelling, Bryan Ayer

NOBLESVILLE CITY OFFICIALS

| <u>Office</u> | <u>Official</u> | <u>Term</u> |
|---|------------------|---------------------|
| Mayor | John Ditslear | 1/01/04 to 12/31/07 |
| Clerk-Treasurer | Janet Jaros | 1/01/04 to 12/31/07 |
| Judge | Greg Caldwell | 1/01/04 to 12/31/07 |
| Common Council Members | Brian Ayer | 1/01/04 to 12/31/07 |
| | Terry Busby | 1/01/04 to 12/31/07 |
| | Alan Hinds | 1/01/04 to 12/31/07 |
| | Laurie Jackson | 1/01/04 to 12/31/07 |
| | Mary Sue Rowland | 1/01/04 to 12/31/07 |
| | Dale Snelling | 1/01/04 to 12/31/07 |
| | Kathie Stretch | 1/01/04 to 12/31/07 |
| President of the Board of Public Works | John Ditslear | 1/01/04 to 12/31/07 |
| Members of the Board of Public Works | Jack Martin | Appointed |
| | Larry Stork | Appointed |

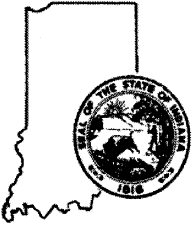
**CITY OF NOBLESVILLE
ORGANIZATION CHART**



FINANCIAL SECTION

FINANCIAL SECTION

FINANCIAL SECTION



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2765

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

INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF NOBLESVILLE, HAMILTON 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 Noblesville (City), as of and for the year ended December 31, 2005, which collectively comprise the City's primary government basic financial statements. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2005, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Management's Discussion and Analysis, Schedules of Funding Progress, Schedules of Contributions From the Employer and Other Contributing Entities, Budgetary Comparison Schedule, and Budget/GAAP Reconciliation as listed in the table of contents are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, other budgetary comparison schedules, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining and individual nonmajor fund statements and other budgetary comparison schedules have been subjected to the auditing procedures applied in the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

May 15, 2006

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the City of Noblesville, Indiana, we offer readers of the City of Noblesville's financial statements this narrative overview and analysis of the financial activities of the City of Noblesville for the fiscal year ended December 31, 2005. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages VI – XIII of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Noblesville exceeded its liabilities at the close of the most recent fiscal year by \$191,285,006 (*net assets*). Of this amount, \$37,150,466 (*unrestricted net assets*) may be used to meet the City's ongoing obligations to citizens and creditors in accordance with the City's fund designations and fiscal policies.
- The City's total net assets increased by \$31,344,875 as compared to 2004 total net assets. Approximately 33 percent or \$8.2 million of this increase is due to one time payments of wastewater tap fees and developer contributions of wastewater collection system assets. Another \$14.5 million of this increase is from the addition of infrastructure acquired through annexation or constructed and contributed by developers.
- As of the close of the current fiscal year, the City of Noblesville's governmental funds reported combined ending fund balances of \$50,587,633. Approximately 99 percent of this total amount or \$50,026,129 is available for use at the City's discretion (unreserved fund balance).
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$7,126,256 or 32 percent of total general fund expenditures.
- The City of Noblesville increased total outstanding debt obligations by \$14,365,000 during the current fiscal year. This change was primarily due to the issuance of \$17,040,000 in bonds to fund renovations and additions to the City Hall. That increase was offset by \$2,675,000 in scheduled principal payments during the year.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Noblesville's basic financial statements. The City of Noblesville's basic financial statements comprise three components:

1. Government-wide financial statements, providing information for the City as a whole.
2. Fund financial statements, providing detailed information for the City's significant funds.
3. Notes to the financial statements, providing additional information that is essential to understanding the government-wide and fund statements.

This report also contains other supplementary information in addition to the basic financial statements themselves.

Additional explanation of these sections of the financial statements follows.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the City of Noblesville's finances, in a manner similar to a private-sector business.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The *statement of net assets* presents information on all of the City of Noblesville's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in net assets may serve as a useful indicator of whether the financial position of the City of Noblesville is improving or deteriorating.

The *statement of activities* presents information showing how the City's net assets changed during the most recent fiscal year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of the related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned, but not used, compensated absences).

Both of the government-wide financial statements distinguish functions of the City of Noblesville that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the City of Noblesville include general government, public safety, highways and streets, and culture and recreation. The business-type activity of the City of Noblesville includes a wastewater utility.

The government-wide financial statements can be found on pages 17-18 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Noblesville, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Noblesville can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financial requirements.

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

The City of Noblesville maintains 50 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, Noblesville building corporation capital projects fund and the redevelopment authority capital projects fund, all of which are considered to be major funds. Data from the other 47 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non major governmental funds is provided in the form of *combining statements* elsewhere in this report.

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

The City of Noblesville adopts an annual appropriated budget for its general fund, certain special revenue funds, certain debt service funds and certain capital projects funds. Budgetary comparison statements have been provided for the general fund in the required supplementary information and for the other funds subsequent to the combining non major fund information, as other information, to demonstrate compliance with the budget.

The basic governmental fund financial statements can be found on pages 19-21 of this report.

Proprietary funds. The City of Noblesville maintains two different types of proprietary funds, *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The City of Noblesville uses enterprise funds to account for its wastewater utility. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the City of Noblesville's various functions. The City of Noblesville uses an internal service fund to account for its employee health and life insurance programs. Because this service predominately benefits governmental rather than business-type functions, it has been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the wastewater utility which is considered to be a major fund of the City. The internal service fund is presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 22-24 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the City of Noblesville's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 25-26 of this report.

Notes to the financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 27-54 of this report.

Other Information. The combining statements referred to earlier in connection with non major governmental funds and fiduciary funds can be found on pages 70-101 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Noblesville, assets exceeded liabilities by \$191,285,006 at the close of the most recent fiscal year.

By far the largest portion of the City of Noblesville's net assets (79 percent) reflects its investment in capital assets (e.g. land, buildings, vehicles, and equipment); less any related debt used to acquire those assets that is still outstanding. The City of Noblesville uses these capital assets to provide services to citizens; consequently, these assets are *not* available for future spending. Although the City of Noblesville's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

themselves cannot be used to liquidate these liabilities. The comparison is presented for purposes of additional analysis.

City of Noblesville's Net Assets as of December 31,

| | Governmental Activities | | Business-Type Activities | | Total | |
|---|-------------------------|----------------|--------------------------|---------------|----------------|----------------|
| | 2004 | 2005 | 2004 | 2005 | 2004 | 2005 |
| Current and other assets | \$ 55,629,933 | \$ 58,006,077 | \$ 21,435,200 | \$ 24,356,731 | \$ 77,065,133 | \$ 82,362,808 |
| Capital assets | 128,784,887 | 159,359,174 | 60,511,516 | 65,845,645 | 189,296,403 | 225,204,819 |
| Total assets | \$ 184,414,820 | \$ 217,365,251 | \$ 81,946,716 | \$ 90,202,376 | \$ 266,361,536 | \$ 307,567,627 |
| Long-term liabilities outstanding | 79,240,083 | 92,850,608 | 14,321,685 | 13,350,441 | 93,561,768 | 106,201,049 |
| Other liabilities | 11,685,314 | 8,891,487 | 1,174,323 | 1,190,085 | 12,859,637 | 10,081,572 |
| Total liabilities | \$ 90,925,397 | \$ 101,742,095 | \$ 15,496,008 | \$ 14,540,526 | \$ 106,421,405 | \$ 116,282,621 |
| Net assets: | | | | | | |
| Invested in capital assets, net of related debt | 82,009,761 | 99,520,872 | 45,676,516 | 51,602,046 | 127,686,277 | 151,122,918 |
| Restricted | 6,731,844 | 1,356,836 | 1,408,424 | 1,654,786 | 8,140,268 | 3,011,622 |
| Unrestricted | 4,747,818 | 14,745,448 | 19,365,768 | 22,405,018 | 24,113,586 | 37,150,466 |
| Total net assets | \$ 93,489,423 | \$ 115,623,156 | \$ 66,450,708 | \$ 75,661,850 | \$ 159,940,131 | \$ 191,285,006 |

A portion of the City of Noblesville's net assets (1.6 percent) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net assets, \$37,150,466 may be used to meet the government's ongoing obligations to citizens and creditors. At the end of the current fiscal year, the City of Noblesville is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its business-type activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

The following is a summary of the information presented in the Statement of Activities for 2005 with comparison to 2004 found on page 18 of this report:

| | <u>City of Noblesville Change in Net Assets</u> | | | | | |
|------------------------------------|---|-----------------------|---------------------------------|----------------------|-----------------------|-----------------------|
| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
| | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> |
| Revenue: | | | | | | |
| Program revenues: | | | | | | |
| Charges for services | \$ 7,727,945 | \$ 9,431,090 | \$ 9,800,980 | \$ 9,999,960 | \$ 17,528,925 | \$ 19,431,050 |
| Operating grants and contributions | 1,756,712 | 6,495,885 | 167 | - | 1,756,879 | 6,495,885 |
| Capital grants and contributions | 5,733,839 | 17,419,897 | 4,461,900 | 4,669,631 | 10,195,739 | 22,089,528 |
| General revenues: | | | | | | |
| Property and other taxes | 23,905,427 | 31,132,533 | - | - | 23,905,427 | 31,132,533 |
| Other | 909,625 | 1,528,327 | 165,207 | 578,013 | 1,074,832 | 2,106,340 |
| Total revenues | <u>\$ 40,033,548</u> | <u>\$ 66,007,732</u> | <u>\$ 14,428,254</u> | <u>\$ 15,247,604</u> | <u>\$ 54,461,802</u> | <u>\$ 81,255,336</u> |
| Expenses: | | | | | | |
| General government | 6,348,626 | 6,657,239 | | | 6,348,626 | 6,657,239 |
| Public safety | 14,889,511 | 18,071,974 | | | 14,889,511 | 18,071,974 |
| Highways and streets | 5,825,152 | 11,100,802 | | | 5,825,152 | 11,100,802 |
| Culture and recreation | 2,044,571 | 3,118,197 | | | 2,044,571 | 3,118,197 |
| Interest on long-term debt | 3,250,764 | 4,925,787 | | | 3,250,764 | 4,925,787 |
| Wastewater | | | 4,908,398 | 6,036,462 | 4,908,398 | 6,036,462 |
| Total expenses | <u>\$ 32,358,624</u> | <u>\$ 43,873,999</u> | <u>\$ 4,908,398</u> | <u>\$ 6,036,462</u> | <u>\$ 37,267,022</u> | <u>\$ 49,910,461</u> |
| Increase in net assets | <u>7,674,924</u> | <u>22,133,733</u> | <u>9,519,856</u> | <u>9,211,142</u> | <u>17,194,780</u> | <u>31,344,875</u> |
| Net assets, beginning of year | <u>85,814,499</u> | <u>93,489,423</u> | <u>56,930,852</u> | <u>66,450,708</u> | <u>142,745,351</u> | <u>159,940,131</u> |
| Net assets, end of year | <u>\$ 93,489,423</u> | <u>\$ 115,623,156</u> | <u>\$ 66,450,708</u> | <u>\$ 75,661,850</u> | <u>\$ 159,940,131</u> | <u>\$ 191,285,006</u> |

MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Governmental Activities

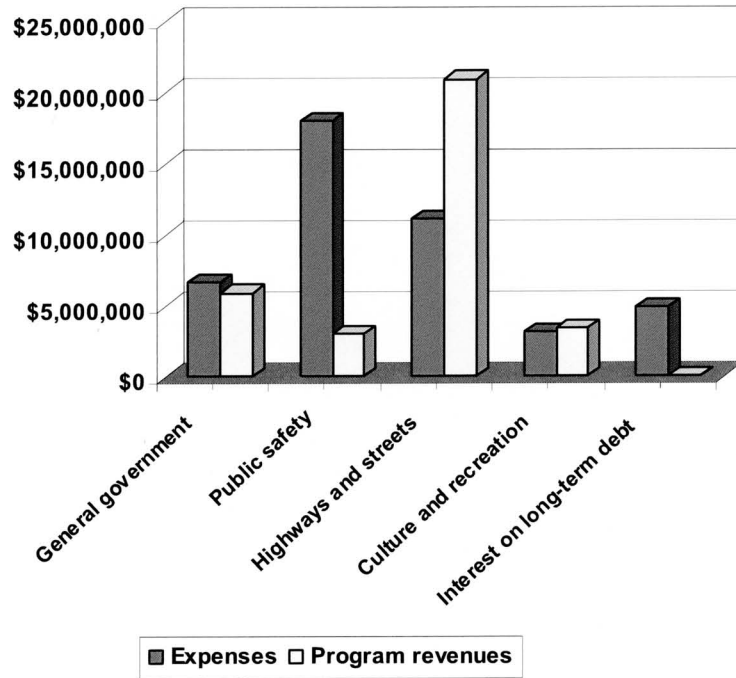
Governmental activities increased the City's net assets by \$22,133,733. This was primarily due to the acquisition of infrastructure (roadways, storm sewer, right of way) through annexation or developer contributions. Notable changes in governmental activities revenues and expenditures in 2005 compared to 2004 included the following:

- Charges for services increased \$1,703,145 primarily due to increased road and park impact fee revenues from new development.
- Operating grants and contributions increased \$4,739,173 mainly as a result of support from the redevelopment authority for roadway maintenance and repair work benefiting or serving the Corporate Campus area.
- Capital grants and contributions increased \$11,686,058 primarily from infrastructure (roadways, right of ways, storm sewers) contributed by developers or acquired in annexations. In addition, funds were received from the building corporation related to the lease financing transaction used to fund the City Hall expansion project.
- Property taxes increased \$4,067,605 from the following: increases in the general levy to support the cost of services to growing areas; new debt service levies to repay bonds issued for the City's two new fire stations and the Little Chicago Road project; and additional tax increment revenues from growth in the City's economic development districts.
- County option income taxes (COIT) increased \$3,224,777 due to changes in estimates related to COIT distributions. While the actual cash distributions of COIT declined \$932,896 from 2004 to 2005, updated information from the State on tax collections supported the reversal of \$4.8 million in unearned revenue from COIT reported as a liability in 2004.
- Highways and street expenses increased \$5,275,650 primarily due to redevelopment authority expenditures for roadway maintenance and repair projects benefiting or serving the Corporate Campus area.
- Public safety expenses increase \$3,182,463 mainly due to increased personnel costs including benefits and insurance. This increase reflects the staffing enhancements required to man the two new fire stations that the City opened in 2005.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

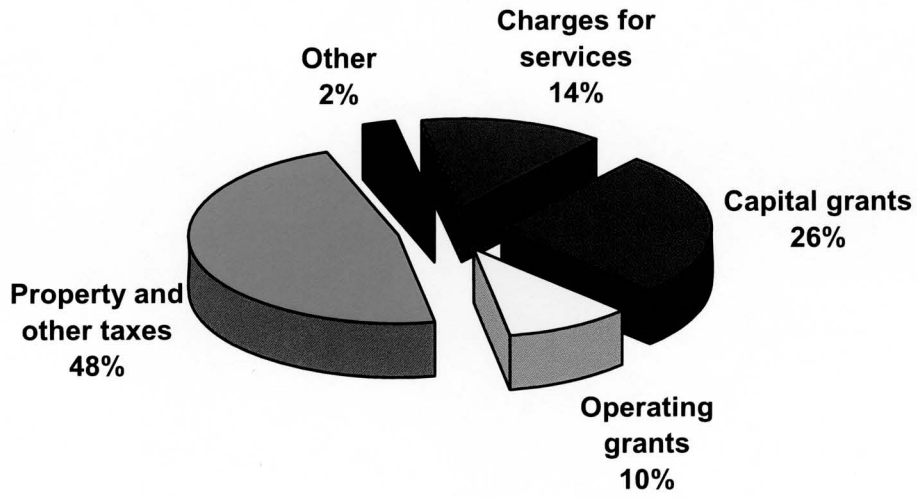
The following chart compares expenses with program revenues for the City's governmental activities.

Expenses and Program Revenues – Governmental Activities



**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

The following graph shows the composition of revenues for the City's governmental activities:



**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

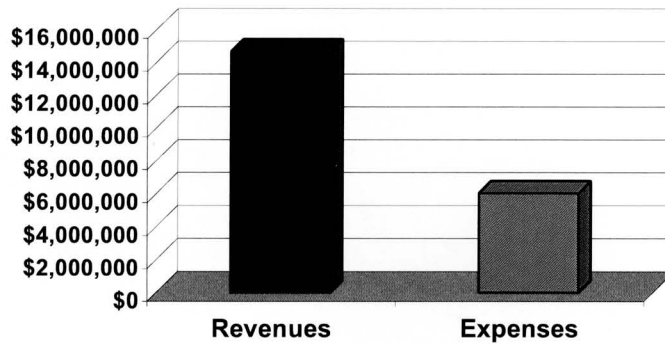
Business-type Activities

Business-type activities increased the City's net assets by \$9,211,142. The increase in net assets is attributable to growth. Notable changes in business-type activities revenues and expenditures in 2005 compared to 2004 included the following:

- Revenues for services to the Utility's growing customer base increased approximately \$674,000. In addition, the utility received \$3.7 million in tap fees for new connections (1,211 new customers) and over \$4.5 million in developer contributed assets.
- Total expenditures increased \$1.128 million primarily due to increases in treatment and disposal costs from additional flows.

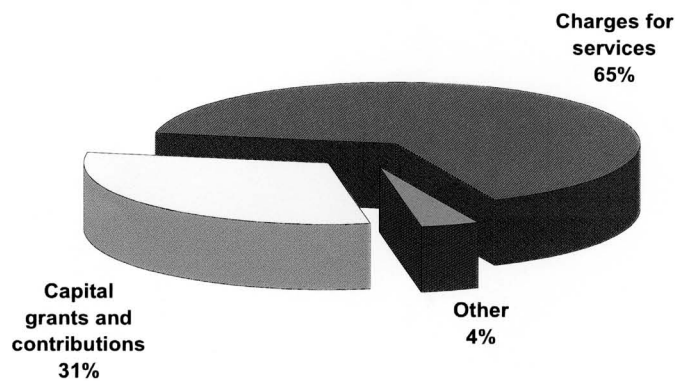
The following chart compares expenses with program revenues for the City's business-type activities:

Expenses and Program Revenues – Business-type Activities



The following graph shows the composition of revenues for the City's business-type activities:

Revenues by Source – Business-type Activities



MANAGEMENT'S DISCUSSION AND ANALYSIS (CONTINUED)

Financial analysis of the Government's Funds

As noted earlier, the City of Noblesville uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental funds. The focus of the City of Noblesville's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the City of Noblesville's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the City of Noblesville's governmental funds reported combined ending fund balances of \$50,587,633, a increase of \$7,999,694. Approximately 99 percent of this total amount constitutes *unreserved fund balance*, which is available for spending at the government's discretion. The remainder of this fund balance, \$561,504, is *reserved* to indicate that it is not available for new spending because it has already been committed to liquidate contracts and purchase orders of the prior period.

The general fund is the chief operating fund of the City of Noblesville. At the end of the current fiscal year, unreserved fund balance of the general fund was \$7,126,256 while total fund balance reached \$7,530,417. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 32 percent of total general fund expenditures, while total fund balance represents 34 percent of that same amount. The general fund's total fund balance increased by \$1,760,488 during the current fiscal year. Revenue gains out paced expenditure increases by \$824,000 mainly due to a decline in capital outlays in 2005. Also, other financing sources added \$937,000 to the general fund balance through transfers and capital lease financings. Budget basis revenues were 8.9% under the final budgeted amounts. Total expenditures on a budgetary basis were 15.2% under the final budget. All departments were under budget with the most significant favorable variance related to other services for the City Council. Approximately \$2.9 million in capital outlay were budgeted for the Council; however, nothing was expended. The City uses this general fund budget category each year to ensure that the budget meets the State requirements for successfully receiving an appeal to the maximum levy limitations.

The Noblesville Building Corporation Capital Projects Fund increased by \$10,610,486 during the current fiscal year. The increase was due to the issuance of the \$17,040,000 in bonds to fund the renovation and expansion of City Hall net of project expenditures through the end of 2005.

The Redevelopment Authority Capital Projects fund decreased by \$7,926,265 during the current fiscal year. This decrease was primarily due to \$8,297,776 in project costs that were expended relating to the Hague Road and Field drive improvements as well as road and other infrastructure projects benefiting the Corporate Campus area.

Proprietary funds. The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net assets of the Wastewater Utility at the end of the year amounted to \$22,405,018. Net assets for the Wastewater Utility increased \$9,211,142 during 2005. Other factors concerning the finances of this fund have already been addressed in the discussion of the City of Noblesville's business-type activities.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

General Fund Budgetary Highlights

Differences between the original budget and final amended budget for total expenditures were relatively minor (\$183,418 increase in appropriations) and are briefly summarized below:

- The primary increases were in general government with approximately \$187,302 allocated to the Mayor, \$19,400 allocated to Human Resources and a reduction of \$148,385 to Engineering.
- Other changes were in public safety with \$111,121 allocated to police and \$3,495 to fire.

Capital Asset and Debt Management.

Capital assets. The City of Noblesville's investment in capital assets for its governmental and business-type activities as of December 31, 2005, amounts to \$225,204,819 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, machinery and equipment, park facilities, roads, and storm sewers. The total increase in the City of Noblesville's reported investment in capital assets for the current fiscal year was \$35,908,416, or 19 percent. Within governmental activities the increase in capital assets relates to the following: completion of road projects including Hague Road and Little Chicago Road; building and equipment for Fire Stations #5 & #6; expenditures for City Hall expansion; infrastructure acquired through annexation and infrastructure contributed by developers in new subdivisions. Within the business-type activities the increase occurred due to the addition of constructed or contributed wastewater collection system improvements to serve growth in the utility's customer base and to facilitate economic development in the Corporate Campus area.

| | <u>Governmental Activities</u> | | <u>Business-Type Activities</u> | | <u>Total</u> | |
|-----------------------------------|--------------------------------|----------------------|---------------------------------|---------------------|----------------------|----------------------|
| | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> |
| Land | \$22,681,900 | \$28,962,120 | \$687,736 | \$687,736 | \$23,369,636 | \$29,649,856 |
| Buildings | 9,880,526 | 13,516,932 | 11,953,740 | 11,582,847 | 21,834,266 | 25,099,779 |
| Improvements other than buildings | 3,327,996 | 3,695,165 | 43,279,015 | 47,287,512 | 46,607,011 | 50,982,677 |
| Machinery and equipment | 8,308,541 | 7,847,387 | 2,179,024 | 1,999,122 | 10,487,565 | 9,846,509 |
| Infrastructure | 49,036,181 | 77,966,491 | - | - | 49,036,181 | 77,966,491 |
| Construction in progress | 35,549,743 | 27,371,079 | 2,412,001 | 4,288,428 | 37,961,744 | 31,659,507 |
| Total | <u>\$128,784,887</u> | <u>\$159,359,174</u> | <u>\$60,511,516</u> | <u>\$65,845,645</u> | <u>\$189,296,403</u> | <u>\$225,204,819</u> |

Additional information on the City of Noblesville's capital assets can be found in Note III C, on pages 40-41 of this report.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

Long-term debt. At the end of the current fiscal year, the City of Noblesville had \$99,815,000 in long-term bonds outstanding. Of this amount, \$85,910,000 comprises debt backed by the full faith and credit of the government and \$13,905,000 represents revenue bonds issued by the Wastewater Utility secured solely by the net revenues of the utility.

City of Noblesville's Outstanding Debt as of December 31,

| | Governmental Activities | | Business-Type Activities | | Total | |
|--------------------------------|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
| | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> | <u>2004</u> | <u>2005</u> |
| General Obligations bonds: | | | | | | |
| Primary Security: Property Tax | \$ 21,925,000 | \$ 38,000,000 | \$ - | \$ - | \$ 21,925,000 | \$ 38,000,000 |
| County Option Income Tax | 4,500,000 | 4,240,000 | - | - | 4,500,000 | 4,240,000 |
| Tax Increment | 44,190,000 | 43,670,000 | - | - | 44,190,000 | 43,670,000 |
| Total | \$ 70,615,000 | \$ 85,910,000 | \$ - | \$ - | \$ 70,615,000 | \$ 85,910,000 |
| Revenue Bonds | - | - | 14,835,000 | 13,905,000 | 14,835,000 | 13,905,000 |
| Total Outstanding Debt | \$ 70,615,000 | \$ 85,910,000 | \$ 14,835,000 | \$ 13,905,000 | \$ 85,450,000 | \$ 99,815,000 |

The City's total bonds payable increased \$14,365,000 during the current fiscal year. This increase was due to the following bond new bond issue offset by scheduled principal payments:

- \$17.040 million first mortgage bonds for renovation to the existing City Hall and construction of a two story addition. Lease Rentals are payable from taxes levied by the City of Noblesville.

The City of Noblesville's most recent debt rating was "A+" from Standard & Poor's. The Wastewater Utility carries an "A1" rating from Moody's.

The State of Indiana limits the amount of general obligation debt a City may issue to 2% of its current assessed value. For the City of Noblesville, this amount is \$12,801,299. The City of Noblesville Redevelopment Commission also may issue general obligation debt subject to the same limit. As of December 31, 2005, the City has \$1,705,000 of outstanding debt subject to this limit and the Redevelopment Commission has \$795,000 outstanding. The remaining outstanding City and Redevelopment Commission debt was issued as lease rental obligations which are not subject to the 2% limit. Additional information on the City's long-term liabilities can be found in Note III G, on pages 44-46 of this report.

Economic Factors and Next Year's Budgets and Rates

- The unemployment rate for the City of Noblesville ended the first quarter of 2006 at 4.2 percent. This compares favorably to the State's average unemployment rate of 5.4 percent and the National average rate of 4.8 percent.
- The City of Noblesville continues to see new construction growth, not only in residential, but also in commercial construction with record or near record levels. The City's total market valuation for taxes payable in 2006 increased by 9.9 percent due to new construction.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
(CONTINUED)**

- The State has informed Hamilton County that it believes that estimates of county option income tax (COIT) on which distributions in 2003 and prior periods were based have been overstated. As a result, certified COIT distributions for Noblesville decreased by approximately \$1.8 million or 12% for 2004. The City's COIT share was reduced by an additional \$900,000 in 2005. While the 2006 distribution will be back to 2003 levels, the City is anticipating the possibility of continuing volatility in income tax revenues and therefore will save a portion of 2006 COIT for future use.

All of these factors were considered in preparing the City of Noblesville's budget for the 2006 fiscal year. To deal with both cycles in the economy and to plan for future capital expansion, the City routinely puts aside resources.

Requests for Information

This financial report is designed to provide a general overview of the City of Noblesville's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Clerk Treasurer, City of Noblesville, 16 South 10th Street, Noblesville, Indiana 46060-2809.

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CITY OF NOBLESVILLE
STATEMENT OF NET ASSETS
December 31, 2005

| <u>Assets</u> | Primary Government | | |
|---|----------------------------|-----------------------------|-----------------------|
| | Governmental Activities | Business-Type Activities | Total |
| Cash and cash equivalents | \$ 54,408,846 | \$ 21,713,740 | \$ 76,122,586 |
| Receivables (net of allowances for uncollectibles): | | | |
| Taxes | 496,827 | - | 496,827 |
| Accounts | 671,911 | 712,752 | 1,384,663 |
| Intergovernmental | 208,846 | - | 208,846 |
| Internal balances | 46,840 | (46,840) | - |
| Inventories | - | 26,402 | 26,402 |
| Prepays | 5,596 | - | 5,596 |
| Restricted assets: | | | |
| Cash and cash equivalents | - | 1,654,786 | 1,654,786 |
| Deferred debits | 1,755,996 | 295,891 | 2,051,887 |
| Net pension asset | 411,215 | - | 411,215 |
| Capital assets: | | | |
| Land, improvements and construction in progress | 56,333,199 | 4,976,164 | 61,309,363 |
| Other capital assets, net of depreciation | 103,025,975 | 60,869,481 | 163,895,456 |
| Total assets | 217,365,251 | 90,202,376 | 307,567,627 |
| <u>Liabilities</u> | | | |
| Accounts payable | 960,340 | 170,500 | 1,130,840 |
| Accrued payroll and withholdings payable | 582,050 | 56,820 | 638,870 |
| Unpaid claims payable | 271,529 | - | 271,529 |
| Contracts payable | 2,008,502 | - | 2,008,502 |
| Due to State | 11,499 | - | 11,499 |
| Accrued interest payable | 1,673,051 | - | 1,673,051 |
| Trust payable | 4,904 | - | 4,904 |
| Unearned revenue | 702,667 | - | 702,667 |
| Matured unpaid bonds and coupons | - | 2,765 | 2,765 |
| Payable from restricted assets: | | | |
| Revenue bonds - due within one year | - | 960,000 | 960,000 |
| Noncurrent liabilities: | | | |
| Due within one year: | | | |
| General obligation bonds payable | 2,095,000 | - | 2,095,000 |
| Capital lease obligations | 581,945 | - | 581,945 |
| Due in more than one year: | | | |
| Compensated absences payable | 858,004 | 66,842 | 924,846 |
| General obligation bonds payable | 85,548,911 | - | 85,548,911 |
| Revenue bonds payable | - | 13,283,599 | 13,283,599 |
| Capital lease obligations | 1,524,871 | - | 1,524,871 |
| Net pension obligation | 4,918,822 | - | 4,918,822 |
| Total liabilities | 101,742,095 | 14,540,526 | 116,282,621 |
| <u>Net Assets</u> | | | |
| Invested in capital assets, net of related debt | 99,520,872 | 51,602,046 | 151,122,918 |
| Restricted for: | | | |
| Highways and streets | 776,935 | - | 776,935 |
| Public safety | 136,643 | - | 136,643 |
| Culture and recreation | 443,258 | - | 443,258 |
| Debt service | - | 1,654,786 | 1,654,786 |
| Unrestricted | 14,745,448 | 22,405,018 | 37,150,466 |
| Total net assets | \$ 115,623,156 | \$ 75,661,850 | \$ 191,285,006 |

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

CITY OF NOBLESVILLE
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2005

| Functions/Programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Assets | | |
|--------------------------------------|----------------------|-------------------------|--|--|--|-----------------------------|-----------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Governmental Activities | Business-Type Activities | Total |
| Primary government: | | | | | | | |
| Governmental activities: | | | | | | | |
| General government | \$ 6,657,239 | \$ 1,843,666 | \$ 760,431 | \$ 3,330,430 | \$ (722,712) | \$ - | \$ (722,712) |
| Public safety | 18,071,974 | 2,163,480 | 793,661 | 74,482 | (15,040,351) | - | (15,040,351) |
| Highways and streets | 11,100,802 | 2,929,185 | 4,207,127 | 13,859,985 | 9,895,495 | - | 9,895,495 |
| Culture and recreation | 3,118,197 | 2,494,759 | 734,666 | 155,000 | 266,228 | - | 266,228 |
| Interest on long-term debt | 4,925,787 | - | - | - | (4,925,787) | - | (4,925,787) |
| Total governmental activities | 43,873,999 | 9,431,090 | 6,495,885 | 17,419,897 | (10,527,127) | - | (10,527,127) |
| Business-type activities: | | | | | | | |
| Wastewater | 6,036,462 | 9,999,960 | - | 4,669,631 | - | 8,633,129 | 8,633,129 |
| Total primary government | \$ 49,910,461 | \$ 19,431,050 | \$ 6,495,885 | \$ 22,089,528 | (10,527,127) | 8,633,129 | (1,893,998) |
| General revenues: | | | | | | | |
| Property taxes | | | | | 17,690,397 | - | 17,690,397 |
| Food and beverage tax | | | | | 92,843 | - | 92,843 |
| County option income tax | | | | | 11,960,197 | - | 11,960,197 |
| Financial institutions tax | | | | | 75,661 | - | 75,661 |
| Auto and aircraft excise tax | | | | | 1,002,165 | - | 1,002,165 |
| Commercial vehicle excise tax | | | | | 20,340 | - | 20,340 |
| State cigarette tax | | | | | 23,932 | - | 23,932 |
| Gaming tax | | | | | 180,281 | - | 180,281 |
| Other taxes | | | | | 86,717 | - | 86,717 |
| Other miscellaneous | | | | | 389,597 | 19,937 | 409,534 |
| Unrestricted investment earnings | | | | | 1,138,730 | 558,076 | 1,696,806 |
| Total general revenues | | | | | 32,660,860 | 578,013 | 33,238,873 |
| Change in net assets | | | | | 22,133,733 | 9,211,142 | 31,344,875 |
| Net assets - beginning | | | | | 93,489,423 | 66,450,708 | 159,940,131 |
| Net assets - ending | | | | | \$ 115,623,156 | \$ 75,661,850 | \$ 191,285,006 |

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

CITY OF NOBLESVILLE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2005

| <u>Assets</u> | <u>General</u> | <u>Noblesville Building Corporation - Capital Projects</u> | <u>Redevelopment Authority - Capital Projects</u> | <u>Nonmajor Governmental Funds</u> | <u>Totals</u> |
|--|----------------------------|--|---|--|------------------------------|
| Cash and cash equivalents | \$ 7,658,746 | \$ 14,668,360 | \$ 2,363,922 | \$ 29,344,120 | \$ 54,035,148 |
| Receivables (net of allowances for uncollectibles) | | | | | |
| Taxes | 330,239 | - | - | 166,588 | 496,827 |
| Accounts | 671,911 | - | - | - | 671,911 |
| Intergovernmental | 29,022 | - | - | 179,824 | 208,846 |
| Interfund receivable: | | | | | |
| Interfund loans | - | - | - | 270,000 | 270,000 |
| Interfund services provided and used | 5,935 | - | - | 4,122 | 10,057 |
| Prepays | 5,596 | - | - | - | 5,596 |
| Total assets | <u>\$ 8,701,449</u> | <u>\$ 14,668,360</u> | <u>\$ 2,363,922</u> | <u>\$ 29,964,654</u> | <u>\$ 55,698,385</u> |
| <u>Liabilities and Fund Balances</u> | | | | | |
| <u>Liabilities:</u> | | | | | |
| Accounts payable | \$ 317,494 | \$ - | \$ - | \$ 642,846 | \$ 960,340 |
| Accrued payroll and withholdings payable | 499,860 | - | - | 82,190 | 582,050 |
| Contracts payable | - | 1,648,530 | 359,972 | - | 2,008,502 |
| Interfund payable: | | | | | |
| Interfund loans | - | - | - | 270,000 | 270,000 |
| Interfund services provided and used | - | - | - | 10,057 | 10,057 |
| Due to state | - | - | - | 11,499 | 11,499 |
| Accrued interest payable | 13,564 | - | - | 31,748 | 45,312 |
| Trust payable | - | - | - | 4,904 | 4,904 |
| Unavailable revenue | 340,114 | - | - | 175,307 | 515,421 |
| Unearned revenue | - | - | - | 702,667 | 702,667 |
| Total liabilities | <u>1,171,032</u> | <u>1,648,530</u> | <u>359,972</u> | <u>1,931,218</u> | <u>5,110,752</u> |
| <u>Fund balances:</u> | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 398,565 | - | - | 157,343 | 555,908 |
| Prepays | 5,596 | - | - | - | 5,596 |
| Unreserved, reported in: | | | | | |
| General fund | 7,126,256 | - | - | - | 7,126,256 |
| Special revenue funds | - | - | - | 7,612,249 | 7,612,249 |
| Debt service funds | - | - | - | 8,202,844 | 8,202,844 |
| Capital projects funds | - | 13,019,830 | 2,003,950 | 12,061,000 | 27,084,780 |
| Total fund balances | <u>7,530,417</u> | <u>13,019,830</u> | <u>2,003,950</u> | <u>28,033,436</u> | <u>50,587,633</u> |
| Total liabilities and fund balances | <u>\$ 8,701,449</u> | <u>\$ 14,668,360</u> | <u>\$ 2,363,922</u> | <u>\$ 29,964,654</u> | |
| Amounts reported for governmental activities in the statement of net assets are different because: | | | | | |
| Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. | | | | | 159,359,174 |
| Bond issue costs associated with new debt issued by the City in 2004 were reported as expenditures in the governmental funds when the debt is issued, whereas bond issue costs are deferred in the statement of net assets. Deferred bond issue costs are amortized over the life of the debt issued and recognized as an adjustment to interest expense in the statement of activities. | | | | | 1,755,996 |
| Internal service 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. | | | | | 149,009 |
| Other liabilities, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not in the funds. | | | | | (2,485,743) |
| Some assets are not available to pay for current-period expenditures and, therefore, are unavailable revenue in the funds. | | | | | 515,421 |
| Net pension obligations, including the Public Employees' Retirement Plan, the 1925 Police Officers' Pension Plan, and the 1937 Firefighters' Pension Plan, are not due and payable in the current period and, therefore, are not in the funds. | | | | | (4,507,607) |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not in the funds. | | | | | <u>(89,750,727)</u> |
| Net assets of governmental activities | | | | | <u>\$ 115,623,156</u> |

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

CITY OF NOBLESVILLE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2005

| | General | Noblesville Building Corporation - Capital Projects | Redevelopment Authority - Capital Projects | Nonmajor Governmental Funds | Total Governmental Funds |
|--|---------------------|--|--|-----------------------------------|--------------------------------|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ 9,751,837 | \$ - | \$ - | \$ 12,322,191 | \$ 22,074,028 |
| Licenses and permits | 1,233,013 | - | - | 3,541,600 | 4,774,613 |
| Intergovernmental | 9,144,636 | - | - | 2,377,388 | 11,522,024 |
| Charges for services | 2,195,536 | 976,188 | - | 4,228,564 | 7,400,288 |
| Fines and forfeits | 82,773 | - | - | 354,338 | 437,111 |
| Other | 893,142 | 144,823 | 222,069 | 5,073,366 | 6,333,400 |
| Total revenues | 23,300,937 | 1,121,011 | 222,069 | 27,897,447 | 52,541,464 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 5,733,789 | - | - | 390,954 | 6,124,743 |
| Public safety | 14,986,510 | - | - | 60,777 | 15,047,287 |
| Highways and streets | - | - | - | 2,523,005 | 2,523,005 |
| Culture and recreation | - | - | - | 1,644,881 | 1,644,881 |
| Debt service: | | | | | |
| Principal | 609,366 | - | - | 3,377,821 | 3,987,187 |
| Interest | 72,600 | 12,042 | 22,130 | 3,271,874 | 3,378,646 |
| Bond issuance costs | - | - | - | 283,596 | 283,596 |
| Capital outlay | 1,075,085 | 6,845,419 | 8,297,776 | 13,295,221 | 29,513,501 |
| Total expenditures | 22,477,350 | 6,857,461 | 8,319,906 | 24,848,129 | 62,502,846 |
| Excess (deficiency) of revenues over (under) expenditures | 823,587 | (5,736,450) | (8,097,837) | 3,049,318 | (9,961,382) |
| Other financing sources (uses): | | | | | |
| Financing by capital lease | 148,359 | - | - | 86,346 | 234,705 |
| Transfers in | 788,542 | 9,788 | 171,625 | 366,926 | 1,336,881 |
| Transfers out | - | (9,788) | (53) | (1,327,040) | (1,336,881) |
| Issuance of debt | - | 15,714,288 | - | 1,325,712 | 17,040,000 |
| Premium on issuance of debt | - | 632,648 | - | 53,723 | 686,371 |
| Total other financing sources and uses | 936,901 | 16,346,936 | 171,572 | 505,667 | 17,961,076 |
| Net change in fund balances | 1,760,488 | 10,610,486 | (7,926,265) | 3,554,985 | 7,999,694 |
| Fund balances - beginning | 5,769,929 | 2,409,344 | 9,930,215 | 24,478,451 | 42,587,939 |
| Fund balances - ending | \$ 7,530,417 | \$ 13,019,830 | \$ 2,003,950 | \$ 28,033,436 | \$ 50,587,633 |

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

CITY OF NOBLESVILLE
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2005

Amounts reported for governmental activities in the statement of activities are different because:

| | |
|---|----------------------|
| Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances) | \$ 7,999,694 |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. | 18,682,124 |
| The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets. | 885,261 |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | 10,946,182 |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds. | (97,891) |
| Negative net pension obligations, including the Public Employees' Retirement Plan, are considered prepaid expenses of the general government and therefore are not reported as current expenditures in the funds. | (948,260) |
| The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. This amount is the net effect of these differences in the treatment of long-term debt and related items. | (15,237,434) |
| Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities. | <u>(95,943)</u> |
| Change in net assets of governmental activities (statement of activities) | <u>\$ 22,133,733</u> |

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

CITY OF NOBLESVILLE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2005

| <u>Assets</u> | Business-Type Activities - <u>Enterprise Fund</u> | Internal Service Fund |
|--|---|--------------------------|
| | <u>Wastewater Utility</u> | |
| Current assets: | | |
| Cash and cash equivalents | \$ 21,713,740 | \$ 373,698 |
| Accounts receivable (net of allowance) | 712,752 | - |
| Inventories | 26,402 | - |
| Restricted cash, cash equivalents and investments: | | |
| Revenue bond covenant accounts | <u>1,654,786</u> | <u>-</u> |
| Total current assets | <u>24,107,680</u> | <u>373,698</u> |
| Noncurrent assets: | | |
| Deferred charges | <u>295,891</u> | <u>-</u> |
| Capital assets: | | |
| Land, improvements to land and construction in progress | 4,976,164 | - |
| Other capital assets (net of accumulated depreciation) | <u>60,869,481</u> | <u>-</u> |
| Total capital assets | <u>65,845,645</u> | <u>-</u> |
| Total noncurrent assets | <u>66,141,536</u> | <u>-</u> |
| Total assets | <u>90,249,216</u> | <u>\$ 373,698</u> |
| <u>Liabilities</u> | | |
| Current liabilities: | | |
| Accounts payable | 170,500 | \$ - |
| Accrued payroll and withholdings payable | 56,820 | - |
| Unpaid claims payable | - | 271,529 |
| Matured unpaid bonds and coupons | 2,765 | - |
| Current liabilities payable from restricted assets: | | |
| Revenue bonds payable | <u>960,000</u> | <u>-</u> |
| Total current liabilities | <u>1,190,085</u> | <u>271,529</u> |
| Noncurrent liabilities: | | |
| Compensated absences | 66,842 | - |
| Revenue bonds payable (net of unamortized discount, premium, and deferral of loss) | <u>13,283,599</u> | <u>-</u> |
| Total noncurrent liabilities | <u>13,350,441</u> | <u>-</u> |
| Total liabilities | <u>14,540,526</u> | <u>271,529</u> |
| <u>Net Assets</u> | | |
| Invested in capital assets, net of related debt | 51,602,046 | \$ - |
| Restricted for debt service | 1,654,786 | - |
| Unrestricted | <u>22,451,858</u> | <u>102,169</u> |
| Total net assets | 75,708,690 | <u>\$ 102,169</u> |
| Amounts reported for business-type activities in the statement of net assets are different because: | | |
| Internal service 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. | <u>(46,840)</u> | |
| Net assets of business-type activities | <u>\$ 75,661,850</u> | |

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

CITY OF NOBLESVILLE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2005

| | <u>Enterprise Fund</u> | |
|--|-------------------------------|----------------------------------|
| | <u>Wastewater Utility</u> | <u>Internal Service Fund</u> |
| Operating revenues: | | |
| Metered revenue: | \$ 5,834,251 | \$ - |
| Penalties | 429,282 | - |
| Sewer taps | 3,736,427 | - |
| Charges for services | - | 3,591,994 |
| Other | 53,569 | - |
| | <u>10,053,529</u> | <u>3,591,994</u> |
| | | |
| Operating expenses: | | |
| Collection system - operations and maintenance | 634,488 | - |
| Treatment and disposal expense - operations and maintenance | 2,020,170 | - |
| Customer accounts | 242,257 | - |
| Administration and general | 330,180 | - |
| Employee pensions and benefits | 483,367 | 3,722,510 |
| Rents | 8,086 | - |
| Transportation expense | 34,597 | - |
| Insurance expense | 69,069 | - |
| Depreciation and amortization | 1,478,777 | - |
| Miscellaneous expenses | 39,190 | - |
| | <u>5,340,181</u> | <u>3,722,510</u> |
| | | |
| Total operating expenses | <u>5,340,181</u> | <u>3,722,510</u> |
| | | |
| Operating income | <u>4,713,348</u> | <u>(130,516)</u> |
| | | |
| Nonoperating revenues (expenses): | | |
| Interest and investment revenue | 558,076 | 8,328 |
| Miscellaneous revenue | 19,937 | - |
| Gain on disposal of assets | 66,550 | - |
| Interest expense | (670,036) | - |
| | <u>(25,473)</u> | <u>8,328</u> |
| | | |
| Total nonoperating revenue (expenses) | <u>(25,473)</u> | <u>8,328</u> |
| | | |
| Income before contributions | 4,687,875 | (122,188) |
| | | |
| Capital contributions | <u>4,549,512</u> | <u>-</u> |
| | | |
| Change in net assets | 9,237,387 | (122,188) |
| | | |
| Total net assets - beginning | <u>66,471,303</u> | <u>224,357</u> |
| | | |
| Total net assets - ending | <u>\$ 75,708,690</u> | <u>\$ 102,169</u> |
| | | |
| Change in net assets | \$ 9,237,387 | |
| | | |
| Some amounts reported for business-type activities in the statement of activities are different because: | | |
| The net expense of certain internal service funds is reported with business-type activities. | <u>(26,245)</u> | |
| | | |
| Change in net assets of business-type activities | <u>\$ 9,211,142</u> | |

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

CITY OF NOBLESVILLE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2005

| | <u>Enterprise Fund</u> | |
|--|-------------------------------|----------------------------------|
| | <u>Wastewater Utility</u> | <u>Internal Service Fund</u> |
| Cash flows from operating activities: | | |
| Receipts from customers and users | \$ 10,005,093 | \$ 3,591,994 |
| Payments to suppliers | (1,979,009) | - |
| Payments to employees | (1,862,638) | (3,686,120) |
| Net cash provided (used) by operating activities | <u>6,163,446</u> | <u>(94,126)</u> |
| Cash flows from noncapital financing activities | | |
| Miscellaneous nonoperating income | <u>19,937</u> | <u>-</u> |
| Cash flows from capital and related financing activities: | | |
| Acquisition and construction of capital assets | (2,166,844) | - |
| Principal paid on capital debt | (930,000) | - |
| Interest paid on capital debt | (651,737) | - |
| Net cash used by capital and related financing activities | <u>(3,748,581)</u> | <u>-</u> |
| Cash flows from investing activities: | | |
| Interest received | <u>558,076</u> | <u>8,328</u> |
| Net increase (decrease) in cash and cash equivalents | 2,992,878 | (85,798) |
| Cash and cash equivalents, January 1 (Including \$1,408,424 for the Wastewater Utility reported in restricted accounts) | <u>20,375,648</u> | <u>459,496</u> |
| Cash and cash equivalents, December 31 (Including \$1,654,786 for the Wastewater Utility reported in restricted accounts) | <u>\$ 23,368,526</u> | <u>\$ 373,698</u> |
| Reconciliation of operating income (loss) to net cash provided (used) by operating activities: | | |
| Operating income (loss) | \$ 4,713,348 | \$ (130,516) |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities: | | |
| Depreciation expense | 1,478,777 | - |
| (Increase) decrease in assets: | | |
| Accounts receivable | (48,436) | - |
| Inventories | 59,028 | - |
| Increase (decrease) in liabilities: | | |
| Accounts payable | (47,478) | - |
| Unpaid claim payable | - | 36,390 |
| Accrued payroll and payroll withholdings payable | 3,240 | - |
| Compensated absence payable | 4,967 | - |
| Total adjustments | <u>1,450,098</u> | <u>36,390</u> |
| Net cash provided (used) by operating activities | <u>\$ 6,163,446</u> | <u>\$ (94,126)</u> |
| Noncash transaction: | | |
| Construction in progress from accounts payable of \$30,000 | | |
| Capital assets contributed by private developer in the amount of \$4,549,512. | | |

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

CITY OF NOBLESVILLE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2005

| <u>Assets</u> | <u>Pension Trust Funds</u> | <u>Private-Purpose Trust Funds</u> | <u>Agency Fund</u> |
|------------------------------|--------------------------------|--|------------------------|
| Cash and cash equivalents | \$ 1,444,181 | \$ 97,485 | \$ 183,143 |
| Receivables: | | | |
| Taxes | 10,178 | - | - |
| Total assets | <u>1,454,359</u> | <u>97,485</u> | <u>\$ 183,143</u> |
| <u>Liabilities</u> | | | |
| Payroll withholdings payable | - | - | \$ 183,143 |
| Unavailable revenue | 10,178 | - | - |
| Performance deposits payable | - | 97,485 | - |
| Total liabilities | <u>10,178</u> | <u>97,485</u> | <u>\$ 183,143</u> |
| <u>Net Assets</u> | | | |
| Held in trust for: | | | |
| Employees' pension benefits | <u>\$ 1,444,181</u> | <u>\$ -</u> | |

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

CITY OF NOBLESVILLE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For The Year Ended December 31, 2005

| <u>Additions</u> | <u>Pension Trust Funds</u> | <u>Private-Purpose Trust Funds</u> |
|--|--------------------------------|--|
| Contributions: | | |
| Employer | \$ 298,169 | \$ - |
| Intergovernmental | 394,428 | - |
| Private donations | - | - |
| Total contributions | <u>692,597</u> | <u>-</u> |
| Investment income: | | |
| Interest | <u>7,948</u> | <u>1,000</u> |
| Total investment income | <u>7,948</u> | <u>1,000</u> |
| Total additions | <u>700,545</u> | <u>1,000</u> |
| <u>Deductions</u> | | |
| Refunds of contributions | - | 1,000 |
| Payments in accordance with trust agreements | <u>604,033</u> | <u>-</u> |
| Total deductions | <u>604,033</u> | <u>1,000</u> |
| Changes in net assets | 96,512 | - |
| Net assets - beginning | <u>1,347,669</u> | <u>-</u> |
| Net assets - ending | <u>\$ 1,444,181</u> | <u>\$ -</u> |

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

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Noblesville (primary government) was established under the laws of the State of Indiana. The primary government operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health, culture and recreation, public improvements, planning and zoning, general administrative services, wastewater, and urban re-development.

The accompanying financial statements present the activities of the primary government and its significant component units. The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities, are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government.

Blended Component Units

The Noblesville Economic Development Infrastructure Building Corporation (ED Building Corporation) is a significant blended component unit of the primary government, created by the primary government for the purpose of constructing and financing buildings and infrastructure. The primary government appoints a voting majority of the ED Building Corporation's board and a financial benefit/burden relationship exists between the primary government and the ED Building Corporation. Although it is legally separate from the primary government, the Building Corporation is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government.

The Noblesville Building Corporation (Building Corporation) is a significant blended component unit of the primary government, created by the primary government for the purpose of constructing and financing buildings and infrastructure. The primary government appoints a voting majority of the Building Corporation's board and a financial benefit/burden relationship exists between the primary government and the Building Corporation. Although it is legally separate from the primary government, the Building Corporation is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government.

The Noblesville Redevelopment Authority (Redevelopment Authority) is a significant blended component unit of the primary government, created by the primary government for the purpose of constructing and financing development and redevelopment of areas within the corporate boundaries of the City. The primary government appoints a voting majority of the Redevelopment Authority's board and a financial benefit/burden relationship exists between the primary government and the Redevelopment Authority. Although it is legally separate from the primary government, the Redevelopment Authority is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government.

Jointly Governed Organization

The primary government and the Town of Fishers jointly own, on an equal basis, a certain railroad right-of-way obtained from a railroad company extending approximately 37 miles from the City of Tipton, Indiana, to near downtown City of Indianapolis, Indiana. The primary government and the Town of Fishers created the Historic Railroad Multi-Jurisdictional Port Authority (Port Authority) for the

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

purpose of protecting and preserving the existence of real property, contained within the railroad's right-of-way, as a single parcel of real estate in perpetuity for such uses as may benefit the citizens of Noblesville and Fishers, including, but not necessarily limited to, recreational, transportation, and tourism purposes. Subsequently, Hamilton County joined with the primary government and the Town of Fishers to become part of the Port Authority. The Port Authority's board consists of six members with two appointed by the Mayor of the primary government, two appointed by the Town Council of Fishers, and two appointed by the County Commissioners of Hamilton County. The primary government, Town of Fishers, and Hamilton County do not have any obligations for or any financial interests in Port Authority matters.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Activities) report information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

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

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The primary government 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 Noblesville Building Corporation - capital projects fund (capital projects) accounts for expenditures for capital improvements by the Noblesville Building Corporation (a component unit of the City of Noblesville). Financing is provided by semiannual lease payments from the County Option Income Tax (COIT), Public Safety Building Debt Bonds, and Redevelopment Tax Increment Financing funds.

The Redevelopment Authority - capital projects fund (capital projects) accounts for expenditures related to the construction of various infrastructure projects. Financing is provided by general obligation bonds issued by the Noblesville Redevelopment Authority (a component unit of the City of Noblesville).

The primary government reports the following major proprietary fund:

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

Additionally, the primary government reports the following fund types:

The internal service fund accounts for the collection and payment to an insurance third party administrator for the City's employees' health and life insurance programs provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 Police Officers' and 1937 Firefighters' pension funds which accumulate resources for pension benefit payments.

The private purpose trust fund accounts for the funds being held for venter security bonds, maintenance bonds, and performance bonds. These bonds are normally held for a specific length of time and then returned to the payee.

The agency fund accounts for assets held by the primary government as an agent for the federal government, state government, and various employee insurance companies.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial 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 business-type activities and enterprise funds, subject to this same limitation. The primary government has elected not to follow subsequent private-sector guidance.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 government's wastewater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include (1) charges to customers or applicants for goods, services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

Debt securities are reported at fair value. Debt securities are defined as securities backed by the full faith and credit of the United States Treasury or fully insured or guaranteed by the United States or any United States government agency.

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

2. Interfund Transactions and Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables" (i.e., the current and noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government 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 that become delinquent if not paid by May 10 and November 10, respectively. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to deferred revenue since the amounts are not considered available within 60 days.

4. Cash and Cash Equivalents

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the City.

5. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

6. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets balance sheet because City Ordinance no. 34-5-03 requires the establishment of a Bond and Interest Fund and a Depreciation Fund.

7. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

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

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | Capitalization Threshold | Depreciation Method | Estimated Useful Life |
|---|-----------------------------|------------------------|--------------------------|
| Governmental activities: | | | |
| Land | \$ 5,000 | N/A | N/A |
| Buildings and improvements | 5,000 | Straight-line | 20 - 50 yrs |
| Machinery and equipment | 5,000 | Straight-line | 3 - 25 yrs |
| Roads – collectors and residential | 5,000 | Straight-line | 10 - 50 yrs |
| Business-type activities: | | | |
| Land | 5,000 | N/A | N/A |
| Buildings and improvements | 5,000 | Straight-line | 20 - 50 yrs |
| Machinery and equipment | 5,000 | Straight-line | 3 - 25 yrs |
| Wastewater distribution and Collection systems | 5,000 | Straight-line | 50 yrs |

N/A= Not applicable

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed. The total interest expense incurred by the primary government in its business-type activities was \$670,036.

8. Compensated Absences

- a. Sick Leave – primary government employees earn sick leave at the rate of 6 and 3 quarter (6.75) hours per month. Unused sick leave may be accumulated to a maximum of 120 days. Accumulated sick leave is not paid to employees upon termination.
- b. Vacation Leave – primary government employees earn vacation leave at rates from 10 days to 25 days per year based upon the number of years of service. Vacation leave may not be accumulated. Unused accrued vacation leave is paid to employees through cash payments upon termination.
- c. Personal Leave – primary government employees earn personal leave at the rate of 4 days per year. Unused personal leave may not be accumulated. Unused personal leave is paid to employees through cash payments upon termination.

Vacation leave is accrued when incurred in government-wide statements and proprietary fund statements and is reported as a liability in the statement of net assets. Only amounts due and payable at year end are included in the fund statements.

No liability is reported for sick and personal leave.

9. Unavailable and Unearned Revenue

Unavailable and unearned revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

10. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, and proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

11. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

II. Stewardship, Compliance and Accountability

A. Explanation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide State of Net Assets follows:

1. The governmental fund balance sheet includes a reconciliation between the fund balance-total governmental funds and net assets-governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that "capital assets used in governmental activities are not financial resources and; therefore, not reported in the funds." The details of this difference are as follows:

| | |
|--|-----------------------------------|
| Capital assets, not being depreciated | \$ 56,333,199 |
| Other capital assets, net of depreciation | <u>103,025,975</u> |
| Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ 159,359,174</u> |

2. Another element of that reconciliation explains that "Internal service 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." The details of this difference are as follows:

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | |
|--|-----------------------|
| Fund balance | \$ 102,169 |
| Internal balance | <u>46,840</u> |
| | |
| Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ 149,009</u> |
| | |
| 3. Another element of that reconciliation explains that "Other liabilities, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not in the funds." The details of this difference are as follows: | |
| Accrued interest payable | \$ (1,627,739) |
| Compensated absences payable | <u>(858,004)</u> |
| | |
| Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ (2,485,743)</u> |
| | |
| 4. Another element of that reconciliation explains that "net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds." The detail of this difference are as follows: | |
| Prepaid Item - Public Employees' Retirement Plan | \$ 411,215 |
| Net pension obligation - 1925 Police Officers' Pension Plan | (1,934,611) |
| Net pension obligation - 1937 Firefighters' Pension Plan | <u>(2,984,211)</u> |
| | |
| Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ (4,507,607)</u> |
| | |
| 5. Another element of that reconciliation explains that "long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds." The details of this difference are as follows: | |
| Bonds payable | \$ 87,643,911 |
| Capital leases payable | <u>2,106,816</u> |
| | |
| Net adjustment to increase fund balance - total governmental funds to arrive at net assets - governmental activities | <u>\$ 89,750,727</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances and the Government-Wide Statement of Activities

1. The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances-total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that "Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their useful lives and reported as depreciation expense." The details of this difference are as follows:

| | |
|---|----------------------|
| Capital outlay per fund statements | \$ 29,513,501 |
| Capital outlay items costing less than the capitalization threshold | (7,925,368) |
| Depreciation expense | <u>(2,906,009)</u> |
| | |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental funds | <u>\$ 18,682,124</u> |

2. Another element of the reconciliation states that "The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to increase net assets." The details of this difference are as follows:

In the statement of activities, only the loss on the disposal of capital assets is reported. However, in the governmental funds, the proceeds from the disposal increase financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the capital assets disposed of:

| | |
|--|--------------------|
| Cost of assets disposed of | \$ 3,824,989 |
| Accumulated depreciation on assets disposed of | (1,339,728) |
| Proceeds from sale (other revenue) | <u>(1,600,000)</u> |
| | |
| Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ 885,261</u> |

3. Another element of the reconciliation states that "Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds." The details of this difference are as follows:

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | |
|--|--------------------|
| Infrastructure contributed by developers | \$ 13,481,317 |
| Beginning unavailable revenue | (530,470) |
| Ending unavailable revenue | 515,421 |
| Change in net accruals | <u>(2,520,086)</u> |

| | |
|---|----------------------|
| Net adjustment to increase net changes in fund balances | |
| - total governmental funds to arrive at changes in net assets of governmental funds | <u>\$ 10,946,182</u> |

4. Another element of the reconciliation states that "Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in the funds." The details of this difference are as follows:

| | |
|---|------------------|
| Beginning compensated absences payable (due beyond one year) | \$ 760,113 |
| Ending long-term compensated absences payable (due beyond one year) | <u>(858,004)</u> |

| | |
|---|--------------------|
| Net adjustment to increase net changes in fund balances | |
| - total governmental funds to arrive at changes in net assets of governmental funds | <u>\$ (97,891)</u> |

5. Another element of that reconciliation states that "The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities." The details of this difference are as follows:

| | |
|--|-----------------|
| Debt issued or incurred: | |
| Issuance of general obligations bonds | \$ (17,040,000) |
| Net premiums | (686,371) |
| Capital lease financing | (234,705) |
| Principal repayments: | |
| General obligation bonds | 1,745,000 |
| Capital lease financing | 941,924 |
| Other debt related costs: | |
| Bond issue costs | 283,596 |
| Amortization of bond issue costs | (137,577) |
| Change in accrued interest on bonds | (183,850) |
| Net amortization of bond premiums, discounts, and deferral of loss | <u>74,549</u> |

| | |
|--|------------------------|
| Net adjustment to decrease net changes in fund balances - | |
| total governmental funds to arrive at changes in net assets of governmental activities | <u>\$ (15,237,434)</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

6. Another element of that reconciliation states that "Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities." The details of this difference are as follows:

| | |
|---|--------------------|
| Change in net assets per funds statement | \$ (122,188) |
| Remove beginning internal service balance | (20,595) |
| Add ending internal service balance | <u>46,840</u> |
| | |
| Net adjustment to increase net changes in fund balances | |
| - total governmental funds to arrive at changes in net assets of governmental funds | <u>\$ (95,943)</u> |

C. Expenditures in Excess of Appropriations

For the year ended December 31, 2005, expenditures exceeded budgeted appropriations in the following funds, by the amounts below:

| Fund | Amount |
|---------------------|-----------------|
| Little Chicago Debt | \$ 1,837 |
| Fire Station 2 Debt | <u>562</u> |
| Total | <u>\$ 2,399</u> |

These expenditures were funded by prior revenues.

D. Deficit Fund Balance

At December 31, 2005, the following funds reported deficits in fund balance, which are violations of state statute:

| | Deficit |
|-----------------------------|-----------|
| Governmental funds: | |
| Park Nonreverting Operating | \$ 11,673 |
| Park Nonreverting Capital | 197,117 |

Fund balance deficits arose primarily from expenditures or expenses exceeding revenues due to the underestimate of current requirements; these deficits will be repaid from future funds.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the City'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.

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2005, the City's had the following investments:

| Investment Type | Primary Government | Investment Maturities (in Years) | |
|--------------------------------|-----------------------|----------------------------------|---------------------|
| | Market Value | Less Than 1 | 1-2 |
| U.S. Treasuries and Securities | \$ 3,263,200 | \$ 1,067,700 | \$ 2,197,500 |
| Mutual Funds | 20,921,441 | 20,921,441 | - |
| Repurchase Agreements | 30,576,840 | 30,576,840 | - |
| Totals | <u>\$ 54,761,481</u> | <u>\$ 52,565,981</u> | <u>\$ 2,197,500</u> |

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit 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 no more than two years.

Indiana code also provides for investment in money market mutual funds that are in the form of securities of or interest in an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise: or repurchase agreements fully collateralized by direct obligations of he 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

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit'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 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. At December 31, 2005, the City held investments in mutual funds in the amount of \$20,921,441. Of these investments \$20,921,441 were held by the counterparty's trust department or agent in the City's name.

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.

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.

| Standard and Poor's Rating | Moody's Rating | <u>City's Investments</u> Mutual Funds |
|----------------------------------|-------------------|--|
| AAA | Aaa | <u>\$ 20,921,441</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.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Receivables

The Emergency Management Service receivable accounts have timing and credit characteristics different from typical accounts receivable. Many of these receivables are due from insurance companies and collection experience indicates that most are received in excess of 90 days.

C. Capital Assets

Capital asset activity for the year ended December 31, 2005, was as follows:

| <u>Primary Government</u> | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|--------------------------|--------------------------|---------------------------|
| Governmental activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 4,536,263 | \$ 1,215,855 | \$ - | \$ 5,752,118 |
| Right-of-ways | 18,145,637 | 5,064,365 | - | 23,210,002 |
| Construction in progress | <u>35,549,743</u> | <u>18,770,073</u> | <u>26,948,737</u> | <u>27,371,079</u> |
| Total capital assets, not being depreciated | <u>58,231,643</u> | <u>25,050,293</u> | <u>26,948,737</u> | <u>56,333,199</u> |
| Capital assets, being depreciated: | | | | |
| Buildings | 13,208,986 | 5,394,521 | 2,167,841 | 16,435,666 |
| Improvements other than buildings | 3,428,292 | 460,066 | - | 3,888,358 |
| Machinery and equipment | 13,576,564 | 1,057,038 | 802,079 | 13,831,523 |
| Roads being depreciated | 51,269,120 | 26,036,914 | 855,069 | 76,450,965 |
| Storm sewers being depreciated | <u>5,598,365</u> | <u>4,915,462</u> | <u>-</u> | <u>10,513,827</u> |
| Totals | <u>87,081,327</u> | <u>37,864,001</u> | <u>3,824,989</u> | <u>121,120,339</u> |
| Less accumulated depreciation for: | | | | |
| Buildings | 3,328,460 | 275,978 | 685,704 | 2,918,734 |
| Improvements other than buildings | 100,296 | 92,897 | - | 193,193 |
| Machinery and equipment | 5,268,023 | 1,297,577 | 581,464 | 5,984,136 |
| Roads being depreciated | 7,604,672 | 1,127,270 | 72,560 | 8,659,382 |
| Storm sewers being depreciated | <u>226,632</u> | <u>112,287</u> | <u>-</u> | <u>338,919</u> |
| Totals | <u>16,528,083</u> | <u>2,906,009</u> | <u>1,339,728</u> | <u>18,094,364</u> |
| Total capital assets, being depreciated, net | <u>70,553,244</u> | <u>34,957,992</u> | <u>2,485,261</u> | <u>103,025,975</u> |
| Total governmental activities capital assets, net | <u>\$ 128,784,887</u> | <u>\$ 60,008,285</u> | <u>\$ 29,433,998</u> | <u>\$ 159,359,174</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

| <u>Primary Government</u> | <u>Beginning Balance</u> | <u>Increases</u> | <u>Decreases</u> | <u>Ending Balance</u> |
|--|------------------------------|---------------------|------------------|---------------------------|
| Business-type activities: | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 687,736 | \$ - | \$ - | \$ 687,736 |
| Construction in progress | 2,412,001 | 1,876,427 | - | 4,288,428 |
| | <u>3,099,737</u> | <u>1,876,427</u> | <u>-</u> | <u>4,976,164</u> |
| Total capital assets, not being depreciated | | | | |
| Capital assets, being depreciated: | | | | |
| Buildings | 15,559,704 | - | 200 | 15,559,504 |
| Improvements other than buildings | 47,165,506 | 4,549,512 | - | 51,715,018 |
| Machinery and equipment | 7,822,950 | 386,967 | 325,937 | 7,883,980 |
| | <u>70,548,160</u> | <u>4,936,479</u> | <u>326,137</u> | <u>75,158,502</u> |
| Totals | | | | |
| Less accumulated depreciation for: | | | | |
| Buildings | 3,605,964 | 370,893 | 200 | 3,976,657 |
| Improvements other than buildings | 3,886,491 | 541,015 | - | 4,427,506 |
| Machinery and equipment | 5,643,926 | 566,869 | 325,937 | 5,884,858 |
| | <u>13,136,381</u> | <u>1,478,777</u> | <u>326,137</u> | <u>14,289,021</u> |
| Totals | | | | |
| Total capital assets, being depreciated, net | <u>57,411,779</u> | <u>3,457,702</u> | <u>-</u> | <u>60,869,481</u> |
| Total business-type activities capital assets, net | <u>\$ 60,511,516</u> | <u>\$ 5,334,129</u> | <u>\$ -</u> | <u>\$ 65,845,645</u> |

Depreciation expense was charged to functions/programs of the primary government as follows:

| | |
|---|---------------------|
| Governmental activities: | |
| General government | \$ 305,798 |
| Public safety | 687,116 |
| Highways and streets | 1,675,650 |
| Culture and recreation | <u>237,445</u> |
| Total depreciation expense - governmental activities | <u>\$ 2,906,009</u> |
| Business-type activities: | |
| Wastewater | <u>\$ 1,478,777</u> |
| Total depreciation expense - business-type activities | <u>\$ 1,478,777</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Construction Commitments

Construction work in progress is composed of the following:

| Project | Total Project Authorized | Expended to December 31, 2005 | Committed | Required Future Funding |
|-----------------------------------|--------------------------------|-------------------------------------|----------------------|-------------------------------|
| <u>Primary Government</u> | | | | |
| Governmental activities: | | | | |
| 146th Street | \$ 6,391,011 | \$ 421,044 | \$ 5,969,967 | \$ - |
| Hazell Dell | 384,340 | 172,132 | 212,208 | - |
| Field Drive Extension | 1,800,000 | 248,915 | 1,551,085 | - |
| Forest Park Aquatic Area Parking | 592,000 | 590,315 | 1,685 | - |
| Hague Road Park Project | 207,990 | 134,168 | 73,822 | - |
| Golf Course Drainage Project | 28,265 | 27,240 | 1,025 | - |
| Pleasant Street Clover Road | 1,460,162 | 1,285,972 | 174,190 | - |
| Carrigan Road Causeway Pedestrian | 57,500 | 54,738 | 3,012 | - |
| Eitghth Street Parking | 677,325 | 677,325 | - | - |
| Maintenance Building | 794,857 | 794,857 | - | - |
| City Hall Project | 17,831,038 | 6,077,147 | 11,753,891 | - |
| Exit 10 | <u>23,880,000</u> | <u>16,887,226</u> | <u>6,940,033</u> | - |
| Totals - governmental activities | <u>54,104,488</u> | <u>27,371,079</u> | <u>26,680,918</u> | - |
| Business-type activities: | | | | |
| Geographical Information System | 1,000,000 | 990,119 | 9,881 | - |
| Fairfield Addition | 193,462 | 193,462 | - | - |
| ARLES Acres | 266,922 | 266,922 | - | - |
| Treatment Plant | 2,913,000 | 1,486,265 | 1,426,735 | - |
| Exit 10 | <u>1,883,939</u> | <u>1,351,660</u> | <u>532,279</u> | - |
| Totals - business-type activities | <u>6,257,323</u> | <u>4,288,428</u> | <u>1,968,895</u> | - |
| Totals | <u>\$ 60,361,811</u> | <u>\$ 31,659,507</u> | <u>\$ 28,649,813</u> | <u>\$ -</u> |

E. Interfund Balances and Activity

1. Interfund Receivables and Payables

The composition of interfund balances as of December 31, 2005, is as follows:

| Payable | Receivable | | |
|-----------------------|-----------------|--------------------------|-------------------|
| | General Fund | Nonmajor Governmental | Total |
| Nonmajor Governmental | <u>\$ 5,935</u> | <u>\$ 274,122</u> | <u>\$ 280,057</u> |

Interfund balances resulted from the time lag between the dates that (1) Interfund loans are repaid and (2) payments between funds are made.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Interfund Transfers

Interfund transfers at December 31, 2005, were as follows:

| Transfer From | Transfer To | | | Total |
|-----------------------|-------------------|--------------------------|-----------------------------|---------------------|
| | General Fund | Major Governmental Funds | Nonmajor Governmental Funds | |
| Governmental: | | | | |
| Major Fund | \$ - | \$ 9,841 | \$ 171,572 | \$ 181,413 |
| Nonmajor Governmental | <u>788,542</u> | <u>72,463</u> | <u>294,463</u> | <u>1,155,468</u> |
| Totals | <u>\$ 788,542</u> | <u>\$ 82,304</u> | <u>\$ 466,035</u> | <u>\$ 1,336,881</u> |

The primary government 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.

F. Leases

1. Operating Leases

The primary government has entered into various operating leases having initial or remaining noncancelable terms exceeding one year for copiers and a postage meter. Rental expenditures for these leases were \$28,970. The following is a schedule by years of future minimum rental payments as of December 31, 2005:

| | |
|-------|------------------|
| 2006 | \$ 14,284 |
| 2007 | 2,784 |
| 2008 | <u>1,704</u> |
| Total | <u>\$ 18,772</u> |

2. Capital Leases

The primary government has entered into various capital leases for equipment for various departments including Police, Fire, Street, Emergency Medical Services, Park and Network. Future minimum lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2005, are as follows:

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | | |
|---|----|---------------------|
| 2006 | \$ | 671,053 |
| 2007 | | 603,299 |
| 2008 | | 494,073 |
| 2009 | | 439,341 |
| 2010 | | <u>118,522</u> |
| Total minimum lease payments | | 2,326,288 |
| Less amount representing interest | | <u>219,472</u> |
| Present value of net minimum lease payments | | <u>\$ 2,106,816</u> |

Assets acquired through capital leases still in effect are as follows:

| | | <u>Governmental Activities</u> |
|--------------------------|----|------------------------------------|
| Machinery and equipment | \$ | 2,837,765 |
| Accumulated depreciation | | <u>243,686</u> |
| Total | \$ | <u>2,594,079</u> |

G. Long-Term Liabilities

1. General Obligation Bonds

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

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

| <u>Purpose</u> | <u>Interest Rates</u> | <u>Amount</u> |
|--|---------------------------|----------------------|
| 2003 Redevelopment District bonds (Field Dr Project) | 1.50% to 5.00% | \$ 795,000 |
| 1998 Building Corporation bonds (Commerce Park Infrastructure) | 4.50% to 4.85% | 1,705,000 |
| 2001 Building Corporation bonds (Fire Station 2) | 3.25% to 5.00% | 1,175,000 |
| 2004 Building Corporation bonds (Fire Stations 5 and 6) | 2.00% to 5.00% | 7,690,000 |
| 2004 Building Corporation refunding bonds (Public Safety Building) | 2.00% to 4.00% | 4,770,000 |
| 1999 Redevelopment Authority bonds (Fox Prairie Golf Course Expansion) | 4.50% to 5.75% | 2,535,000 |
| 2001 Redevelopment Authority bonds (Stoney Creek East) | 3.75% to 5.35% | 5,050,000 |
| 2003 Redevelopment Authority bonds (Hague Rd/Field Dr) | 4.00% to 5.00% | 13,945,000 |
| 2003 Redevelopment Authority bonds (Exit 10) | 2.75% to 4.65% | 23,880,000 |
| 2004 Redevelopment Authority bonds (Little Chicago Road) | 2.35% to 5.00% | 7,325,000 |
| 2005 Building Corporation bonds(City Hall) | 3.00% to 5.00% | <u>17,040,000</u> |
| Total | | <u>\$ 85,910,000</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Annual debt service requirements to maturity for general obligation bonds are as follows:

| Year Ended December 31 | Governmental Activities | | Total |
|---------------------------|-------------------------|----------------------|-----------------------|
| | Principal | Interest | |
| 2006 | \$ 2,095,000 | \$ 3,791,180 | \$ 5,886,180 |
| 2007 | 2,405,000 | 3,877,460 | 6,282,460 |
| 2008 | 2,590,000 | 3,789,498 | 6,379,498 |
| 2009 | 2,875,000 | 3,691,347 | 6,566,347 |
| 2010 | 3,375,000 | 3,574,605 | 6,949,605 |
| 2011-2015 | 19,175,000 | 15,680,275 | 34,855,275 |
| 2016-2020 | 24,225,000 | 10,588,778 | 34,813,778 |
| 2021-2025 | 24,115,000 | 4,337,262 | 28,452,262 |
| 2026-2030 | 5,055,000 | 373,875 | 5,428,875 |
| Totals | <u>\$ 85,910,000</u> | <u>\$ 49,704,280</u> | <u>\$ 135,614,280</u> |

2. Revenue Bonds

The primary government issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

| Purpose | Interest Rates | Amount |
|------------------------------|----------------|----------------------|
| 1998 Refunding revenue bonds | 3.85% to 4.70% | \$ 2,900,000 |
| 2003 Refunding revenue bonds | 2.00% to 5.00% | 11,005,000 |
| Total | | <u>\$ 13,905,000</u> |

Revenue bonds debt service requirements to maturity are as follows:

| Year Ended December 31 | Business-Type Activities | | Total |
|---------------------------|--------------------------|---------------------|----------------------|
| | Principal | Interest | |
| 2006 | \$ 960,000 | \$ 615,148 | \$ 1,575,148 |
| 2007 | 990,000 | 577,260 | 1,567,260 |
| 2008 | 1,030,000 | 540,135 | 1,570,135 |
| 2009 | 1,070,000 | 499,955 | 1,569,955 |
| 2010 | 1,115,000 | 455,245 | 1,570,245 |
| 2011-2015 | 2,745,000 | 1,814,550 | 4,559,550 |
| 2016-2020 | 3,475,000 | 1,089,455 | 4,564,455 |
| 2021-2025 | 2,520,000 | 224,875 | 2,744,875 |
| Totals | <u>\$ 13,905,000</u> | <u>\$ 5,816,623</u> | <u>\$ 19,721,623</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2005, was as follows:

| <u>Primary Government</u> | Beginning Balance | Additions | Reductions | Ending Balance | Due Within One Year |
|---|----------------------|----------------------|---------------------|----------------------|---------------------------|
| Governmental activities: | | | | | |
| Bonds payable: | | | | | |
| General obligation | \$ 70,615,000 | \$ 17,040,000 | \$ 1,745,000 | \$ 85,910,000 | \$ 2,095,000 |
| Plus premium amount | 1,338,273 | 686,371 | 99,858 | 1,924,786 | - |
| Less discount amount | (138,807) | - | (12,412) | (126,395) | - |
| Less deferral of loss | (77,376) | - | (12,896) | (64,480) | - |
| Total bonds payable | 71,737,090 | 17,726,371 | 1,819,550 | 87,643,911 | 2,095,000 |
| Compensated absences | 760,113 | 984,676 | 886,785 | 858,004 | - |
| Capital leases | 2,814,035 | 234,706 | 941,924 | 2,106,817 | - |
| Net pension obligation | 3,928,845 | 989,977 | - | 4,918,822 | - |
| Total governmental activities long-term liabilities | <u>\$ 79,240,083</u> | <u>\$ 19,935,730</u> | <u>\$ 3,648,259</u> | <u>\$ 95,527,554</u> | <u>\$ 2,095,000</u> |
| Business-type activities: | | | | | |
| Revenue bonds payable: | | | | | |
| Wastewater Utility | \$ 14,835,000 | \$ - | \$ 930,000 | \$ 13,905,000 | \$ 960,000 |
| Plus premium amount | 490,186 | - | 40,825 | 449,361 | - |
| Less discount amount | (1,531) | - | (278) | (1,253) | - |
| Less discount amount | (133,845) | - | (24,336) | (109,509) | - |
| Total bonds payable | 15,189,810 | - | 946,211 | 14,243,599 | 960,000 |
| Compensated absences | 61,875 | 4,967 | - | 66,842 | - |
| Total business-type activities long-term liabilities | <u>\$ 15,251,685</u> | <u>\$ 4,967</u> | <u>\$ 946,211</u> | <u>\$ 14,310,441</u> | <u>\$ 960,000</u> |

The compensated absences are generally liquidated by the General Fund, the Motor Vehicle Highway Fund, the Park Fund, the Park Nonreverting Operating Fund and the Wastewater Operating Fund.

H. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

| | |
|-----------------------------------|---------------------|
| Revenue bond and interest account | \$ 814,793 |
| Revenue bond depreciation account | <u>839,993</u> |
| Total | <u>\$ 1,654,786</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

I. Unavailable and Unearned Deferred Revenue

The unavailable and unearned deferred revenue balances in the governmental funds are as follows:

| | <u>Taxes</u> | <u>Intergovernmental</u> | <u>Total</u> |
|---|-------------------|--------------------------|-------------------|
| Unavailable revenue: | | | |
| General | \$ 330,239 | \$ 9,875 | \$ 340,114 |
| Motor vehicle highway | 45,481 | - | 45,481 |
| Park and recreation | 19,511 | - | 19,511 |
| Fire Station 2 debt | 3,393 | - | 3,393 |
| Public safety building debt bonds | 24,535 | - | 24,535 |
| Fire Stations 5 and 6 debt | 15,399 | - | 15,399 |
| Little Chicago Road debt | 14,290 | - | 14,290 |
| Cumulative capital improvement | - | 8,719 | 8,719 |
| Cumulative capital development | 20,163 | - | 20,163 |
| Cumulative building and fire fighting equipment | 13,376 | - | 13,376 |
| Redevelopment tax increment financing | <u>10,440</u> | <u>-</u> | <u>10,440</u> |
| Totals | <u>\$ 496,827</u> | <u>\$ 18,594</u> | <u>\$ 515,421</u> |
| Unearned revenue: | | | |
| County option income tax (COIT) | <u>\$ 702,667</u> | | |

IV. Other Information

A. Risk Management

The primary government 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; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); 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 primary government 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 Trust 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 \$40,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the

CITY OF NOBLESVILLE
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

past three years. A premium is charged to each fund that accounts for payroll expenses. The total charge allocated to each of the funds is calculated as it relates to payroll. Provisions are also made for unexpected and unusual claims.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

Changes in the balance of claim liabilities during the past two years are as follows:

| | 2005 | 2004 |
|--|------------|------------|
| Unpaid claims, beginning of fiscal year | \$ 235,139 | \$ 190,002 |
| Incurred claims and changes in estimates | 3,722,510 | 2,866,492 |
| Claim payments | 3,686,120 | 2,821,355 |
| Unpaid claims, end of fiscal year | \$ 271,529 | \$ 235,139 |

Job Related Illnesses or Injuries to Employees

During 1997, the primary government joined together with other governmental entities to form the Indiana Public Employers' Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for approximately 515 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 benefits for job related illnesses or injuries to employees. The primary government pays an annual premium to the risk pool for its 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. The risk pool obtains independent coverage for insured events in excess of the \$1,000,000 limit.

B. Postemployment Benefits

In addition to the pension benefits described below, the primary government provides postemployment medical insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the primary government with at least 20 years of service. Currently, seven retirees meet these eligibility requirements. The primary government and retirees each provide 50% of these post-employment benefits. Expenditures for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2005, expenditures of \$24,116 were recognized for postemployment benefits.

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

The primary government 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 primary government 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 primary government'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 primary government and the Wastewater Utility is not available. Therefore, the prepaid for Net Pension Obligation (NPO) is considered an asset of the primary government and is presented in the governmental activities of the financial statements and is not presented as an asset of the proprietary funds.

b. 1925 Police Officers' Pension Plan

Plan Description

The primary government contributes to the 1925 Police Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The primary government's annual pension cost and related information as provided by the actuary, is presented in this note. Administrative costs of the plan are included in the annual operating budget of the fund. The NPO considered an obligation of the City as a whole and is reflected in the Statement of Net Assets.

c. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note. Administrative costs of the plan are included in the annual operating budget of the fund. The NPO is considered an obligation of the City as a whole and is reflected in the Statement of Net Assets.

Actuarial Information for the Above Plans

| | <u>PERF</u> | <u>1925 Police Officers' Pension</u> | <u>1937 Firefighters' Pension</u> |
|---|---------------------|--|---|
| Annual required contribution | \$ 323,334 | \$ 533,400 | \$ 1,023,700 |
| Interest on net pension obligation | (26,789) | 118,500 | 180,200 |
| Adjustment to annual required contribution | <u>30,528</u> | <u>(207,100)</u> | <u>(314,800)</u> |
| Annual pension cost | 327,073 | 444,800 | 889,100 |
| Contributions made | <u>368,790</u> | <u>266,013</u> | <u>574,237</u> |
| Increase (decrease) in net pension obligation | (41,717) | 178,787 | 314,863 |
| Net pension obligation, beginning of year | <u>(369,498)</u> | <u>1,775,824</u> | <u>2,669,348</u> |
| Net pension obligation, end of year | <u>\$ (411,215)</u> | <u>\$ 1,954,611</u> | <u>\$ 2,984,211</u> |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

| | PERF | 1925 Police Officers' Pension | 1937 Firefighters' Pension |
|------------------------------------|---|---|---|
| Contribution rates: | | | |
| City | 5.75% | 224% | 654% |
| Plan members | 3% | 6% | 6% |
| Actuarial valuation date | 07-01-05 | 01-01-05 | 01-01-05 |
| Actuarial cost method | Entry age | Entry age | Entry age |
| Amortization method | Level percentage of projected payroll, closed | Level percentage of projected payroll, closed | Level percentage of projected payroll, closed |
| Amortization period | 40 years | 30 years | 30 years |
| Amortization period (from date) | 07-01-97 | 01-01-05 | 01-01-05 |
| Asset valuation method | 75% of expected actuarial value plus 25% of market value | 4 year phase in of unrealized and realized capital | 4 year phase in of unrealized and realized capital |

Actuarial Assumptions

| | | | |
|------------------------------------|-------|----------|----------|
| Investment rate of return | 7.25% | 6% | 6% |
| Projected future salary increases: | | | |
| Total | 5% | 4% | 4% |
| Attributed to inflation | 4% | 4% | 4% |
| Attributed to merit/seniority | 1% | 0% | 0% |
| Cost-of-living adjustments | 2% | 2.75/4%* | 2.75/4%* |

*2.75% converted members; 4% nonconverted members

Three Year Trend Information

| | Year Ending | Annual Pension Cost (APC) | Percentage of APC Contributed | Net Pension Obligation |
|---------------------------------------|-------------|---------------------------------|-------------------------------------|------------------------------|
| PERF | 06-30-03 | \$ 279,562 | 108% | \$ (323,619) |
| | 06-30-04 | 289,645 | 116% | (369,498) |
| | 06-30-05 | 327,073 | 127% | (411,215) |
| 1925 Police Officers' Pension Plan | 12-31-02 | 319,500 | 65% | 1,555,711 |
| | 12-31-03 | 412,100 | 51% | 1,755,824 |
| | 12-31-04 | 444,800 | 60% | 1,934,611 |
| 1937 Firefighters' Pension Plan | 12-31-02 | 715,000 | 70% | 2,373,134 |
| | 12-31-03 | 837,400 | 65% | 2,669,348 |
| | 12-31-04 | 889,100 | 65% | 2,984,211 |

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 | 12 | 20 |
| Terminated employees entitled to but Not yet receiving benefits | - | - |
| Current active employees | 2 | 3 |

d. Financial Statements for Defined Benefits Plans

Statements of Fiduciary Net Assets:

| <u>Assets</u> | 1925 Police Officers' Pension | 1937 Firefighters' Pension | Total |
|---|-------------------------------------|----------------------------------|---------------------|
| Cash and cash equivalents | \$ 606,784 | \$ 837,397 | \$ 1,444,181 |
| Receivables: | | | |
| Taxes | 3,393 | 6,785 | 10,178 |
| Total assets | <u>610,177</u> | <u>844,182</u> | <u>1,454,359</u> |
| <u>Liabilities</u> | | | |
| Unavailable revenue | <u>3,393</u> | <u>6,785</u> | <u>10,178</u> |
| <u>Net Assets</u> | | | |
| Held in trust for pension benefit obligations | <u>\$ 606,784</u> | <u>\$ 837,397</u> | <u>\$ 1,444,181</u> |

Statements of Changes in Fiduciary Net Assets:

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

| <u>Additions</u> | <u>1925 Police Officers' Pension</u> | <u>1937 Firefighters' Pension</u> | <u>Total</u> |
|---|--|---|---------------------|
| Contributions: | | | |
| Employer | \$ 99,390 | \$ 198,779 | \$ 298,169 |
| Intergovernmental | <u>125,956</u> | <u>268,472</u> | <u>394,428</u> |
| Total contributions | <u>225,346</u> | <u>467,251</u> | <u>692,597</u> |
| Investment income: | | | |
| Interest | <u>5,309</u> | <u>2,639</u> | <u>7,948</u> |
| Total additions | <u>230,655</u> | <u>469,890</u> | <u>700,545</u> |
| <u>Deductions</u> | | | |
| Benefits and refunds paid to plan members and beneficiaries | <u>169,875</u> | <u>434,158</u> | <u>604,033</u> |
| Changes in net assets | 60,780 | 35,732 | 96,512 |
| Net assets - beginning | <u>546,004</u> | <u>801,665</u> | <u>1,347,669</u> |
| Net assets - ending | <u>\$ 606,784</u> | <u>\$ 837,397</u> | <u>\$ 1,444,181</u> |

2. Cost-Sharing, Multiple-Employer Defined Benefit Pension Plans

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

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

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

CITY OF NOBLESVILLE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2005, 2004, and 2003, were \$1,392,667, \$1,312,433, and \$1,139,610, respectively, equal to the required contributions for each year.

REQUIRED SUPPLEMENTARY INFORMATION

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|---|
| 07-01-03 | \$ 3,026,686 | \$ 3,541,056 | \$ (514,370) | 85% | \$ 5,322,626 | (10%) |
| 07-01-04 | 3,216,565 | 3,957,949 | (741,384) | 81% | 5,682,331 | (13%) |
| 07-01-05 | 3,509,819 | 4,732,680 | (1,222,861) | 74% | 6,154,037 | (20%) |

1925 Police Officers' Pension Plan

| Actuarial Valuation Date | Actuarial Value of Assets (a) | Actuarial Accrued Liability (AAL) (b) | Unfunded AAL (a-b) | Funded Ratio (a/b) | Covered Payroll (c) | Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|---|
| 01-01-00 | \$ 305,827 | \$ 4,031,000 | \$ (3,725,173) | 8% | \$ 74,200 | (5,020%) |
| 01-01-01 | 336,256 | 3,882,100 | (3,545,844) | 9% | 77,000 | (4,605%) |
| 01-01-02 | 454,416 | 3,416,200 | (2,961,784) | 13% | 80,600 | (3,675%) |
| 01-01-03 | 487,836 | 3,506,700 | (3,018,864) | 14% | 94,400 | (3,198%) |
| 01-01-04 | 546,004 | 4,471,700 | (3,925,696) | 12% | 90,000 | (4,362%) |
| 01-01-05 | 606,784 | 3,911,400 | (3,304,616) | 16% | 88,400 | (3,738%) |

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) |
|--------------------------|-------------------------------|---------------------------------------|--------------------|--------------------|---------------------|---|
| 01-01-00 | \$ 192,399 | \$ 7,317,800 | \$ (7,125,401) | 3% | \$ 109,200 | (6,525%) |
| 01-01-01 | 144,520 | 7,544,400 | (7,399,880) | 2% | 114,900 | (6,440%) |
| 01-01-02 | 410,294 | 7,410,500 | (7,000,206) | 6% | 120,300 | (5,819%) |
| 01-01-03 | 549,266 | 7,808,600 | (7,259,334) | 7% | 126,000 | (5,761%) |
| 01-01-04 | 801,665 | 8,691,200 | (7,889,535) | 9% | 134,300 | (5,875%) |
| 01-01-05 | 837,397 | 8,048,800 | (7,211,403) | 10% | 132,000 | (5,463%) |

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
 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 |
| 12-31-99 | \$ 397,300 | 33% | 29% |
| 12-31-00 | 413,900 | 31% | 18% |
| 12-31-01 | 411,700 | 20% | 20% |
| 12-31-02 | 378,100 | 22% | 33% |
| 12-31-03 | 482,300 | 21% | 23% |
| 12-31-04 | 533,400 | 19% | 24% |

1937 Firefighters' Pension Plan

| Year Ending | Annual Required Contribution (ARC) | Percentage of ARC Contributed | |
|----------------|---|----------------------------------|-------|
| | | City | State |
| 12-31-99 | \$ 703,000 | 24% | 28% |
| 12-31-00 | 738,500 | 20% | 19% |
| 12-31-01 | 787,100 | 30% | 19% |
| 12-31-02 | 802,800 | 33% | 30% |
| 12-31-03 | 944,400 | 35% | 23% |
| 12-31-04 | 1,023,700 | 33% | 23% |

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2005

| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
|------------------------------|-------------------|-------------------|---|--|
| | Original | Final | | |
| Revenues: | | | | |
| Taxes: | | | | |
| Property | \$ 13,219,062 | \$ 13,219,062 | \$ 9,761,712 | \$ (3,457,350) |
| Licenses and permits | 1,095,200 | 1,095,200 | 1,239,032 | 143,832 |
| Intergovernmental | 9,014,860 | 9,014,860 | 9,141,104 | 126,244 |
| Charges for services | 1,391,982 | 1,391,982 | 2,118,685 | 726,703 |
| Fines and forfeits | 45,000 | 45,000 | 89,543 | 44,543 |
| Other | 861,000 | 861,000 | 987,724 | 126,724 |
| Total revenues | 25,627,104 | 25,627,104 | 23,337,800 | (2,289,304) |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Board of Works | | | | |
| Personal services | 180,067 | 180,102 | 177,673 | 2,429 |
| Supplies | 26,364 | 35,744 | 32,225 | 3,519 |
| Other services and charges | 1,923,525 | 1,923,525 | 1,912,433 | 11,092 |
| Capital outlay | 1,100 | 1,100 | 1,100 | - |
| Total Board of Works | 2,131,056 | 2,140,471 | 2,123,431 | 17,040 |
| Mayor | | | | |
| Personal services | 255,300 | 252,300 | 249,430 | 2,870 |
| Supplies | 10,100 | 10,100 | 6,552 | 3,548 |
| Other services and charges | 246,355 | 437,158 | 382,976 | 54,182 |
| Capital outlay | 500 | 500 | 147 | 353 |
| Total Mayor | 512,255 | 700,058 | 639,105 | 60,953 |
| Clerk-Treasurer | | | | |
| Personal services | 204,004 | 206,004 | 203,281 | 2,723 |
| Supplies | 8,050 | 8,050 | 7,266 | 784 |
| Other services and charges | 39,338 | 37,827 | 37,756 | 71 |
| Capital outlay | 2,000 | 1,551 | 1,551 | - |
| Total Clerk-Treasurer | 253,392 | 253,432 | 249,854 | 3,578 |
| Planning | | | | |
| Personal services | 966,440 | 966,440 | 926,576 | 39,864 |
| Supplies | 24,944 | 31,690 | 28,301 | 3,389 |
| Other services and charges | 81,328 | 82,483 | 72,085 | 10,398 |
| Capital outlay | 33,460 | 25,910 | 25,823 | 87 |
| Total Planning | 1,106,172 | 1,106,523 | 1,052,785 | 53,738 |
| Court | | | | |
| Personal services | 186,358 | 188,108 | 187,355 | 753 |
| Supplies | 2,650 | 2,650 | 2,205 | 445 |
| Other services and charges | 13,748 | 11,319 | 6,754 | 4,565 |
| Capital outlay | 500 | 500 | - | 500 |
| Total Court | 203,256 | 202,577 | 196,314 | 6,263 |

The notes to the required supplementary information are an integral part of the required supplementary information.

Continued on next page

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2005
(Continued)

| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
|---------------------------------|------------------|-----------|---|--|
| | Original | Final | | |
| Expenditures (continued): | | | | |
| Current (continued): | | | | |
| General government (continued): | | | | |
| Network Administrator | | | | |
| Personal services | 152,426 | 152,426 | 151,159 | 1,267 |
| Supplies | 9,140 | 9,190 | 9,121 | 69 |
| Other services and charges | 93,666 | 93,794 | 93,740 | 54 |
| Total Network Administrator | 255,232 | 255,410 | 254,020 | 1,390 |
| Council | | | | |
| Personal services | 88,068 | 88,068 | 85,601 | 2,467 |
| Supplies | 300 | 300 | 40 | 260 |
| Other services and charges | 79,890 | 79,890 | 56,060 | 23,830 |
| Capital outlay | 2,880,945 | 2,880,945 | - | 2,880,945 |
| Total Council | 3,049,203 | 3,049,203 | 141,701 | 2,907,502 |
| Human Resources | | | | |
| Personal services | 122,553 | 139,553 | 116,642 | 22,911 |
| Supplies | 1,500 | 1,500 | 1,176 | 324 |
| Other services and charges | 14,688 | 17,088 | 10,738 | 6,350 |
| Capital outlay | - | - | - | - |
| Total Human Resources | 138,741 | 158,141 | 128,556 | 29,585 |
| Economic Development | | | | |
| Personal services | 186,473 | 186,473 | 167,101 | 19,372 |
| Supplies | 5,130 | 5,130 | 2,475 | 2,655 |
| Other services and charges | 20,343 | 20,858 | 13,063 | 7,795 |
| Capital outlay | 5,600 | 5,600 | 2,397 | 3,203 |
| Total Engineering | 217,546 | 218,061 | 185,036 | 33,025 |
| Engineering | | | | |
| Personal services | 541,033 | 541,033 | 493,769 | 47,264 |
| Supplies | 22,105 | 25,161 | 24,052 | 1,109 |
| Other services and charges | 288,536 | 298,144 | 285,286 | 12,858 |
| Capital outlay | 350,500 | 189,451 | 189,440 | 11 |
| Total Engineering | 1,202,174 | 1,053,789 | 992,547 | 61,242 |
| Total general government | 9,069,027 | 9,137,665 | 5,963,349 | 3,174,316 |
| Public safety: | | | | |
| Police | | | | |
| Personal services | 5,059,265 | 5,103,425 | 4,924,634 | 178,791 |
| Supplies | 279,890 | 286,951 | 268,863 | 18,088 |
| Other services and charges | 455,937 | 482,854 | 460,333 | 22,521 |
| Capital outlay | 367,484 | 400,467 | 399,633 | 834 |
| Total Police | 6,162,576 | 6,273,697 | 6,053,463 | 220,234 |

The notes to the required supplementary information are an integral part of the required supplementary information.

Continued on next page

CITY OF NOBLESVILLE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For The Year Ended December 31, 2005
(Continued)

| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
|---------------------------------|---------------------|---------------------|---|--|
| | Original | Final | | |
| Expenditures (continued): | | | | |
| Public safety (continued): | | | | |
| Fire | | | | |
| Personal services | 7,734,423 | 7,728,998 | 7,365,724 | 363,274 |
| Supplies | 112,595 | 117,073 | 117,007 | 66 |
| Other services and charges | 489,297 | 483,977 | 438,955 | 45,022 |
| Capital outlay | 97,319 | 107,081 | 107,081 | - |
| Total Fire | <u>8,433,634</u> | <u>8,437,129</u> | <u>8,028,767</u> | <u>408,362</u> |
| Emergency Medical Service | | | | |
| Personal services | 20,000 | 18,782 | 17,042 | 1,740 |
| Supplies | 109,720 | 111,277 | 109,798 | 1,479 |
| Other services and charges | 42,700 | 42,700 | 36,345 | 6,355 |
| Capital outlay | 105,000 | 104,000 | 103,999 | 1 |
| Total Emergency Medical Service | <u>277,420</u> | <u>276,759</u> | <u>267,184</u> | <u>9,575</u> |
| Volunteer Police | | | | |
| Personal services | 4,369 | 4,369 | 3,665 | 704 |
| Supplies | 3,031 | 3,031 | 2,622 | 409 |
| Other services and charges | 13,743 | 13,870 | 8,548 | 5,322 |
| Capital outlay | 11,630 | 11,630 | 10,019 | 1,611 |
| Total Volunteer Police | <u>32,773</u> | <u>32,900</u> | <u>24,854</u> | <u>8,046</u> |
| Communications | | | | |
| Personal services | 991,862 | 912,207 | 892,373 | 19,834 |
| Supplies | 5,600 | 5,600 | 4,999 | 601 |
| Other services and charges | 200,509 | 200,957 | 198,305 | 2,652 |
| Capital outlay | 6,000 | 86,406 | 85,536 | 870 |
| Total Communications | <u>1,203,971</u> | <u>1,205,170</u> | <u>1,181,213</u> | <u>23,957</u> |
| Total public safety | <u>16,110,374</u> | <u>16,225,655</u> | <u>15,555,481</u> | <u>670,174</u> |
| Total expenditures | <u>25,179,401</u> | <u>25,363,320</u> | <u>21,518,830</u> | <u>3,844,490</u> |
| Net change in fund balances | 447,703 | 263,784 | 1,818,970 | 1,555,186 |
| Fund balance - beginning | <u>5,839,776</u> | <u>5,839,776</u> | <u>5,839,776</u> | - |
| Fund balance - December 31 | <u>\$ 6,287,479</u> | <u>\$ 6,103,560</u> | <u>\$ 7,658,746</u> | <u>\$ 1,555,186</u> |

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION
 GENERAL FUND
 For The Year Ended December 31, 2005

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

| | General |
|---|--------------|
| Excess of revenues and other financing sources over expenditures and other financing uses (budgetary basis) | \$ 1,818,970 |
| Adjustments: | |
| To adjust revenues for accruals | 63,137 |
| To adjust expenditures for accruals | (121,619) |
| Excess of revenues and other financing sources over expenditures and other financing uses (GAAP basis) | \$ 1,760,488 |

The notes to the required supplementary information are an integral part of the required supplementary information.

CITY OF NOBLESVILLE
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1. Budgets and Budgetary Accounting

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

On or before August 31, the City Clerk-Treasurer submits to the Common Council 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 Common Council to obtain taxpayer comments. In September of each year, the Common Council through the passage of an ordinance approves the budget for the next year. Copies of the budget 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 City Clerk-Treasurer receives approval of the Indiana Department of Local Government Finance.

The primary government's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the Common Council. 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.

Formal budgetary integration is required by state statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major funds:

General

Nonmajor funds:

Special revenue:

- Motor vehicle highway
- Local road and street
- Local law enforcement continuing education
- Parks and recreation
- Park nonreverting operating
- Parking meter
- Adult probation
- County option income tax

Debt service:

- Fire station 2 debt
- Public safety building debt bonds
- fire station five and six debt
- Little Chicago road debt

Capital projects:

- Cumulative capital improvement
- Cumulative capital development
- Cumulative building and fire fighting equipment

Expenditures exceeded appropriations for the following funds, or the following departments within the General Fund, which required legally approved budgets:

Little Chicago Debt
Fire Station 2 Debt

SUPPLEMENTARY SCHEDULES

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NONMAJOR GOVERNMENTAL FUNDS

Special revenue funds - used to account for specific revenues that are legally restricted to expenditure for particular purposes. The title of the fund is descriptive of the activities involved. The primary government maintains the following nonmajor special revenue funds:

| | |
|---|--|
| Motor Vehicle Highway - | To account for street construction and the operations of the street and maintenance department. Financing is provided by a specific annual property tax levy and by state motor vehicle highway distributions. |
| Local Road and Street - | To account for operation and maintenance of local and arterial road and street systems. Financing is provided by state gasoline tax distributions. |
| Local Law Enforcement Continuing Education - | To account for expenditures related to continuing education of law enforcement officers employed by the City. Financing is provided by fees collected for gun permit applications, accident report copies, motor checks, and the violation of City ordinances. |
| Park and Recreation - | To account for the operations of the City parks and activities sponsored by the parks department. Financing is provided by a specific annual property tax levy, charges for use of park facilities, and donations. |
| Park Nonreverting Operating - | To account for the operations of the City golf courses and special events. Financing is provided by golf revenue and fees charged for events. |
| Tree Board Nonreverting - | To account for Federal grant monies used for planting trees in urban areas. |
| Parking Meter - | To account for the acquisition and maintenance of parking lots. Financing is provided by fees collected for violation of City ordinance governing public parking. |
| Police Donation - | To account for donations received for police department expenditures. |
| Fire Donation - | To account for donations received for fire department expenditures. |
| Adult Probation - | To account for the costs incurred in the operation of a probation department. Financing is provided by fees collected from individuals receiving services from the probation department. |
| Communications - | To account for costs of projects or equipment for communication needs. Financing is provided by enhanced 911 collections. |
| Parking Lot Maintenance - | To account for the maintenance of the parking lot. |
| Curb and Sidewalk - | To account for joint venture between property owners and the City for the maintenance of curbs and sidewalks. Residents paid for the materials and the City provided the Labor. |
| Cultural Arts - | To account for a summer concert series. Financing is provided by donations from the community. |

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

Special revenue funds (Continued):

| | |
|---------------------------------|---|
| Court Record - | To account for equipment or supplies used by the City Court. Financing is provided by fax fees. |
| Hazardous Materials - | To account for the Fire Department clean up of hazardous spills. Financing is provided by payment to the City by the responsible party. |
| Play-It Clean Campaign - | To account for a project to clean up the City. Financing was provided by donations. |
| Unemployment - | To account for the City's share of unemployment claims. Financing is provided by other funds of the City. |
| Deferral Program - | To account for fees collected from individuals involved in the deferral program and used to pay costs of prosecuting City ordinances. |
| Block Grant - | To account for State and Federal grant monies received by the City for various grant projects. |
| County Option Income Tax (COIT) | To account for expenditures related to the capital improvement projects financed by county option income tax revenues. |
| Levy Excess - | To account for tax distributions received in excess of tax levy that must be retained until January of the following year. |
| Build Indiana - | To account for Build Indiana grant monies (State Grant) for various city projects. |
| City Court - | To account for fines and fees collected by the city court. |

Debt service funds - used to account for the accumulation of resources for, and retirement of, general long-term debt principal and interest. The primary government maintains the following nonmajor debt service funds:

| | |
|-------------------------------------|--|
| Fire Debt Service - | To account for the accumulation of resources and payment of semiannual lease payments for Fire Station III through March 1, 2005. Financing is provided by an annual property tax levy. |
| Fire Station 2 Debt - | To account for the accumulation of resources and payment of semiannual lease payments for Fire Station 2 through July 15, 2019. Financing is provided by an annual property tax levy. |
| Public Safety Building Debt Bonds - | To account for the accumulation of resources and payments of general obligation bonds issued for the renovation of the Public Safety Building. Financing is provided by an annual property tax levy. |
| Fire Stations 5 & 6 Debt - | To account for the accumulation of resources and payment of semiannual lease payments for Fire Stations 5 & 6 through January 15, 2025. Financing is provided by an annual property tax levy. |

NONMAJOR GOVERNMENTAL FUNDS
(Continued)

Debt service funds (continued):

Little Chicago Road Debt - To account for the accumulation of resources and payment of semiannual lease payments for Little Chicago Road through January 15, 2026. Financing is provided by an annual property tax levy.

Economic Development
Infrastructure Building
Corporation - To account for the accumulation of resources and payments of general obligation bonds issued by the Noblesville Economic Development Infrastructure Building Corporation (a component unit of the City of Noblesville). Financing is provided by semiannual lease payments from the County Option Income Tax (COIT), Public Safety Building Debt Bonds, and Redevelopment Tax Increment Financing funds.

Noblesville Building
Corporation - To account for the accumulation of resources and payments of general obligation bonds issued by the Noblesville Building Corporation (a component unit of the City of Noblesville). Financing is provided by semiannual lease payments from the County Option Income Tax (COIT), Fire Station Five and Six Debt Bonds and Redevelopment Tax Increment Financing funds.

Redevelopment Authority - To account for the accumulation of resources and payments of general obligation bonds issued by the Noblesville Redevelopment Authority (a component unit of the City of Noblesville). Financing is provided by semi-annual lease payments from the County Option Income Tax (COIT) fund.

Capital projects funds - used to account for acquisition and construction of major capital facilities other than those financed by proprietary funds. The primary government maintains the following nonmajor capital projects funds:

Cumulative Capital
Improvement - To account for financial resources related to the improvement projects financed by state cigarette tax distributions.

Cumulative Capital
Development - To account for expenditures related to the capital improvements for the City. Financing is provided by a specific property tax levy.

Cumulative Building and
Fire Fighting Equipment - To account for expenditures related to the Fire Department capital improvements and acquisitions. Financing is provided by a specific annual property tax levy.

Park Nonreverting
Capital - To account for park expenditures related to long-term maintenance or capital improvements. Financing is provided by golf course revenue.

River Overlook - To account for expenditures related to the capital improvements for a walking path along the river. Financing was provided through donations.

Streetscape - To account for capital expenditures for the Downtown Streetscape project. Financing was provided by general obligation bonds.

NONMAJOR GOVERNMENTAL FUNDS

(Continued)

Capital projects funds (continued)

| | |
|---|--|
| Park Impact Fee - | To account for expenditures relating to the maintenance, landscaping and development of parks. Financing is provided by permit charges assessed for new residential and commercial construction. |
| Road Impact Fee - | To account for expenditures relating to the maintenance of City streets. Financing is provided by permit charges assessed for new residential and commercial construction. |
| Field Drive Capital - | To account for the expenditures for capital improvements related to Field Drive infrastructure. Financing is provided by note and bond proceeds. |
| Redevelopment Tax Increment Financing - | To account for the expenditures for capital improvements. Financing is provided by an annual property tax levy. |
| Redevelopment Tax Increment Financing 2 - | To account for the expenditures for capital improvements related to extending wastewater services from Cumberland Road to the 146th Street. Financing was provided by general obligation bonds. |
| Stoney Creek East Tax Increment Financing - | To account for the expenditures for capital improvements related to Stoney Creek East infrastructure. Financing is provided by an annual property tax levy. |
| Business Park Tax Increment Financing - | To account for the expenditures for capital improvements related to Business Park infrastructure. Financing is provided by an annual property tax levy. |
| Corporate Campus Tax Increment Financing – West - | To account for the expenditures for capital improvements related to Corporate Campus infrastructure. Financing is provided by an annual property tax levy. |
| Corporate Campus Tax Increment Financing – East - | To account for the expenditures for capital improvements related to Corporate Campus infrastructure. Financing is provided by an annual property tax levy. |

FIDUCIARY FUNDS

Trust Funds - used to account for assets held by the primary government in a trustee capacity.

Pension Trust Funds

Police Pension - To account for resources related to police pension benefit payments to qualified police officers and/or their beneficiaries.

Fire Pension - To account for resources related to pension benefit payments to qualified firefighters and/or their beneficiaries.

Private-Purpose Trust Fund

Escrow - To account for the tracking of fees that are deposited for vendor security bonds, maintenance bonds, and performance bonds. These bonds are normally held for specific length of time and then returned to the payee.

Agency Funds - used to account for assets held by the primary government as an agent for individuals, private organizations, other governments and/or other funds.

Payroll Withholdings - To account for the payroll of City employees. Gross payroll is treated as expenditures in other City funds and transferred into this fund, which serves as a clearing account.

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 December 31, 2005

| <u>Assets</u> | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Totals |
|---|--------------------------------------|-----------------------------------|---------------------------------------|-----------------------------|
| Cash and cash equivalents | \$ 8,344,972 | \$ 8,203,204 | \$ 12,795,944 | \$ 29,344,120 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Taxes | 64,992 | 57,617 | 43,979 | 166,588 |
| Intergovernmental | 171,105 | - | 8,719 | 179,824 |
| Interfund receivable: | | | | |
| Interfund loans | 270,000 | - | - | 270,000 |
| Interfund services provided and used | 4,122 | - | - | 4,122 |
| Total assets | <u>\$ 8,855,191</u> | <u>\$ 8,260,821</u> | <u>\$ 12,848,642</u> | <u>\$ 29,964,654</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ 203,132 | \$ - | \$ 439,714 | \$ 642,846 |
| Accrued payroll and withholdings payable | 82,190 | - | - | 82,190 |
| Interfund payable: | | | | |
| Interfund loans | - | - | 270,000 | 270,000 |
| Interfund services provided and used | 10,057 | - | - | 10,057 |
| Due to state | 11,499 | - | - | 11,499 |
| Accrued interest payable | 31,388 | 360 | - | 31,748 |
| Trust payable | 4,904 | - | - | 4,904 |
| Unavailable revenue | 64,992 | 57,617 | 52,698 | 175,307 |
| Unearned revenue | 702,667 | - | - | 702,667 |
| Total liabilities | <u>1,110,829</u> | <u>57,977</u> | <u>762,412</u> | <u>1,931,218</u> |
| Fund balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | 132,113 | - | 25,230 | 157,343 |
| Unreserved, reported in: | | | | |
| Special revenue funds | 7,612,249 | - | - | 7,612,249 |
| Debt service funds | - | 8,202,844 | - | 8,202,844 |
| Capital projects funds | - | - | 12,061,000 | 12,061,000 |
| Total fund balances | <u>7,744,362</u> | <u>8,202,844</u> | <u>12,086,230</u> | <u>28,033,436</u> |
| Total liabilities and fund balances | <u>\$ 8,855,191</u> | <u>\$ 8,260,821</u> | <u>\$ 12,848,642</u> | <u>\$ 29,964,654</u> |

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

| | Nonmajor Special Revenue Funds | Nonmajor Debt Service Funds | Nonmajor Capital Projects Funds | Totals |
|--|--------------------------------------|-----------------------------------|---------------------------------------|----------------------|
| Revenues: | | | | |
| Taxes: | | | | |
| Property | \$ 6,184,888 | \$ 1,900,677 | \$ 4,236,626 | \$ 12,322,191 |
| Licenses and permits | 3,980 | - | 3,537,620 | 3,541,600 |
| Intergovernmental | 1,930,125 | 212,569 | 234,694 | 2,377,388 |
| Charges for services | 879,400 | 3,105,871 | 243,293 | 4,228,564 |
| Fines and forfeits | 354,338 | - | - | 354,338 |
| Other | 2,615,408 | 144,965 | 2,312,993 | 5,073,366 |
| | <u>11,968,139</u> | <u>5,364,082</u> | <u>10,565,226</u> | <u>27,897,447</u> |
| Total revenues | | | | |
| Expenditures: | | | | |
| Current: | | | | |
| General government | 390,954 | - | - | 390,954 |
| Public safety | 60,777 | - | - | 60,777 |
| Highways and streets | 2,523,005 | - | - | 2,523,005 |
| Culture and recreation | 1,644,881 | - | - | 1,644,881 |
| Debt service: | | | | |
| Principal | 350,984 | 3,026,837 | - | 3,377,821 |
| Interest | 26,659 | 3,245,215 | - | 3,271,874 |
| Bond issuance costs | - | 283,596 | - | 283,596 |
| Capital outlay | 3,629,334 | - | 9,665,887 | 13,295,221 |
| | <u>8,626,594</u> | <u>6,555,648</u> | <u>9,665,887</u> | <u>24,848,129</u> |
| Total expenditures | | | | |
| Excess (deficiency) of revenues over (under) expenditures | <u>3,341,545</u> | <u>(1,191,566)</u> | <u>899,339</u> | <u>3,049,318</u> |
| Other financing sources (uses): | | | | |
| Financing by capital lease | 86,346 | - | - | 86,346 |
| Transfers in | 136,404 | 72,463 | 158,059 | 366,926 |
| Issuance of debt | - | 1,325,712 | - | 1,325,712 |
| Premium on issuance of debt | - | 53,723 | - | 53,723 |
| Transfers out | (100,000) | (536,635) | (690,405) | (1,327,040) |
| | <u>122,750</u> | <u>915,263</u> | <u>(532,346)</u> | <u>505,667</u> |
| Total other financing sources and uses | | | | |
| Net change in fund balances | 3,464,295 | (276,303) | 366,993 | 3,554,985 |
| Fund balances - beginning | <u>4,280,067</u> | <u>8,479,147</u> | <u>11,719,237</u> | <u>24,478,451</u> |
| Fund balances - ending | <u>\$ 7,744,362</u> | <u>\$ 8,202,844</u> | <u>\$ 12,086,230</u> | <u>\$ 28,033,436</u> |

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2005

| <u>Assets</u> | <u>Motor Vehicle Highway</u> | <u>Local Road and Street</u> | <u>Local Law Enforcement Continuing Education</u> | <u>Park and Recreation</u> | <u>Park Nonreverting Operating</u> |
|---|----------------------------------|----------------------------------|---|--------------------------------|--|
| Cash and cash equivalents | \$ 766,962 | \$ 49,180 | \$ 7,811 | \$ 228,726 | \$ 15,738 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Taxes | 45,481 | - | - | 19,511 | - |
| Intergovernmental | 101,445 | 69,660 | - | - | - |
| Interfund receivable: | | | | | |
| Interfund loans | - | - | - | 270,000 | - |
| Interfund services provided and used | - | - | 390 | - | - |
| Total assets | <u>\$ 913,888</u> | <u>\$ 118,840</u> | <u>\$ 8,201</u> | <u>\$ 518,237</u> | <u>\$ 15,738</u> |
| <u>Liabilities and Fund Balances</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 117,020 | \$ 15,739 | \$ 13 | \$ 47,064 | \$ 10,692 |
| Accrued payroll and withholdings payable | 51,575 | - | - | 17,167 | 11,428 |
| Interfund payable: | | | | | |
| Interfund services provided and used | - | - | - | - | - |
| Due to state | - | - | - | - | - |
| Accrued interest payable | 25,978 | - | - | 119 | 5,291 |
| Trust payable | - | - | - | - | - |
| Unavailable revenue | 45,481 | - | - | 19,511 | - |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | <u>240,054</u> | <u>15,739</u> | <u>13</u> | <u>83,861</u> | <u>27,411</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 13,590 | - | - | 6,090 | 2,053 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | <u>660,244</u> | <u>103,101</u> | <u>8,188</u> | <u>428,286</u> | <u>(13,726)</u> |
| Total fund balances | <u>673,834</u> | <u>103,101</u> | <u>8,188</u> | <u>434,376</u> | <u>(11,673)</u> |
| Total liabilities and fund balances | <u>\$ 913,888</u> | <u>\$ 118,840</u> | <u>\$ 8,201</u> | <u>\$ 518,237</u> | <u>\$ 15,738</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2005
 (Continued)

| <u>Assets</u> | <u>Tree Board</u> <u>Nonreverting</u> | <u>Parking Meter</u> | <u>Police Donation</u> | <u>Fire Donation</u> | <u>Adult Probation</u> |
|---|--|--------------------------|------------------------|-------------------------|-------------------------|
| Cash and cash equivalents | \$ 1,018 | \$ 300,007 | \$ 7,103 | \$ 11,484 | \$ 15,016 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Taxes | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Interfund receivable: | | | | | |
| Interfund loans | - | - | - | - | - |
| Interfund services provided and used | - | - | - | - | - |
| Total assets | <u>\$ 1,018</u> | <u>\$ 300,007</u> | <u>\$ 7,103</u> | <u>\$ 11,484</u> | <u>\$ 15,016</u> |
| <u>Liabilities and Fund Balances</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ 51 | \$ 139 | \$ - | \$ - |
| Accrued payroll and withholdings payable | - | 1,548 | - | - | 472 |
| Interfund payable: | | | | | |
| Interfund services provided and used | - | - | - | - | - |
| Due to state | - | - | - | - | - |
| Accrued interest payable | - | - | - | - | - |
| Trust payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>1,599</u> | <u>139</u> | <u>-</u> | <u>472</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | - | - | - | - | - |
| Unreserved, reported in: | | | | | |
| Special revenue funds | <u>1,018</u> | <u>298,408</u> | <u>6,964</u> | <u>11,484</u> | <u>14,544</u> |
| Total fund balances | <u>1,018</u> | <u>298,408</u> | <u>6,964</u> | <u>11,484</u> | <u>14,544</u> |
| Total liabilities and fund balances | <u>\$ 1,018</u> | <u>\$ 300,007</u> | <u>\$ 7,103</u> | <u>\$ 11,484</u> | <u>\$ 15,016</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2005
 (Continued)

| <u>Assets</u> | <u>Communications</u> | <u>Parking Lot Maintenance</u> | <u>Curb and Sidewalk</u> | <u>Cultural Arts</u> | <u>Court Record</u> |
|---|-------------------------|------------------------------------|------------------------------|------------------------|------------------------|
| Cash and cash equivalents | \$ 26,820 | \$ 3,750 | \$ 83 | \$ 9,687 | \$ 6,571 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Taxes | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Interfund receivable: | | | | | |
| Interfund loans | - | - | - | - | - |
| Interfund services provided and used | - | - | - | - | 30 |
| Total assets | <u>\$ 26,820</u> | <u>\$ 3,750</u> | <u>\$ 83</u> | <u>\$ 9,687</u> | <u>\$ 6,601</u> |
| <u>Liabilities and Fund Balances</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 805 | \$ - |
| Accrued payroll and withholdings payable | - | - | - | - | - |
| Interfund payable: | | | | | |
| Interfund services provided and used | - | - | - | - | - |
| Due to state | - | - | - | - | - |
| Accrued interest payable | - | - | - | - | - |
| Trust payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>805</u> | <u>-</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | - | - | - | - | - |
| Unreserved, reported in: | | | | | |
| Special revenue funds | <u>26,820</u> | <u>3,750</u> | <u>83</u> | <u>8,882</u> | <u>6,601</u> |
| Total fund balances | <u>26,820</u> | <u>3,750</u> | <u>83</u> | <u>8,882</u> | <u>6,601</u> |
| Total liabilities and fund balances | <u>\$ 26,820</u> | <u>\$ 3,750</u> | <u>\$ 83</u> | <u>\$ 9,687</u> | <u>\$ 6,601</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2005
 (Continued)

| <u>Assets</u> | Hazardous Materials | Play-It Clean Campaign | Unemployment | Deferral Program | Block Grant |
|---|------------------------|---------------------------|-----------------|---------------------|-----------------|
| Cash and cash equivalents | \$ 1,654 | \$ 4 | \$ 9,387 | \$ 64,991 | \$ 1,173 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Taxes | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Interfund receivable: | | | | | |
| Interfund loans | - | - | - | - | - |
| Interfund services provided and used | - | - | - | 3,702 | - |
| | <u>1,654</u> | <u>4</u> | <u>9,387</u> | <u>68,693</u> | <u>1,173</u> |
| Total assets | <u>\$ 1,654</u> | <u>\$ 4</u> | <u>\$ 9,387</u> | <u>\$ 68,693</u> | <u>\$ 1,173</u> |
| <u>Liabilities and Fund Balances</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 228 | \$ - | \$ - | \$ 50 | \$ - |
| Accrued payroll and withholdings payable | - | - | - | - | - |
| Interfund payable: | | | | | |
| Interfund services provided and used | - | - | - | - | - |
| Due to state | - | - | - | - | - |
| Accrued interest payable | - | - | - | - | - |
| Trust payable | - | - | - | - | - |
| Unavailable revenue | - | - | - | - | - |
| Unearned revenue | - | - | - | - | - |
| | <u>228</u> | <u>-</u> | <u>-</u> | <u>50</u> | <u>-</u> |
| Total liabilities | <u>228</u> | <u>-</u> | <u>-</u> | <u>50</u> | <u>-</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | - | - | - | - | - |
| Unreserved, reported in: | | | | | |
| Special revenue funds | <u>1,426</u> | <u>4</u> | <u>9,387</u> | <u>68,643</u> | <u>1,173</u> |
| Total fund balances | <u>1,426</u> | <u>4</u> | <u>9,387</u> | <u>68,643</u> | <u>1,173</u> |
| Total liabilities and fund balances | <u>\$ 1,654</u> | <u>\$ 4</u> | <u>\$ 9,387</u> | <u>\$ 68,693</u> | <u>\$ 1,173</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 December 31, 2005
 (Continued)

| <u>Assets</u> | County Option Income Tax (COIT) | Levy Excess | Build Indiana | City Court | Totals |
|---|---------------------------------------|-------------------------|--------------------|-------------------------|----------------------------|
| Cash and cash equivalents | \$ 6,747,562 | \$ 43,785 | \$ - | \$ 26,460 | \$ 8,344,972 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Taxes | - | - | - | - | 64,992 |
| Intergovernmental | - | - | - | - | 171,105 |
| Interfund receivable: | | | | | |
| Interfund loans | - | - | - | - | 270,000 |
| Interfund services provided and used | - | - | - | - | 4,122 |
| Total assets | <u>\$ 6,747,562</u> | <u>\$ 43,785</u> | <u>\$ -</u> | <u>\$ 26,460</u> | <u>\$ 8,855,191</u> |
| <u>Liabilities and Fund Balances</u> | | | | | |
| Liabilities: | | | | | |
| Accounts payable | \$ 11,331 | \$ - | \$ - | \$ - | \$ 203,132 |
| Accrued payroll and withholdings payable | - | - | - | - | 82,190 |
| Interfund payable: | | | | | |
| Interfund services provided and used | - | - | - | 10,057 | 10,057 |
| Due to state | - | - | - | 11,499 | 11,499 |
| Accrued interest payable | - | - | - | - | 31,388 |
| Trust payable | - | - | - | 4,904 | 4,904 |
| Unavailable revenue | - | - | - | - | 64,992 |
| Unearned revenue | 702,667 | - | - | - | 702,667 |
| Total liabilities | <u>713,998</u> | <u>-</u> | <u>-</u> | <u>26,460</u> | <u>1,110,829</u> |
| Fund balances: | | | | | |
| Reserved for: | | | | | |
| Encumbrances | 110,380 | - | - | - | 132,113 |
| Unreserved, reported in: | | | | | |
| Special revenue funds | 5,923,184 | 43,785 | - | - | 7,612,249 |
| Total fund balances | <u>6,033,564</u> | <u>43,785</u> | <u>-</u> | <u>-</u> | <u>7,744,362</u> |
| Total liabilities and fund balances | <u>\$ 6,747,562</u> | <u>\$ 43,785</u> | <u>\$ -</u> | <u>\$ 26,460</u> | <u>\$ 8,855,191</u> |

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2005

| <u>Assets</u> | <u>Fire Debt Service</u> | <u>Fire Station 2 Debt</u> | <u>Public Safety Building Debt Bonds</u> | <u>Fire Stations 5 & 6 Debt</u> | <u>Little Chicago Road Debt</u> |
|---|------------------------------|--------------------------------|--|---|-------------------------------------|
| Cash and cash equivalents | \$ - | \$ 76,850 | \$ 482,394 | \$ 192,285 | \$ 299,266 |
| Receivables (net of allowances for uncollectibles): | | | | | |
| Taxes | - | 3,393 | 24,535 | 15,399 | 14,290 |
| Total assets | \$ - | \$ 80,243 | \$ 506,929 | \$ 207,684 | \$ 313,556 |
| <u>Liabilities and Fund Balances</u> | | | | | |
| Liabilities: | | | | | |
| Accrued interest payable | \$ - | \$ 360 | \$ - | \$ - | \$ - |
| Unavailable revenue | - | 3,393 | 24,535 | 15,399 | 14,290 |
| Total liabilities | - | 3,753 | 24,535 | 15,399 | 14,290 |
| Fund balances: | | | | | |
| Unreserved, reported in: | | | | | |
| Debt service funds | - | 76,490 | 482,394 | 192,285 | 299,266 |
| Total fund balances | - | 76,490 | 482,394 | 192,285 | 299,266 |
| Total liabilities and fund balances | \$ - | \$ 80,243 | \$ 506,929 | \$ 207,684 | \$ 313,556 |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR DEBT SERVICE FUNDS
 December 31, 2005
 (Continued)

| <u>Assets</u> | Economic Development Infrastructure Building Corporation | Noblesville Building Corporation | Redevelopment Authority | Totals |
|---|--|--|----------------------------|---------------------|
| Cash and cash equivalents | \$ 25,070 | \$ 1,544,577 | \$ 5,582,762 | \$ 8,203,204 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Taxes | - | - | - | 57,617 |
| Total assets | <u>\$ 25,070</u> | <u>\$ 1,544,577</u> | <u>\$ 5,582,762</u> | <u>\$ 8,260,821</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accrued interest payable | \$ - | \$ - | \$ - | \$ 360 |
| Unavailable revenue | - | - | - | 57,617 |
| Total liabilities | - | - | - | 57,977 |
| Fund balances: | | | | |
| Unreserved, reported in: | | | | |
| Debt service funds | 25,070 | 1,544,577 | 5,582,762 | 8,202,844 |
| Total fund balances | <u>25,070</u> | <u>1,544,577</u> | <u>5,582,762</u> | <u>8,202,844</u> |
| Total liabilities and fund balances | <u>\$ 25,070</u> | <u>\$ 1,544,577</u> | <u>\$ 5,582,762</u> | <u>\$ 8,260,821</u> |

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2005

| <u>Assets</u> | <u>Cumulative Capital Improvement</u> | <u>Cumulative Capital Development</u> | <u>Cumulative Building and Fire Fighting Equipment</u> | <u>Park Nonreverting Capital</u> | <u>River Overlook</u> | <u>Streetscape</u> |
|---|---|---|--|--|-----------------------|------------------------|
| Cash and cash equivalents | \$ 148,004 | \$ 942,237 | \$ 888,879 | \$ 74,107 | \$ 10 | \$ 1,133 |
| Receivables (net of allowances for uncollectibles): | | | | | | |
| Taxes | - | 20,163 | 13,376 | - | - | - |
| Intergovernmental | 8,719 | - | - | - | - | - |
| Total assets | <u>\$ 156,723</u> | <u>\$ 962,400</u> | <u>\$ 902,255</u> | <u>\$ 74,107</u> | <u>\$ 10</u> | <u>\$ 1,133</u> |
| <u>Liabilities and Fund Balances</u> | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ - | \$ 397,362 | \$ - | \$ 1,224 | \$ - | \$ - |
| Interfund payable: | | | | | | |
| Interfund loan | - | - | - | 270,000 | - | - |
| Unavailable revenue | 8,719 | 20,163 | 13,376 | - | - | - |
| Total liabilities | <u>8,719</u> | <u>417,525</u> | <u>13,376</u> | <u>271,224</u> | <u>-</u> | <u>-</u> |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | - | - | - | 25,230 | - | - |
| Unreserved, reported in: | | | | | | |
| Capital projects funds | 148,004 | 544,875 | 888,879 | (222,347) | 10 | 1,133 |
| Total fund balances | <u>148,004</u> | <u>544,875</u> | <u>888,879</u> | <u>(197,117)</u> | <u>10</u> | <u>1,133</u> |
| Total liabilities and fund balances | <u>\$ 156,723</u> | <u>\$ 962,400</u> | <u>\$ 902,255</u> | <u>\$ 74,107</u> | <u>\$ 10</u> | <u>\$ 1,133</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2005
 (Continued)

| <u>Assets</u> | <u>Park Impact Fee</u> | <u>Road Impact Fee</u> | <u>Field Drive Capital</u> | <u>Redevelopment Tax Increment Financing</u> | <u>Redevelopment Tax Increment Financing 2</u> | <u>Stoney Creek East Tax Increment Financing</u> |
|---|----------------------------|----------------------------|--------------------------------|--|--|--|
| Cash and cash equivalents | \$ 2,527,042 | \$ 6,273,397 | \$ 867,518 | \$ 573,575 | \$ 9,624 | \$ 85,808 |
| Receivables (net of allowances for uncollectibles): | | | | | | |
| Taxes | - | - | - | - | 10,440 | - |
| Intergovernmental | - | - | - | - | - | - |
| Total assets | <u>\$ 2,527,042</u> | <u>\$ 6,273,397</u> | <u>\$ 867,518</u> | <u>\$ 573,575</u> | <u>\$ 20,064</u> | <u>\$ 85,808</u> |
| <u>Liabilities and Fund Balances</u> | | | | | | |
| Liabilities: | | | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 26,892 | \$ - | \$ 14,236 |
| Interfund payable: | | | | | | |
| Interfund loan | - | - | - | - | - | - |
| Unavailable revenue | - | - | - | 10,440 | - | - |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>37,332</u> | <u>-</u> | <u>14,236</u> |
| Fund balances: | | | | | | |
| Reserved for: | | | | | | |
| Encumbrances | - | - | - | - | - | - |
| Unreserved, reported in: | | | | | | |
| Capital projects funds | 2,527,042 | 6,273,397 | 867,518 | 546,683 | 9,624 | 71,572 |
| Total fund balances | <u>2,527,042</u> | <u>6,273,397</u> | <u>867,518</u> | <u>546,683</u> | <u>9,624</u> | <u>71,572</u> |
| Total liabilities and fund balances | <u>\$ 2,527,042</u> | <u>\$ 6,273,397</u> | <u>\$ 867,518</u> | <u>\$ 584,015</u> | <u>\$ 9,624</u> | <u>\$ 85,808</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECTS FUNDS
 December 31, 2005
 (Continued)

| <u>Assets</u> | <u>Business Park Tax Increment Financing</u> | <u>Corporate Campus Tax Increment Financing - West</u> | <u>Corporate Campus Tax Increment Financing - East</u> | <u>Totals</u> |
|---|--|--|--|-----------------------------|
| Cash and cash equivalents | \$ 106,055 | \$ 280,179 | \$ 18,376 | \$ 12,795,944 |
| Receivables (net of allowances for uncollectibles): | | | | |
| Taxes | - | - | - | 43,979 |
| Intergovernmental | - | - | - | 8,719 |
| Total assets | <u>\$ 106,055</u> | <u>\$ 280,179</u> | <u>\$ 18,376</u> | <u>\$ 12,848,642</u> |
| <u>Liabilities and Fund Balances</u> | | | | |
| Liabilities: | | | | |
| Accounts payable | \$ - | \$ - | \$ - | \$ 439,714 |
| Interfund payable: | | | | |
| Interfund loan | - | - | - | 270,000 |
| Unavailable revenue | - | - | - | 52,698 |
| Total liabilities | <u>-</u> | <u>-</u> | <u>-</u> | <u>762,412</u> |
| Fund balances: | | | | |
| Reserved for: | | | | |
| Encumbrances | - | - | - | 25,230 |
| Unreserved, reported in: | | | | |
| Capital projects funds | 106,055 | 280,179 | 18,376 | 12,061,000 |
| Total fund balances | <u>106,055</u> | <u>280,179</u> | <u>18,376</u> | <u>12,086,230</u> |
| Total liabilities and fund balances | <u>\$ 106,055</u> | <u>\$ 280,179</u> | <u>\$ 18,376</u> | <u>\$ 12,848,642</u> |

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

| | Motor Vehicle Highway | Local Road and Street | Local Law Enforcement Continuing Education | Park and Recreation | Park Nonreverting Operating |
|--|--------------------------|--------------------------|---|------------------------|-----------------------------------|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ 1,332,204 | \$ - | \$ - | \$ 571,491 | \$ - |
| Licenses and permits | - | - | 3,835 | - | - |
| Intergovernmental | 1,055,272 | 414,353 | - | 64,879 | - |
| Charges for services | 3,000 | - | 7,910 | 10,565 | 741,652 |
| Fines and forfeits | - | - | 7,762 | - | - |
| Other | 83,051 | - | 991 | 65,740 | 202,188 |
| | <u>2,473,527</u> | <u>414,353</u> | <u>20,498</u> | <u>712,675</u> | <u>943,840</u> |
| Total revenues | | | | | |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | - |
| Public safety | - | - | 22,681 | - | - |
| Highways and streets | 2,144,655 | 378,350 | - | - | - |
| Culture and recreation | - | - | - | 836,079 | 774,201 |
| Debt service: | | | | | |
| Principal | 232,497 | - | - | 11,487 | 107,000 |
| Interest | 13,424 | - | - | 467 | 12,768 |
| Capital outlay | 42,255 | - | - | 5,119 | 206,706 |
| | <u>2,432,831</u> | <u>378,350</u> | <u>22,681</u> | <u>853,152</u> | <u>1,100,675</u> |
| Total expenditures | | | | | |
| Excess (deficiency) of revenues over (under) expenditures | <u>40,696</u> | <u>36,003</u> | <u>(2,183)</u> | <u>(140,477)</u> | <u>(156,835)</u> |
| Other financing sources: | | | | | |
| Financing by capital lease | - | - | - | - | 86,346 |
| Transfers out | - | - | - | - | - |
| Transfers in | - | - | - | - | 79,619 |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>165,965</u> |
| Total other financing sources and uses | | | | | |
| Net change in fund balances | 40,696 | 36,003 | (2,183) | (140,477) | 9,130 |
| Fund balances - beginning | <u>633,138</u> | <u>67,098</u> | <u>10,371</u> | <u>574,853</u> | <u>(20,803)</u> |
| Fund balances - ending | <u>\$ 673,834</u> | <u>\$ 103,101</u> | <u>\$ 8,188</u> | <u>\$ 434,376</u> | <u>\$ (11,673)</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | <u>Tree Board</u> | | | | |
|--|---------------------|----------------------|------------------------|----------------------|------------------------|
| | <u>Nonreverting</u> | <u>Parking Meter</u> | <u>Police Donation</u> | <u>Fire Donation</u> | <u>Adult Probation</u> |
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Charges for services | - | 90,372 | - | - | - |
| Fines and forfeits | - | - | - | - | 2,600 |
| Other | - | 65 | 6,719 | 8,761 | 22 |
| | <u>-</u> | <u>90,437</u> | <u>6,719</u> | <u>8,761</u> | <u>2,622</u> |
| Total revenues | <u>-</u> | <u>90,437</u> | <u>6,719</u> | <u>8,761</u> | <u>2,622</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | 385 | 71,694 | - | - | - |
| Public safety | - | - | 3,712 | 8,327 | 12,504 |
| Highways and streets | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Capital outlay | - | 1,500 | - | - | - |
| | <u>-</u> | <u>1,500</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>385</u> | <u>73,194</u> | <u>3,712</u> | <u>8,327</u> | <u>12,504</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(385)</u> | <u>17,243</u> | <u>3,007</u> | <u>434</u> | <u>(9,882)</u> |
| Other financing sources: | | | | | |
| Financing by capital lease | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Transfers in | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (385) | 17,243 | 3,007 | 434 | (9,882) |
| Fund balances - beginning | <u>1,403</u> | <u>281,165</u> | <u>3,957</u> | <u>11,050</u> | <u>24,426</u> |
| Fund balances - ending | <u>\$ 1,018</u> | <u>\$ 298,408</u> | <u>\$ 6,964</u> | <u>\$ 11,484</u> | <u>\$ 14,544</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | <u>Communications</u> | <u>Parking Lot Maintenance</u> | <u>Curb and Sidewalk</u> | <u>Cultural Arts</u> | <u>Court Record</u> |
|--|-----------------------|------------------------------------|------------------------------|----------------------|---------------------|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | 145 | - | - | - | - |
| Intergovernmental | - | - | - | - | - |
| Charges for services | 25,901 | - | - | - | - |
| Fines and forfeits | - | - | - | - | 1,056 |
| Other | - | - | - | 31,970 | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>31,970</u> | <u>-</u> |
| Total revenues | <u>26,046</u> | <u>-</u> | <u>-</u> | <u>31,970</u> | <u>1,056</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | - | - | 191 |
| Public safety | - | - | - | - | - |
| Highways and streets | - | - | - | - | - |
| Culture and recreation | - | - | - | 34,601 | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>34,601</u> | <u>191</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>26,046</u> | <u>-</u> | <u>-</u> | <u>(2,631)</u> | <u>865</u> |
| Other financing sources: | | | | | |
| Financing by capital lease | - | - | - | - | - |
| Transfers out | - | - | - | - | - |
| Transfers in | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 26,046 | - | - | (2,631) | 865 |
| Fund balances - beginning | <u>774</u> | <u>3,750</u> | <u>83</u> | <u>11,513</u> | <u>5,736</u> |
| Fund balances - ending | <u>\$ 26,820</u> | <u>\$ 3,750</u> | <u>\$ 83</u> | <u>\$ 8,882</u> | <u>\$ 6,601</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Hazardous Materials | Play-It Clean Campaign | Unemployment | Deferral Program | Block Grant |
|--|------------------------|---------------------------|-----------------|---------------------|-----------------|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 6,457 |
| Charges for services | - | - | - | - | - |
| Fines and forfeits | - | - | - | 49,529 | - |
| Other | 2,068 | - | - | 3,702 | - |
| | <u>2,068</u> | <u>-</u> | <u>-</u> | <u>53,231</u> | <u>6,457</u> |
| Total revenues | <u>2,068</u> | <u>-</u> | <u>-</u> | <u>53,231</u> | <u>6,457</u> |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | 16,084 | - | - |
| Public safety | 1,083 | - | - | 7,150 | 5,320 |
| Highways and streets | - | - | - | - | - |
| Culture and recreation | - | - | - | - | - |
| Debt service: | | | | | |
| Principal | - | - | - | - | - |
| Interest | - | - | - | - | - |
| Capital outlay | - | - | - | - | - |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>1,083</u> | <u>-</u> | <u>16,084</u> | <u>7,150</u> | <u>5,320</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>985</u> | <u>-</u> | <u>(16,084)</u> | <u>46,081</u> | <u>1,137</u> |
| Other financing sources: | | | | | |
| Financing by capital lease | - | - | - | - | - |
| Transfers out | - | - | - | (100,000) | - |
| Transfers in | - | - | 10,000 | - | - |
| | <u>-</u> | <u>-</u> | <u>10,000</u> | <u>(100,000)</u> | <u>-</u> |
| Total other financing sources and uses | <u>-</u> | <u>-</u> | <u>10,000</u> | <u>(100,000)</u> | <u>-</u> |
| Net change in fund balances | 985 | - | (6,084) | (53,919) | 1,137 |
| Fund balances - beginning | 441 | 4 | 15,471 | 122,562 | 36 |
| Fund balances - ending | <u>\$ 1,426</u> | <u>\$ 4</u> | <u>\$ 9,387</u> | <u>\$ 68,643</u> | <u>\$ 1,173</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | County Option Income Tax (COIT) | Levy Excess | Build Indiana | City Court | Totals |
|--|---------------------------------------|------------------|------------------|----------------|---------------------|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ 4,281,193 | \$ - | \$ - | \$ - | \$ 6,184,888 |
| Licenses and permits | - | - | - | - | 3,980 |
| Intergovernmental | 379,955 | - | 9,209 | - | 1,930,125 |
| Charges for services | - | - | - | - | 879,400 |
| Fines and forfeits | - | - | - | 293,391 | 354,338 |
| Other | 2,210,131 | - | - | - | 2,615,408 |
| Total revenues | 6,871,279 | - | 9,209 | 293,391 | 11,968,139 |
| Expenditures: | | | | | |
| Current: | | | | | |
| General government | - | - | 9,209 | 293,391 | 390,954 |
| Public safety | - | - | - | - | 60,777 |
| Highways and streets | - | - | - | - | 2,523,005 |
| Culture and recreation | - | - | - | - | 1,644,881 |
| Debt service: | | | | | |
| Principal | - | - | - | - | 350,984 |
| Interest | - | - | - | - | 26,659 |
| Capital outlay | 3,373,754 | - | - | - | 3,629,334 |
| Total expenditures | 3,373,754 | - | 9,209 | 293,391 | 8,626,594 |
| Excess (deficiency) of revenues over (under) expenditures | 3,497,525 | - | - | - | 3,341,545 |
| Other financing sources: | | | | | |
| Financing by capital lease | - | - | - | - | 86,346 |
| Transfers out | - | - | - | - | (100,000) |
| Transfers in | 3,000 | 43,785 | - | - | 136,404 |
| Total other financing sources and uses | 3,000 | 43,785 | - | - | 122,750 |
| Net change in fund balances | 3,500,525 | 43,785 | - | - | 3,464,295 |
| Fund balances - beginning | 2,533,039 | - | - | - | 4,280,067 |
| Fund balances - ending | \$ 6,033,564 | \$ 43,785 | \$ - | \$ - | \$ 7,744,362 |

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 For The Year Ended December 31, 2005

| | Fire Debt Service | Fire Station 2 Debt | Public Safety Building Debt Bonds | Fire Stations 5 & 6 Debt | Little Chicago Road Debt |
|--|----------------------|------------------------|---|-----------------------------|-----------------------------|
| Revenues: | | | | | |
| Taxes: | | | | | |
| Property | \$ 212,964 | \$ 99,390 | \$ 718,664 | \$ 451,076 | \$ 418,583 |
| Intergovernmental | 23,429 | 8,825 | 81,586 | 51,209 | 47,520 |
| Charges for services | - | - | - | - | - |
| Other | - | - | - | - | - |
| Total revenues | <u>236,393</u> | <u>108,215</u> | <u>800,250</u> | <u>502,285</u> | <u>466,103</u> |
| Expenditures: | | | | | |
| Debt service: | | | | | |
| Principal | - | 123,000 | 717,000 | 310,000 | 166,837 |
| Interest | - | 922 | 3,069 | - | - |
| Bond issue costs | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>123,922</u> | <u>720,069</u> | <u>310,000</u> | <u>166,837</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>236,393</u> | <u>(15,707)</u> | <u>80,181</u> | <u>192,285</u> | <u>299,266</u> |
| Other financing sources (uses): | | | | | |
| Transfers in | - | - | - | - | - |
| Transfers out | (292,600) | - | - | - | - |
| Issuance of debt | - | - | - | - | - |
| Premium on issuance of debt | - | - | - | - | - |
| Total other financing sources and uses | <u>(292,600)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (56,207) | (15,707) | 80,181 | 192,285 | 299,266 |
| Fund balances - beginning | <u>56,207</u> | <u>92,197</u> | <u>402,213</u> | <u>-</u> | <u>-</u> |
| Fund balances - ending | <u>\$ -</u> | <u>\$ 76,490</u> | <u>\$ 482,394</u> | <u>\$ 192,285</u> | <u>\$ 299,266</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR DEBT SERVICE FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Economic Development Infrastructure Building Corporation | Noblesville Building Corporation | Redevelopment Authority | Totals |
|--|--|--|----------------------------|---------------------|
| Revenues: | | | | |
| Taxes: | | | | |
| Property | \$ - | \$ - | \$ - | \$ 1,900,677 |
| Intergovernmental | - | - | - | 212,569 |
| Charges for services | 528,000 | 658,871 | 1,919,000 | 3,105,871 |
| Other | 2,947 | 13,513 | 128,505 | 144,965 |
| Total revenues | <u>530,947</u> | <u>672,384</u> | <u>2,047,505</u> | <u>5,364,082</u> |
| Expenditures: | | | | |
| Debt service: | | | | |
| Principal | 900,000 | 215,000 | 595,000 | 3,026,837 |
| Interest | 179,362 | 538,866 | 2,522,996 | 3,245,215 |
| Bond issue costs | - | 283,596 | - | 283,596 |
| Total expenditures | <u>1,079,362</u> | <u>1,037,462</u> | <u>3,117,996</u> | <u>6,555,648</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>(548,415)</u> | <u>(365,078)</u> | <u>(1,070,491)</u> | <u>(1,191,566)</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | 9,339 | 63,124 | 72,463 |
| Transfers out | - | (9,339) | (234,696) | (536,635) |
| Issuance of debt | - | 1,325,712 | - | 1,325,712 |
| Premium on issuance of debt | - | 53,723 | - | 53,723 |
| Total other financing sources and uses | <u>-</u> | <u>1,379,435</u> | <u>(171,572)</u> | <u>915,263</u> |
| Net change in fund balances | <u>(548,415)</u> | <u>1,014,357</u> | <u>(1,242,063)</u> | <u>(276,303)</u> |
| Fund balances - beginning | <u>573,485</u> | <u>530,220</u> | <u>6,824,825</u> | <u>8,479,147</u> |
| Fund balances - ending | <u>\$ 25,070</u> | <u>\$ 1,544,577</u> | <u>\$ 5,582,762</u> | <u>\$ 8,202,844</u> |

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2005

| | Cumulative Capital Improvement | Cumulative Capital Development | Cumulative Building and Fire Fighting Equipment | Park Nonreverting Capital | River Overlook | Streetscape |
|--|--------------------------------------|--------------------------------------|--|---------------------------------|----------------|-----------------|
| Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property | \$ - | \$ 590,604 | \$ 391,825 | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - |
| Intergovernmental | 88,379 | 67,048 | 44,482 | - | - | - |
| Charges for services | - | - | - | 183,137 | - | - |
| Other | - | 95,103 | 30,000 | - | - | - |
| Total revenues | <u>88,379</u> | <u>752,755</u> | <u>466,307</u> | <u>183,137</u> | <u>-</u> | <u>-</u> |
| Expenditures: | | | | | | |
| Capital outlay | <u>30,499</u> | <u>675,804</u> | <u>141,602</u> | <u>16,412</u> | <u>-</u> | <u>-</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>57,880</u> | <u>76,951</u> | <u>324,705</u> | <u>166,725</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | - | - | - | - | - |
| Transfers out | <u>(145,437)</u> | <u>(340,953)</u> | <u>(183,588)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources and uses | <u>(145,437)</u> | <u>(340,953)</u> | <u>(183,588)</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (87,557) | (264,002) | 141,117 | 166,725 | - | - |
| Fund balances - beginning | <u>235,561</u> | <u>808,877</u> | <u>747,762</u> | <u>(363,842)</u> | <u>10</u> | <u>1,133</u> |
| Fund balances - ending | <u>\$ 148,004</u> | <u>\$ 544,875</u> | <u>\$ 888,879</u> | <u>\$ (197,117)</u> | <u>\$ 10</u> | <u>\$ 1,133</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Park Impact Fee | Road Impact Fee | Field Drive Capital | Redevelopment Tax Increment Financing | Redevelopment Tax Increment Financing 2 | Stoney Creek East Tax Increment Financing |
|--|---------------------|---------------------|------------------------|---|---|--|
| Revenues: | | | | | | |
| Taxes: | | | | | | |
| Property | \$ - | \$ - | \$ - | \$ 1,598,447 | \$ - | \$ 1,146,163 |
| Licenses and permits | 1,313,325 | 2,224,295 | - | - | - | - |
| Intergovernmental | - | - | - | 15,905 | - | 11,088 |
| Charges for services | - | - | - | - | - | - |
| Other | 668,907 | 1,460,112 | - | 58,772 | 99 | - |
| Total revenues | <u>1,982,232</u> | <u>3,684,407</u> | <u>-</u> | <u>1,673,124</u> | <u>99</u> | <u>1,157,251</u> |
| Expenditures: | | | | | | |
| Capital outlay | <u>926,301</u> | <u>3,202,865</u> | <u>-</u> | <u>2,768,640</u> | <u>-</u> | <u>1,668,106</u> |
| Excess (deficiency) of revenues over (under) expenditures | <u>1,055,931</u> | <u>481,542</u> | <u>-</u> | <u>(1,095,516)</u> | <u>99</u> | <u>(510,855)</u> |
| Other financing sources (uses): | | | | | | |
| Transfers in | - | 158,059 | - | - | - | - |
| Transfers out | <u>(20,427)</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources and uses | <u>(20,427)</u> | <u>158,059</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 1,035,504 | 639,601 | - | (1,095,516) | 99 | (510,855) |
| Fund balances - beginning | <u>1,491,538</u> | <u>5,633,796</u> | <u>867,518</u> | <u>1,642,199</u> | <u>9,525</u> | <u>582,427</u> |
| Fund balances - ending | <u>\$ 2,527,042</u> | <u>\$ 6,273,397</u> | <u>\$ 867,518</u> | <u>\$ 546,683</u> | <u>\$ 9,624</u> | <u>\$ 71,572</u> |

Continued on next page

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NONMAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Business Park Tax Increment Financing | Corporate Campus Tax Increment Financing - West | Corporate Campus Tax Increment Financing - East | Totals |
|--|---|--|--|----------------------|
| Revenues: | | | | |
| Taxes: | | | | |
| Property | \$ 215,556 | \$ 275,655 | \$ 18,376 | \$ 4,236,626 |
| Licenses and permits | - | - | - | 3,537,620 |
| Intergovernmental | 4,236 | 3,556 | - | 234,694 |
| Charges for services | 60,156 | - | - | 243,293 |
| Other | - | - | - | 2,312,993 |
| | <u>279,948</u> | <u>279,211</u> | <u>18,376</u> | <u>10,565,226</u> |
| Total revenues | | | | |
| Expenditures: | | | | |
| Capital outlay | <u>235,658</u> | <u>-</u> | <u>-</u> | <u>9,665,887</u> |
| Excess (deficiency) of revenues over (under) expenditures | | | | |
| | <u>44,290</u> | <u>279,211</u> | <u>18,376</u> | <u>899,339</u> |
| Other financing sources (uses): | | | | |
| Transfers in | - | - | - | 158,059 |
| Transfers out | - | - | - | (690,405) |
| | <u>-</u> | <u>-</u> | <u>-</u> | <u>(532,346)</u> |
| Total other financing sources and uses | | | | |
| Net change in fund balances | 44,290 | 279,211 | 18,376 | 366,993 |
| Fund balances - beginning | <u>61,765</u> | <u>968</u> | <u>-</u> | <u>11,719,237</u> |
| Fund balances - ending | <u>\$ 106,055</u> | <u>\$ 280,179</u> | <u>\$ 18,376</u> | <u>\$ 12,086,230</u> |

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

| | Motor Vehicle Highway | | | | Local Road and Street | | | |
|---|-----------------------|---------------------|------------------------|--|-----------------------|-----------------|------------------------|--|
| | Budgeted Amounts | | Actual Budgetary Basis | Variance With Final Budget Positive (Negative) | Budgeted Amounts | | Actual Budgetary Basis | Variance With Final Budget Positive (Negative) |
| | Original | Final | Amounts | (Negative) | Original | Final | Amounts | (Negative) |
| Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ 1,817,621 | \$ 1,817,621 | \$ 1,332,204 | \$ (485,417) | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 1,900,711 | 1,900,711 | 1,071,201 | (829,510) | 366,957 | 366,957 | 408,319 | 41,362 |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - | - |
| Other | 5,190 | 5,190 | 86,050 | 80,860 | - | - | - | - |
| Total revenues | 3,723,522 | 3,723,522 | 2,489,455 | (1,234,067) | 366,957 | 366,957 | 408,319 | 41,362 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total general government | - | - | - | - | - | - | - | - |
| Public safety: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Total public safety | - | - | - | - | - | - | - | - |
| Highways and streets: | | | | | | | | |
| Personal services | 1,695,887 | 1,701,486 | 1,701,477 | 9 | - | - | - | - |
| Supplies | 307,334 | 312,323 | 306,225 | 6,098 | - | - | - | - |
| Other services and charges | 402,626 | 427,136 | 410,031 | 17,105 | 378,000 | 378,000 | 377,999 | 1 |
| Capital | 41,500 | 43,458 | 42,255 | 1,203 | - | - | - | - |
| Total highways and streets | 2,447,347 | 2,484,403 | 2,459,988 | 24,415 | 378,000 | 378,000 | 377,999 | 1 |
| Culture and recreation: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total culture and recreation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | 2,447,347 | 2,484,403 | 2,459,988 | 24,415 | 378,000 | 378,000 | 377,999 | 1 |
| Other financing sources (uses): | | | | | | | | |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | 1,276,175 | 1,239,119 | 29,467 | (1,209,652) | (11,043) | (11,043) | 30,320 | 41,363 |
| Fund balances - beginning | 737,495 | 737,495 | 737,495 | - | 18,859 | 18,859 | 18,860 | 1 |
| Fund balances - December 31 | \$ 2,013,670 | \$ 1,976,614 | \$ 766,962 | \$ (1,209,652) | \$ 7,816 | \$ 7,816 | \$ 49,180 | \$ 41,364 |

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Local Law Enforcement Continuing Education | | | | Park and Recreation | | | |
|--------------------------------------|--|-----------------|---|--|---------------------|-------------------|---|--|
| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ 826,191 | \$ 826,191 | \$ 571,491 | \$ (254,700) |
| Licenses and permits | 3,000 | 3,000 | 3,890 | 890 | - | - | - | - |
| Intergovernmental | - | - | - | - | 65,268 | 65,268 | 64,879 | (389) |
| Charges for services | 7,800 | 7,800 | 7,910 | 110 | - | - | - | - |
| Fines and forfeits | 10,000 | 10,000 | 8,335 | (1,665) | - | - | - | - |
| Other | - | - | 601 | 601 | 202,000 | 202,000 | 171,305 | (30,695) |
| Total revenues | <u>20,800</u> | <u>20,800</u> | <u>20,736</u> | <u>(64)</u> | <u>1,093,459</u> | <u>1,093,459</u> | <u>807,675</u> | <u>(285,784)</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total general government | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public safety: | | | | | | | | |
| Personal services | 16,497 | 17,026 | 16,817 | 209 | - | - | - | - |
| Supplies | 6,000 | 10,910 | 5,851 | 5,059 | - | - | - | - |
| Total public safety | <u>22,497</u> | <u>27,936</u> | <u>22,668</u> | <u>5,268</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Highways and streets: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total highways and streets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Culture and recreation: | | | | | | | | |
| Personal services | - | - | - | - | 634,830 | 634,591 | 591,957 | 42,634 |
| Supplies | - | - | - | - | 47,063 | 52,072 | 47,195 | 4,877 |
| Other services and charges | - | - | - | - | 172,356 | 178,884 | 170,689 | 8,195 |
| Capital | - | - | - | - | 11,990 | 6,833 | 5,119 | 1,714 |
| Total culture and recreation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>866,239</u> | <u>872,380</u> | <u>814,960</u> | <u>57,420</u> |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>22,497</u> | <u>27,936</u> | <u>22,668</u> | <u>5,268</u> | <u>866,239</u> | <u>872,380</u> | <u>814,960</u> | <u>57,420</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers out | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | (1,697) | (7,136) | (1,932) | 5,204 | 227,220 | 221,079 | (7,285) | (228,364) |
| Fund balances - beginning | <u>9,743</u> | <u>9,743</u> | <u>9,743</u> | <u>-</u> | <u>236,011</u> | <u>236,011</u> | <u>236,011</u> | <u>-</u> |
| Fund balances - December 31 | <u>\$ 8,046</u> | <u>\$ 2,607</u> | <u>\$ 7,811</u> | <u>\$ 5,204</u> | <u>\$ 463,231</u> | <u>\$ 457,090</u> | <u>\$ 228,726</u> | <u>\$ (228,364)</u> |

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Park Nonreverting Operating | | | | Parking Meter | | | |
|---|-----------------------------|---------------------|---|--|-------------------|-------------------|---|--|
| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | - | - | - | - |
| Charges for services | - | 762,078 | 762,078 | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - | - |
| Other | - | 261,380 | 261,380 | - | 83,000 | 83,000 | 90,437 | 7,437 |
| Total revenues | - | 1,023,458 | 1,023,458 | - | 83,000 | 83,000 | 90,437 | 7,437 |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government: | | | | | | | | |
| Personal services | - | - | - | - | 60,070 | 60,070 | 56,839 | 3,231 |
| Supplies | - | - | - | - | 4,134 | 4,134 | 2,640 | 1,494 |
| Other services and charges | - | - | - | - | 14,105 | 14,105 | 13,500 | 605 |
| Capital | - | - | - | - | 1,500 | 1,500 | 1,500 | - |
| Total general government | - | - | - | - | 79,809 | 79,809 | 74,479 | 5,330 |
| Public safety: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Total public safety | - | - | - | - | - | - | - | - |
| Highways and streets: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total highways and streets | - | - | - | - | - | - | - | - |
| Culture and recreation: | | | | | | | | |
| Personal services | 537,562 | 544,525 | 504,570 | 39,955 | - | - | - | - |
| Supplies | 154,650 | 171,872 | 161,675 | 10,197 | - | - | - | - |
| Other services and charges | 568,986 | 582,155 | 221,141 | 361,014 | - | - | - | - |
| Capital | 140,215 | 135,565 | 120,360 | 15,205 | - | - | - | - |
| Total culture and recreation | 1,401,413 | 1,434,117 | 1,007,746 | 426,371 | - | - | - | - |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | 1,401,413 | 1,434,117 | 1,007,746 | 426,371 | 79,809 | 79,809 | 74,479 | 5,330 |
| Other financing sources (uses): | | | | | | | | |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | (1,401,413) | (410,659) | 15,712 | 426,371 | 3,190 | 3,190 | 15,957 | 12,767 |
| Fund balances - beginning | 26 | 26 | 26 | - | 284,050 | 284,050 | 284,050 | - |
| Fund balances - December 31 | \$ (1,401,387) | \$ (410,633) | \$ 15,738 | \$ 426,371 | \$ 287,240 | \$ 287,240 | \$ 300,007 | \$ 12,767 |

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Adult Probation | | | | County Option Income Tax | | | |
|--------------------------------------|------------------|------------------|---|--|--------------------------|---------------------|---|--|
| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | - | - | - | - | 121,485 | 121,485 | 123,520 | 2,035 |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeits | 1,400 | 1,400 | 2,622 | 1,222 | - | - | - | - |
| Other | - | - | - | - | - | - | 2,593,086 | 2,593,086 |
| Total revenues | <u>1,400</u> | <u>1,400</u> | <u>2,622</u> | <u>1,222</u> | <u>121,485</u> | <u>121,485</u> | <u>2,716,606</u> | <u>2,595,121</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total general government | - | - | - | - | - | - | - | - |
| Public safety: | | | | | | | | |
| Personal services | 12,209 | 12,955 | 12,491 | 464 | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Total public safety | <u>12,209</u> | <u>12,955</u> | <u>12,491</u> | <u>464</u> | - | - | - | - |
| Highways and streets: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total highways and streets | - | - | - | - | - | - | - | - |
| Culture and recreation: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total culture and recreation | - | - | - | - | - | - | - | - |
| Capital outlay | - | - | - | - | 4,794,414 | 5,070,111 | 3,405,786 | 1,664,325 |
| Total expenditures | <u>12,209</u> | <u>12,955</u> | <u>12,491</u> | <u>464</u> | <u>4,794,414</u> | <u>5,070,111</u> | <u>3,405,786</u> | <u>1,664,325</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers out | - | - | - | - | - | - | - | - |
| Total other financing sources (uses) | - | - | - | - | - | - | - | - |
| Net change in fund balances | (10,809) | (11,555) | (9,869) | 1,686 | (4,672,929) | (4,948,626) | (689,180) | 4,259,446 |
| Fund balances - beginning | <u>24,885</u> | <u>24,885</u> | <u>24,885</u> | - | <u>7,436,742</u> | <u>7,436,742</u> | <u>7,436,742</u> | - |
| Fund balances - December 31 | <u>\$ 14,076</u> | <u>\$ 13,330</u> | <u>\$ 15,016</u> | <u>\$ 1,686</u> | <u>\$ 2,763,813</u> | <u>\$ 2,488,116</u> | <u>\$ 6,747,562</u> | <u>\$ 4,259,446</u> |

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CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Fire Station 2 Debt | | | | Public Safety Building Debt Bonds | | | |
|--------------------------------------|---------------------|-------------------|---|--|-----------------------------------|-------------------|---|--|
| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ 165,238 | \$ 165,238 | \$ 99,390 | \$ (65,848) | \$ 826,191 | \$ 826,191 | \$ 718,663 | \$ (107,528) |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 13,054 | 13,054 | 8,825 | (4,229) | 65,265 | 65,265 | 81,587 | 16,322 |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total revenues | <u>178,292</u> | <u>178,292</u> | <u>108,215</u> | <u>(70,077)</u> | <u>891,456</u> | <u>891,456</u> | <u>800,250</u> | <u>(91,206)</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total general government | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public safety: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Total public safety | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Highways and streets: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total highways and streets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Culture and recreation: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total culture and recreation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital outlay | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers out | <u>(123,000)</u> | <u>(123,000)</u> | <u>(123,562)</u> | <u>(562)</u> | <u>(752,000)</u> | <u>(752,000)</u> | <u>(720,069)</u> | <u>31,931</u> |
| Total other financing sources (uses) | <u>(123,000)</u> | <u>(123,000)</u> | <u>(123,562)</u> | <u>(562)</u> | <u>(752,000)</u> | <u>(752,000)</u> | <u>(720,069)</u> | <u>31,931</u> |
| Net change in fund balances | 55,292 | 55,292 | (15,347) | (70,639) | 139,456 | 139,456 | 80,181 | (59,275) |
| Fund balances - beginning | <u>92,197</u> | <u>92,197</u> | <u>92,197</u> | <u>-</u> | <u>402,213</u> | <u>402,213</u> | <u>402,213</u> | <u>-</u> |
| Fund balances - December 31 | <u>\$ 147,489</u> | <u>\$ 147,489</u> | <u>\$ 76,850</u> | <u>\$ (70,639)</u> | <u>\$ 541,669</u> | <u>\$ 541,669</u> | <u>\$ 482,394</u> | <u>\$ (59,275)</u> |

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Fire Station Five and Six Debt | | | | Little Chicago Road Debt | | | |
|--------------------------------------|--------------------------------|-------------------|---|--|--------------------------|-------------------|---|--|
| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ 454,405 | \$ 454,405 | \$ 451,076 | \$ (3,329) | \$ 495,715 | \$ 495,715 | \$ 418,583 | \$ (77,132) |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 32,245 | 32,245 | 51,209 | 18,964 | 47,520 | 47,520 | 47,520 | - |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | - | - |
| Total revenues | <u>486,650</u> | <u>486,650</u> | <u>502,285</u> | <u>15,635</u> | <u>543,235</u> | <u>543,235</u> | <u>466,103</u> | <u>(77,132)</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total general government | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public safety: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Total public safety | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Highways and streets: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total highways and streets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Culture and recreation: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total culture and recreation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital outlay | - | - | - | - | - | - | - | - |
| Total expenditures | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers out | <u>(310,000)</u> | <u>(310,000)</u> | <u>(310,000)</u> | <u>-</u> | <u>(165,000)</u> | <u>(165,000)</u> | <u>(166,837)</u> | <u>(1,837)</u> |
| Total other financing sources (uses) | <u>(310,000)</u> | <u>(310,000)</u> | <u>(310,000)</u> | <u>-</u> | <u>(165,000)</u> | <u>(165,000)</u> | <u>(166,837)</u> | <u>(1,837)</u> |
| Net change in fund balances | 176,650 | 176,650 | 192,285 | 15,635 | 378,235 | 378,235 | 299,266 | (78,969) |
| Fund balances - beginning | - | - | - | - | - | - | - | - |
| Fund balances - December 31 | <u>\$ 176,650</u> | <u>\$ 176,650</u> | <u>\$ 192,285</u> | <u>\$ 15,635</u> | <u>\$ 378,235</u> | <u>\$ 378,235</u> | <u>\$ 299,266</u> | <u>\$ (78,969)</u> |

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Cumulative Capital Improvement | | | | Cumulative Capital Development | | | |
|--------------------------------------|--------------------------------|-------------------|---|--|--------------------------------|-------------------|---|--|
| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
| | Original | Final | | | Original | Final | | |
| Revenues: | | | | | | | | |
| Taxes: | | | | | | | | |
| Property | \$ - | \$ - | \$ - | \$ - | \$ 510,586 | \$ 510,586 | \$ 590,604 | \$ 80,018 |
| Licenses and permits | - | - | - | - | - | - | - | - |
| Intergovernmental | 107,498 | 107,498 | 88,379 | (19,119) | 40,334 | 40,334 | 67,048 | 26,714 |
| Charges for services | - | - | - | - | - | - | - | - |
| Fines and forfeits | - | - | - | - | - | - | - | - |
| Other | - | - | - | - | - | - | 95,103 | 95,103 |
| Total revenues | <u>107,498</u> | <u>107,498</u> | <u>88,379</u> | <u>(19,119)</u> | <u>550,920</u> | <u>550,920</u> | <u>752,755</u> | <u>201,835</u> |
| Expenditures: | | | | | | | | |
| Current: | | | | | | | | |
| General government: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total general government | - | - | - | - | - | - | - | - |
| Public safety: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Total public safety | - | - | - | - | - | - | - | - |
| Highways and streets: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total highways and streets | - | - | - | - | - | - | - | - |
| Culture and recreation: | | | | | | | | |
| Personal services | - | - | - | - | - | - | - | - |
| Supplies | - | - | - | - | - | - | - | - |
| Other services and charges | - | - | - | - | - | - | - | - |
| Capital | - | - | - | - | - | - | - | - |
| Total culture and recreation | - | - | - | - | - | - | - | - |
| Capital outlay | 112,000 | 112,000 | 75,936 | 36,064 | 771,000 | 830,999 | 661,915 | 169,084 |
| Total expenditures | <u>112,000</u> | <u>112,000</u> | <u>75,936</u> | <u>36,064</u> | <u>771,000</u> | <u>830,999</u> | <u>661,915</u> | <u>169,084</u> |
| Other financing sources (uses): | | | | | | | | |
| Transfers out | - | (100,000) | (100,000) | - | - | - | - | - |
| Total other financing sources (uses) | - | (100,000) | (100,000) | - | - | - | - | - |
| Net change in fund balances | (4,502) | (104,502) | (87,557) | 16,945 | (220,080) | (280,079) | 90,840 | 370,919 |
| Fund balances - beginning | 235,561 | 235,561 | 235,561 | - | 851,397 | 851,397 | 851,397 | - |
| Fund balances - December 31 | <u>\$ 231,059</u> | <u>\$ 131,059</u> | <u>\$ 148,004</u> | <u>\$ 16,945</u> | <u>\$ 631,317</u> | <u>\$ 571,318</u> | <u>\$ 942,237</u> | <u>\$ 370,919</u> |

Continued on next page

CITY OF NOBLESVILLE
 BUDGETARY COMPARISON SCHEDULES
 NONMAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005
 (Continued)

| | Cumulative Building and Fire Fighting Equipment | | | |
|---|---|-------------------|---|--|
| | Budgeted Amounts | | Actual Budgetary Basis Amounts | Variance With Final Budget Positive (Negative) |
| | Original | Final | | |
| Revenues: | | | | |
| Taxes: | | | | |
| Property | \$ 338,738 | \$ 338,738 | \$ 391,825 | \$ 53,087 |
| Licenses and permits | - | - | - | - |
| Intergovernmental | 26,760 | 26,760 | 44,482 | 17,722 |
| Charges for services | - | - | - | - |
| Fines and forfeits | - | - | - | - |
| Other | - | - | 30,000 | 30,000 |
| Total revenues | <u>365,498</u> | <u>365,498</u> | <u>466,307</u> | <u>100,809</u> |
| Expenditures: | | | | |
| Current: | | | | |
| General government: | | | | |
| Personal services | - | - | - | - |
| Supplies | - | - | - | - |
| Other services and charges | - | - | - | - |
| Capital | - | - | - | - |
| Total general government | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Public safety: | | | | |
| Personal services | - | - | - | - |
| Supplies | - | - | - | - |
| Total public safety | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Highways and streets: | | | | |
| Personal services | - | - | - | - |
| Supplies | - | - | - | - |
| Other services and charges | - | - | - | - |
| Capital | - | - | - | - |
| Total highways and streets | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Culture and recreation: | | | | |
| Personal services | - | - | - | - |
| Supplies | - | - | - | - |
| Other services and charges | - | - | - | - |
| Capital | - | - | - | - |
| Total culture and recreation | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Capital outlay | <u>339,612</u> | <u>507,612</u> | <u>344,190</u> | <u>163,422</u> |
| Total expenditures | <u>339,612</u> | <u>507,612</u> | <u>344,190</u> | <u>163,422</u> |
| Other financing sources (uses): | | | | |
| Transfers out | - | - | - | - |
| Total other financing sources (uses) | <u>-</u> | <u>-</u> | <u>-</u> | <u>-</u> |
| Net change in fund balances | 25,886 | (142,114) | 122,117 | 264,231 |
| Fund balances - beginning | <u>766,762</u> | <u>766,762</u> | <u>766,762</u> | <u>-</u> |
| Fund balances - December 31 | <u>\$ 792,648</u> | <u>\$ 624,648</u> | <u>\$ 888,879</u> | <u>\$ 264,231</u> |

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 December 31, 2005

| <u>Assets</u> | Pension Trust Funds | | |
|-----------------------------|---------------------|-----------------|--------------|
| | Police Pension | Fire Pension | Totals |
| Cash and cash equivalents | \$ 606,784 | \$ 837,397 | \$ 1,444,181 |
| Receivables: | | | |
| Taxes | 3,393 | 6,785 | 10,178 |
| Total receivables | 3,393 | 6,785 | 10,178 |
| Total assets | 610,177 | 844,182 | 1,454,359 |
| <u>Liabilities</u> | | | |
| Unearned revenue | 3,393 | 6,785 | 10,178 |
| Total liabilities | 3,393 | 6,785 | 10,178 |
| <u>Net Assets</u> | | | |
| Held in trust for: | | | |
| Employees' pension benefits | 606,784 | 837,397 | 1,444,181 |
| Total net assets | \$ 606,784 | \$ 837,397 | \$ 1,444,181 |

CITY OF NOBLESVILLE
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 NONMAJOR FIDUCIARY FUNDS
 For The Year Ended December 31, 2005

| | Pension Trust Funds | | |
|--|---------------------|-------------------|---------------------|
| | Police Pension | Fire Pension | Totals |
| <u>Additions</u> | | | |
| Contributions: | | | |
| Employer | \$ 99,390 | \$ 198,779 | \$ 298,169 |
| Intergovernmental | 125,956 | 268,472 | 394,428 |
| Total contributions | <u>225,346</u> | <u>467,251</u> | <u>692,597</u> |
| Investment income: | | | |
| Interest | 5,309 | 2,639 | 7,948 |
| Total additions | <u>230,655</u> | <u>469,890</u> | <u>700,545</u> |
| <u>Deductions</u> | | | |
| Payments in accordance with trust agreements | <u>169,875</u> | <u>434,158</u> | <u>604,033</u> |
| Changes in net assets | 60,780 | 35,732 | 96,512 |
| Net assets - beginning | <u>546,004</u> | <u>801,665</u> | <u>1,347,669</u> |
| Net assets - ending | <u>\$ 606,784</u> | <u>\$ 837,397</u> | <u>\$ 1,444,181</u> |

CITY OF NOBLESVILLE
STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
AGENCY FUND
For The Year Ended December 31, 2005

| | <u>Payroll Withholdings</u> |
|--|---------------------------------|
| Assets: | |
| Cash and cash equivalents - January 1, 2005 | \$ 167,490 |
| Additions | 10,284,210 |
| Deductions | <u>(10,268,557)</u> |
| Cash and cash equivalents - December 31, 2005 | <u>183,143</u> |
| Total assets - December 31, 2005 | <u>\$ 183,143</u> |
| Liabilities: | |
| Payroll withholdings payable - January 1, 2005 | \$ 167,490 |
| Additions | 10,284,210 |
| Deductions | <u>(10,268,557)</u> |
| Payroll withholdings payable - December 31, 2005 | <u>183,143</u> |
| Total assets - December 31, 2005 | <u>\$ 183,143</u> |

STATISTICAL SECTION

STATISTICAL SECTION

CITY OF NOBLESVILLE
Government-Wide Expenses by Function
Last Ten Years (A)

| Year Ended Dec 31 | General Government | Public Safety | Highways & Streets | Culture & Recreation | Capital Outlay | Interest on Long-Term Debt | Wastewater | Total |
|-------------------------|-----------------------|------------------|-----------------------|-------------------------|-------------------|----------------------------------|--------------|---------------|
| 2005 | \$ 6,657,239 | \$ 18,071,974 | \$ 11,100,802 | \$ 3,118,197 | \$ - | \$ 4,925,787 | \$ 6,036,462 | \$ 49,910,461 |
| 2004 | 6,348,626 | 14,889,511 | 5,825,152 | 2,044,571 | - | 3,250,764 | 4,908,398 | 37,267,022 |
| 2003 | 5,970,438 | 13,884,319 | 4,267,896 | 1,743,814 | 2,089,076 | 3,996,924 | 5,405,729 | 37,358,196 |

(A) No information is available for prior years, since the accounting standard implementing Government-Wide Financial Statements was first implemented during the year 2003.

CITY OF NOBLESVILLE
Government-Wide Revenues
Last Ten Years (A)

| Year Ended Dec 31 | Program Revenues | | | General Revenues | | | Total |
|-------------------------|-------------------------|--|--|------------------|--|---------------|---------------|
| | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | Taxes | Unrestricted Investment Earnings | Miscellaneous | |
| 2005 | \$ 19,431,050 | \$ 6,495,885 | \$ 22,089,528 | \$ 31,132,533 | \$ 1,696,806 | \$ 409,534 | \$ 81,255,336 |
| 2004 | 17,528,925 | 1,756,879 | 10,195,739 | 23,905,427 | 546,779 | 528,053 | 54,461,802 |
| 2003 | 15,062,311 | 10,855,527 | 8,498,198 | 11,487,257 | 464,964 | 538,524 | 46,906,781 |

(A) No information is available for prior years, since the accounting standard implementing Government Wide Financial Statements was first implemented during the year 2003.

CITY OF NOBLESVILLE
General Governmental Expenditures by Function (A)
Last Ten Years

| | <u>General Government</u> | <u>Public Safety</u> | <u>Highways and Streets</u> | <u>Culture and Recreation</u> | <u>Urban Redev. and Housing</u> | <u>Capital Outlay</u> | <u>Debt Service</u> | <u>Total</u> |
|------|-------------------------------|--------------------------|---------------------------------|-----------------------------------|-------------------------------------|---------------------------|-------------------------|---------------|
| 2005 | \$ 6,124,743 | \$ 15,047,287 | \$ 2,523,005 | \$ 1,644,881 | \$ - | \$ 29,513,501 | \$ 7,649,429 | \$ 62,502,846 |
| 2004 | 5,955,690 | 12,634,594 | 2,087,222 | 1,585,824 | - | 27,836,209 | 14,140,976 | 64,240,515 |
| 2003 | 5,584,024 | 12,361,224 | 3,235,819 | 1,486,752 | - | 17,935,326 | 20,961,377 | 61,564,522 |
| 2002 | 4,799,994 | 11,895,778 | 3,631,264 | 1,718,591 | - | 7,173,866 | 3,378,693 | 32,598,186 |
| 2001 | 3,558,156 | 10,613,149 | 3,115,158 | 1,537,357 | - | 10,052,989 | 3,177,734 | 32,054,543 |
| 2000 | 4,320,338 | 9,515,310 | 3,717,332 | 1,908,654 | - | 5,137,582 | 2,979,108 | 27,578,324 |
| 1999 | 3,780,446 | 7,828,170 | 2,260,423 | 1,244,250 | - | 6,675,178 | 2,794,277 | 24,582,744 |
| 1998 | 2,738,948 | 7,413,350 | 2,121,350 | 1,259,106 | 107,019 | 7,547,986 | 2,641,704 | 23,829,463 |
| 1997 | 2,605,733 | 6,161,804 | 1,766,674 | 1,221,885 | 7,492 | 14,276,222 | 2,324,466 | 28,364,276 |
| 1996 | 2,237,360 | 5,474,858 | 1,253,361 | 915,387 | 9,691 | 3,907,923 | 1,834,166 | 15,632,746 |

(A) Includes General, Special Revenue, Debt Service and Capital Project Funds. (The expenditures in this table are reported on the modified accrual basis of accounting except for the years ended December 31, 1995 through 1997. For 1995-1997, only cash basis statements were prepared.

CITY OF NOBLESVILLE
General Revenues by Source (A)
Last Ten Years

| | Taxes | License and Permits | Intergovern- mental | Charges and Services | Fines and Forfeits | Miscellaneous | Totals |
|----------|---------------|------------------------|------------------------|-------------------------|-----------------------|---------------|---------------|
| 2005 | \$ 22,074,028 | \$ 4,774,613 | \$ 11,522,024 | \$ 7,400,288 | \$ 437,111 | \$ 6,333,400 | \$ 52,541,464 |
| 2004 | 13,768,201 | 3,992,689 | 12,124,701 | 3,136,888 | 555,854 | 1,099,802 | 34,678,135 |
| 2003 (B) | 14,349,025 | 3,129,928 | 11,537,554 | 2,722,277 | 489,444 | 954,215 | 33,182,443 |
| 2002 | 20,373,923 | 800,732 | 1,919,024 | 2,863,278 | 158,919 | 1,953,735 | 28,069,611 |
| 2001 | 21,053,759 | 949,261 | 1,772,545 | 2,166,785 | 171,990 | 3,608,994 | 29,723,334 |
| 2000 | 18,930,714 | 796,858 | 2,348,910 | 2,274,139 | 395,989 | 3,317,617 | 28,064,227 |
| 1999 | 16,315,919 | 1,835,872 | 1,887,998 | 1,853,703 | 279,248 | 808,125 | 22,980,865 |
| 1998 | 15,622,344 | 1,196,747 | 1,515,888 | 1,203,027 | 301,552 | 1,778,907 | 21,618,465 |
| 1997 | 15,061,801 | 448,821 | 1,170,218 | 1,508,154 | 232,592 | 2,214,256 | 20,635,842 |
| 1996 | 15,177,281 | 434,259 | 1,371,752 | 1,208,952 | 309,509 | 1,285,142 | 19,786,895 |

(A) Includes General, Special Revenue, Debt Service and Capital Project Funds. (The revenues in this table are reported on the modified accrual basis of accounting except for the years ended December 31, 1995 through 1997. For 1995-1997 only cash basis statements were prepared.)

(B) In connection with the adoption of GASB No. 34, certain revenues were reclassified in the 2003 governmental fund statements. Prior to 2003, all tax revenues were included in Taxes. In 2003, Taxes includes only property taxes. All other taxes, including county option income taxes and excise taxes are now included with intergovernmental revenues. In addition, impact fees previously reported as miscellaneous revenue are included in license and permits.

CITY OF NOBLESVILLE
Tax Revenues by Source and Tax Base (A)
Last Ten Years

| | Taxes Based on Property | | | | Taxes Based on Income | |
|------|--------------------------------|-----------------------|-------------------------------|---------------|---------------------------------|---------------|
| | General Property Taxes (B) | License Excise Tax | Financial Institutions Tax | Total | County Option Income Tax (C) | Total |
| 2005 | \$ 17,709,870 | \$ 1,559,969 | \$ 113,199 | \$ 19,383,038 | \$ 7,802,524 | \$ 27,185,562 |
| 2004 | 15,203,878 | 1,454,363 | 110,501 | 16,768,742 | 8,735,420 | 25,504,162 |
| 2003 | 13,754,810 | 1,224,182 | 109,404 | 15,088,396 | 11,064,553 | 26,152,949 |
| 2002 | 11,366,796 | 900,796 | 107,714 | 12,375,306 | 12,773,963 | 25,149,269 |
| 2001 | 9,513,483 | 852,440 | 159,556 | 10,525,479 | 9,075,624 | 19,601,103 |
| 2000 | 9,878,200 | 825,532 | 53,059 | 10,756,791 | 8,120,863 | 18,877,654 |
| 1999 | 9,619,757 | 810,154 | 115,404 | 10,545,315 | 6,332,664 | 16,877,979 |
| 1998 | 7,339,748 | 877,597 | 108,281 | 8,325,626 | 6,397,136 | 14,722,762 |
| 1997 | 7,906,020 | 664,422 | 109,822 | 8,680,264 | 6,574,146 | 15,254,410 |
| 1996 | 8,438,864 | 782,054 | 109,538 | 9,330,456 | 4,746,606 | 14,077,062 |

(A) Includes General, Special Revenue, Debt Service and Capital Project Funds reported on a cash basis.

(B) Includes taxes on both real and personal property.

(C) County Option Income Tax was effective July 1, 1988.

Source: Breakdown of taxes by source was from the Annual City & Towns Financial Reports for Noblesville.

CITY OF NOBLESVILLE
Property Tax Levies and Collections
Last Ten Years

| | (A) Property Taxes Levied | (B) Property Taxes Collected | Percent Collected |
|------|--|---|------------------------------------|
| 2005 | \$ 14,897,090 | \$ 14,862,144 | 99.77% |
| 2004 | 13,154,493 | 13,178,161 | 100.18% |
| 2003 | 11,444,927 | 11,303,520 | 98.76% |
| 2002 | 10,098,920 | 10,060,150 | 99.62% |
| 2001 | 9,294,061 | 8,958,098 | 96.39% |
| 2000 | 8,715,943 | 8,741,713 | 100.30% |
| 1999 | 7,795,218 | 7,993,527 | 102.54% |
| 1998 | 6,587,525 | 6,615,077 | 100.42% |
| 1997 | 6,377,179 | 6,466,692 | 101.40% |
| 1996 | 6,456,853 | 6,940,038 | 107.48% |

(A) Source: State Tax Board Budget Order

(B) Source: Annual City & Town Financial Report

CITY OF NOBLESVILLE
Assessed and True Tax Value of Taxable Property
Last Ten Fiscal Years

| <u>Year</u> | <u>Assessed Valuation (A)</u> | <u>True Tax Value (B)</u> | <u>Percent Increase (Decrease) (C)</u> |
|-------------|-----------------------------------|-------------------------------|--|
| 2005 | \$ 640,064,970 | \$ 1,920,194,910 | 10.69% |
| 2004 | 578,231,803 | 1,734,695,408 | 4.98% |
| 2003 | 550,794,261 | 1,652,382,783 | 57.50% |
| 2002 | 349,709,776 | 1,049,129,328 | 6.71% |
| 2001 | 327,728,830 | 983,186,490 | 10.77% |
| 2000 | 295,866,903 | 887,600,709 | 10.51% |
| 1999 | 267,738,889 | 803,216,667 | 11.83% |
| 1998 | 239,415,787 | 718,247,361 | 6.79% |
| 1997 | 224,185,439 | 672,556,317 | 14.79% |
| 1996 | 195,301,220 | 585,903,660 | 14.21% |

Average Annual Rate of Increase 14.1%

- (A) Property reassessments were effective in 1996 and 2003.
- (B) True tax value is 3 times assessed value.
- (C) Change in assessed valuation.
- (D) Assessed value shown above excludes property captured in tax increment financing districts (TIF) established by the City. The assessed value of those districts for the years in which they existed is as follows: 2005 - \$142,599,944; 2004 - \$125,672,009; 2003 - \$35,266,875; 2002 - \$32,054,221 2001 - \$12,215,595, 2000 - \$11,479,973; 1999 - \$15,995,796; 1998 - \$11,004,640; 1997 - \$9,873,710; 1996 - \$26,446,300. It should be noted that the 1996 TIF assessed value was over certified by the Auditor. This value was corrected in the 1997 certification.

Source: Assessed value obtained from the Hamilton County Auditor's Office.

CITY OF NOBLESVILLE
Property Tax Rates (A)
All Overlapping Governments
Last Ten Fiscal Years

| | <u>City of Noblesville</u> | <u>State of Indiana</u> | <u>Hamilton County</u> | <u>Solid Waste</u> | <u>Township</u> | <u>School</u> | <u>Library</u> | <u>Totals</u> |
|--------|--------------------------------|-----------------------------|----------------------------|--------------------|-----------------|---------------|----------------|---------------|
| 2005 * | \$ 0.7770 | \$ 0.0024 | \$ 0.2317 | \$ 0.0028 | \$ 0.0087 | \$ 1.4928 | \$ 0.0565 | \$ 2.5719 |
| 2004 * | 0.7571 | 0.0024 | 0.2246 | 0.0029 | 0.0092 | 1.4721 | 0.0430 | 2.5113 |
| 2003 * | 0.7069 | 0.0033 | 0.2138 | - | 0.0081 | 1.3894 | 0.0414 | 2.3629 |
| 2002 * | 0.9929 | 0.0033 | 0.3310 | - | 0.0139 | 2.0562 | 0.0674 | 3.4647 |
| 2001 | 2.9263 | 0.0100 | 1.0055 | - | 0.0371 | 5.7619 | 0.2263 | 9.9671 |
| 2000 | 3.0303 | 0.0100 | 1.0181 | - | 0.0483 | 5.8111 | 0.2071 | 10.1249 |
| 1999 | 2.9825 | 0.0100 | 1.0330 | - | 0.0445 | 5.9331 | 0.2256 | 10.2287 |
| 1998 | 2.8964 | 0.0100 | 1.0482 | - | 0.0466 | 5.2376 | 0.2371 | 9.4759 |
| 1997 | 2.9464 | 0.0100 | 1.0224 | - | 0.0296 | 6.0559 | 0.2365 | 10.3008 |
| 1996 | 3.4064 | 0.0100 | 1.0637 | - | 0.0315 | 5.6598 | 0.2404 | 10.4118 |

*Based upon True Tax Value for 2002, which was three times Net Assessed Value.
Rates prior to 2002 were based upon Net Assessed Value.

Source: Hamilton County Auditor

CITY OF NOBLESVILLE
Computation of Legal Debt Margin
December 31, 2005

| | <u>Civil City</u> | <u>Redevelopment Commission</u> |
|---|----------------------|-------------------------------------|
| Assessed Value at January 1, 2005 | \$ 640,064,970 | \$ 640,064,970 |
| Statutory Debt Limit | <u>2.00%</u> | <u>2.00%</u> |
| Debt Limit | 12,801,299 | 12,801,299 |
| Outstanding Debt Applicable to Debt Limit (A) | <u>1,705,000</u> | <u>795,000</u> |
| Legal Debt Margin | <u>\$ 11,096,299</u> | <u>\$ 12,006,299</u> |

- (A) All other currently outstanding debt issued by the City and the Redevelopment Commission was issued as lease rental bond obligations. In the State of Indiana, lease rental bonds are not subject to the 2% debt limitation. The \$1,705,000 1998 Revenue Bonds shown above are not included in the Bonded Debt Ratio tables because they are payable with tax increment district funds with income tax backup, not through a general property tax levy. Similarly, the \$795,000 2003 Redevelopment District Bonds are payable with tax increment, not through a general property tax levy.

CITY OF NOBLESVILLE
Ratio of Net General Bonded Debt to Assessed Value
And Net Bonded Debt per Capita
Last Ten Years

| | <u>Gross Bonded Debt</u> | <u>Less Debt Service Funds</u> | <u>Net Bonded Debt</u> | <u>Ratio of Net Bonded Debt to Assessed Value</u> | <u>Population</u> | <u>Net Bonded Debt Per Capita</u> |
|------|----------------------------------|--|--------------------------------|---|-------------------|---|
| 2005 | \$ 38,000,000 | \$ 8,203,204 | \$ 29,796,796 | 4.66% | 39,350 | 757.22 |
| 2004 | 21,925,000 | 567,681 | 21,357,319 | 3.69% | 36,294 | 588.45 |
| 2003 | 7,800,000 | 238,058 | 7,561,942 | 1.37% | 35,398 | 213.63 |
| 2002 | 8,655,000 | 394,870 | 8,260,130 | 2.36% | 32,500 | 254.16 |
| 2001 | 9,430,000 | 517,709 | 8,912,291 | 2.72% | 30,558 | 291.65 |
| 2000 | 8,845,000 | 1,964,916 | 6,880,084 | 2.33% | 28,590 | 240.65 |
| 1999 | 9,555,000 | 1,864,286 | 7,690,714 | 2.87% | 27,261 | 282.11 |
| 1998 | 10,230,000 | 1,901,587 | 8,328,413 | 3.48% | 25,983 | 320.53 |
| 1997 | 10,880,000 | 1,444,202 | 9,435,798 | 4.21% | 24,942 | 378.31 |
| 1996 | 11,500,000 | 1,702,009 | 9,797,991 | 5.02% | 23,901 | 409.94 |

Notes:

- 1) This schedule includes only debt repaid with property taxes. It excludes bonds payable from income taxes and tax increment financing bonds.
- 2) The bonded debt on this schedule which is outstanding at December 31, 2005 is not reflected on the computation of legal debt margin because it was issued as lease rental obligations which are exempt from the 2% limitation.
- 3) Based on the assumptions described above, outstanding balances from the following bond issues included in the ratios above: \$1,175,000 2001 Building Corp. Lease Rental Bonds; \$7,690,000 2004A Building Corporation 1st Mortgage Bonds; \$7,325,000 2004 Redevelopment Authority Economic Development Lease Rental Bonds; \$4,770,000 2004 Economic Development Infrastructure; \$17,040,000 2005 Building Corporation 1st Mortgage Bonds.
- 4) Population for 1996-1997 is trended from the actual 1990 census level to the 1998 special census based upon City Officials' assumption of even annual growth during this period. Population for 1999 is based on the assumption of even growth from the 1998 special census to the 2000 census level. Estimated population for 2001 - 2004 are from the Noblesville Planning Department. Population for 2005 is based on a special census.

CITY OF NOBLESVILLE
Computation of Direct and Overlapping Debt
At December 31, 2005

| <u>Governmental Unit</u> | <u>Tax Supported Debt (1)</u> | <u>Percent Applicable to NOBLESVILLE</u> | <u>Amount Applicable to NOBLESVILLE</u> |
|--|-------------------------------|--|---|
| Direct Debt: | | | |
| City of NOBLESVILLE | <u>\$ 38,000,000</u> | 100.00% | <u>\$ 38,000,000</u> |
| Overlapping Debt: | | | |
| Hamilton Southeastern School Corporation | 327,179,161 | 2.71% | 8,866,555 |
| Noblesville Schools | 133,138,709 | 83.42% | 111,064,311 |
| Noblesville Southeastern Public Library | 30,840,000 | 26.80% | 8,265,120 |
| Noblesville Township | 196,000 | 83.42% | 163,503 |
| Hamilton County | <u>69,712,202</u> | 11.75% | <u>8,191,184</u> |
| Total Overlapping Debt | <u>\$ 561,066,072</u> | | <u>\$ 136,550,673</u> |

(1) Excludes all revenue bonds not payable from ad valorem property taxes. Also excludes tax increment financing bonds.

CITY OF NOBLESVILLE
Ratio of Annual Debt Service Expenditures
For General Obligation Bonded Debt to
Total General Governmental Expenditures
Last Ten Years

| <u>Year</u> | <u>Principal</u> | <u>Interest</u> | <u>(B) Total Debt Service</u> | <u>Total General Expenditures (B)</u> | <u>Ratio of Debt Service to General Expenditures</u> |
|-------------|------------------|-----------------|---------------------------------------|---|--|
| 2005 | \$ 965,000 | \$ 920,734 | \$ 1,885,734 | \$ 62,502,846 | 3.02% |
| 2004 | 670,000 | 78,563 | 748,563 | 64,240,515 | 1.17% |
| 2003 | 855,000 | 435,180 | 1,290,180 | 61,564,522 | 2.10% |
| 2002 | 775,000 | 452,774 | 1,227,774 | 32,598,186 | 3.77% |
| 2001 | 745,000 | 452,868 | 1,197,868 | 32,054,543 | 3.74% |
| 2000 | 710,000 | 486,786 | 1,196,786 | 27,578,324 | 4.34% |
| 1999 | 675,000 | 518,505 | 1,193,505 | 24,582,744 | 4.86% |
| 1998 | 650,000 | 548,317 | 1,198,317 | 23,829,463 | 5.03% |
| 1997 | 620,000 | 575,852 | 1,195,852 | 28,364,276 | 4.22% |
| 1996 | 735,000 | 508,122 | 1,243,122 | 15,632,746 | 7.95% |

(A) This schedule includes only debt repaid with property taxes. It excludes bonds payable from income taxes and tax increment financing bonds.

(B) Includes General, Special Revenues, Debt Service and Capital Project Funds.

CITY OF NOBLESVILLE
Schedule of Sewage Revenue Bond Coverage
Last Ten Years

| Year | Gross Revenue (1) | Direct Operating Expenses (2) | Net Revenue Available for Debt Service | Debt Service Requirements | | | Coverage |
|------|-------------------|-------------------------------|--|---------------------------|------------|--------------|----------|
| | | | | Principal | Interest | Total | |
| 2005 | \$ 10,698,092 | \$ 3,861,404 | \$ 6,836,688 | \$ 930,000 | \$ 651,737 | \$ 1,581,737 | 4.32 |
| 2004 | 9,966,354 | 2,664,374 | 7,301,980 | 900,000 | 701,307 | 1,601,307 | 4.56 |
| 2003 | 8,906,510 | 3,095,581 | 5,810,929 | 6,365,000 (4) | 706,922 | 7,071,922 | 0.82 |
| 2002 | 7,878,516 | 3,273,780 | 4,604,736 | 920,000 | 546,110 | 1,466,110 | 3.14 |
| 2001 | 7,969,786 | 3,114,637 | 4,855,149 | 885,000 | 585,305 | 1,470,305 | 3.30 |
| 2000 | 6,855,072 | 2,850,154 | 4,004,918 | 500,000 | 611,178 | 1,111,178 | 3.60 |
| 1999 | 6,057,156 | 2,205,995 | 3,851,161 | 475,000 | 627,153 | 1,102,153 | 3.49 |
| 1998 | 5,784,440 | 1,837,102 | 3,947,338 | 6,445,000 (3) | 641,263 | 7,086,263 | 0.56 |
| 1997 | 5,293,635 | 1,829,859 | 3,463,776 | 620,000 | 807,068 | 1,427,068 | 2.43 |
| 1996 | 4,578,790 | 1,618,337 | 2,960,453 | 585,000 | 836,110 | 1,421,110 | 2.08 |

(1) Gross Revenues include operating and non-operating revenues.

(2) Operating Expenses include all expenses except interest on debt, depreciation and amortization.

(3) The wastewater utility refunded the outstanding balance of its 1990 and 1992 Revenue Bonds during 1998.

(4) The wastewater utility redeemed the outstanding balance of its 1993 Revenue Bonds during 2003.

CITY OF NOBLESVILLE AND HAMILTON COUNTY Demographic Statistics

| <u>Hamilton County</u> | | | | <u>City of Noblesville</u> | | | |
|------------------------|-------------------|-----|---------------------|----------------------------|-------------------|-----|---------------------|
| <u>Year</u> | <u>Population</u> | | <u>% Change</u> | <u>Year</u> | <u>Population</u> | | <u>% Change</u> |
| 2005 | 240,685 | (A) | 3.85% | 2005 | 39,350 | (C) | 8.42% |
| 2004 | 231,760 | (A) | 6.89% | 2004 | 36,294 | (B) | 2.53% |
| 2003 | 216,826 | (A) | 5.45% | 2003 | 35,398 | (B) | 8.92% |
| 2002 | 205,610 | (A) | 5.30% | 2002 | 32,500 | (B) | 6.36% |
| 2001 | 195,265 | (A) | 6.85% | 2001 | 30,558 | (B) | 6.88% |
| 2000 | 182,740 | | 67.75% | 2000 | 28,590 | | 61.94% |
| 1990 | 108,936 | | 32.81% | 1990 | 17,655 | | 46.44% |
| 1980 | 82,027 | | 50.42% | 1980 | 12,056 | | 59.72% |
| 1970 | 54,532 | | 35.88% | 1970 | 7,548 | | -1.51% |
| 1960 | 40,132 | | 40.86% | 1960 | 7,664 | | 16.81% |
| 1950 | 28,491 | | 15.75% | 1950 | 6,561 | | 17.69% |
| 1940 | 24,614 | | 4.99% | 1940 | 5,575 | | 15.88% |
| 1930 | 23,444 | | -3.21% | 1930 | 4,811 | | 1.11% |
| 1920 | 24,222 | | - | 1920 | 4,758 | | - |

Source: U.S. Census Department (1920-2000);

(A) U.S. Census Bureau estimates.

(B) Population per estimate provided by Noblesville Planning Department.

(C) Per special census conducted in June 2005.

CITY OF NOBLESVILLE
Building Permits and Bank Deposits
Last Ten Years

| <u>Year</u> | <u>Number of Building Permits</u> | | | | <u>Total Estimated Property Value</u> | <u>Noblesville Bank Deposits (In Thousands)</u> |
|-------------|-----------------------------------|---------------------------------|-------------------|--------------|---------------------------------------|---|
| | <u>Residential Single-Family</u> | <u>Residential Multi-Family</u> | <u>Commercial</u> | <u>Total</u> | | |
| 2005 | 1161 | 194 | 24 | 1,379 | \$ 320,264,582 | \$ 478,018 |
| 2004 | 989 | 110 | 43 | 1,142 | 255,135,726 | 440,537 |
| 2003 | 731 | 388 | 27 | 1,146 | 204,397,649 | 422,765 |
| 2002 | 617 | 8 | 35 | 660 | 141,385,188 | 408,568 |
| 2001 | 800 | 12 | 18 | 830 | 172,387,666 | 375,499 |
| 2000 | 702 | 244 | 17 | 963 | 115,147,096 | 363,373 |
| 1999 | 666 | 8 | 23 | 697 | 104,603,444 | 343,655 |
| 1998 | 566 | 90 | 21 | 677 | 113,762,165 | 317,263 |
| 1997 | 389 | 5 | 14 | 408 | 65,672,571 | 285,048 |
| 1996 | 258 | 68 | 19 | 345 | 55,484,977 | 293,094 |

Source: Building permit data obtained from City Planning and Development Department.
Data on bank deposits obtained from FDIC Public Information Center.

CITY OF NOBLESVILLE
Principal Taxpayers and Employers
December 31, 2005

| Principal Taxpayers | Type of Business | 2004 pay 2005 True Tax Value | % of Total City True Tax Value |
|--|-------------------------------|------------------------------------|--------------------------------------|
| 1. Deer Creek Amphitheater Concerts | Amphitheater | \$ 19,086,100 | 0.99% |
| 2. Wayne R. Nelson Associates | Residential apartment complex | 13,198,200 | 0.69% |
| 3. Pedcor Property Acquisition I LLC | Real Estate | 12,762,500 | 0.66% |
| 4. RG Indiana LLC | Real Estate | 12,083,700 | 0.63% |
| 5. Meijer Stores LP | Superstore | 10,712,300 | 0.56% |
| 6. Inland Southeast Stony Creek LLC | Real Estate | 10,432,400 | 0.54% |
| 7. Village of Pebblebrook Apartments | Apartments | 9,698,800 | 0.51% |
| 8. River's Edge Apts. An Indiana Partnership | Residential apartment complex | 8,159,300 | 0.42% |
| 9. B. Marsh LLC | Grocer | 7,367,500 | 0.38% |
| 10. Troy Cmbs Property LLC | Real Estate | 6,295,300 | 0.33% |
| Total of Top Ten Taxpayers | | <u>\$ 109,796,100</u> | <u>5.71%</u> |

| Principal Employers | Type of Business | Employees |
|-----------------------------------|--|--------------|
| 1. Riverview Hospital | Acute Health Care Facility | 1,284 (1) |
| 2. Noblesville School Corporation | Public Education | 1,050 (2) |
| 3. Hamilton County | County Government Services | 800 |
| 4. King Systems, Inc. | Mfg. anesthesia and disposable medical equip. | 500 |
| 5. Firestone Industrial Products | Mfg. air springs for suspension systems | 450 |
| 6. Bridgestone/Firestone | Mfg. of Air Springs | 400 |
| 7. King Systems | Mfg. of anesthesia and respiratory care products | 400 |
| 8. City of Noblesville | City government | 300 |
| 9. Industrial Dielectrics, Inc. | Electrical insulation components & materials | 200 |
| 10. Perfecto | Mfg. of aquariums | 175 |
| Total of Top Ten Employers | | <u>5,559</u> |

(1) Includes 699 full-time; 189 part-time and 396 PRN.

(2) Includes 700 full-time and 350 part-time.

Source: Principal taxpayer information was obtained from the Hamilton County Auditor. Principal employer information was obtained from Human Resource departments of employers.

NOBLESVILLE POLICE DEPARTMENT
Ten Year Statistics

| Year | Sworn Police Officers | Civilian Employees | Budget | Calls For Service | Reported Crimes |
|-------------|------------------------------|---------------------------|---------------|--------------------------|------------------------|
| 2005 | 66 | 10 | \$ 6,273,697 | 41,730 | 2,355 |
| 2004 | 66 | 14 | 5,763,280 | 37,558 | 5,280 |
| 2003 | 66 | 14 | 5,126,800 | 40,483 | 3,213 |
| 2002 | 63 | 14 | 4,955,252 | 39,793 | 2,235 |
| 2001 | 60 | 14 | 4,419,019 | 38,000 | 2,188 |
| 2000 | 60 | 13 | 4,054,869 | 35,893 | 2,180 |
| 1999 | 56 | 13 | 3,682,201 | 33,078 | 1,000 |
| 1998 | 50 | 13 | 3,013,480 | 29,661 | 738 |
| 1997 | 46 | 13 | 2,717,089 | 25,817 | 623 |
| 1996 | 40 | 13 | 2,149,575 | 22,993 | 786 |

NOBLESVILLE FIRE DEPARTMENT
Ten Year Statistics

| Year | Sworn Firefighters | Civilian Employees | Budget | EMS Runs | Fire Runs |
|-------------|-------------------------------|-------------------------------|---------------|-----------------|------------------|
| 2005 | 117 | 5 | \$ 8,437,129 | 2,638 | 1,018 |
| 2004 | 110 | 4 | 7,435,110 | 2,194 | 851 |
| 2003 | 85 | 3 | 7,424,261 | 1,890 | 1,139 |
| 2002 | 75 | 3 | 5,492,618 | 1,913 | 1,046 |
| 2001 | 72 | 3 | 4,784,400 | 1,730 | 1,070 |
| 2000 | 72 | 3 | 4,342,121 | 1,866 | 1,046 |
| 1999 | 67 | 3 | 3,713,833 | 1,779 | 993 |
| 1998 | 60 | 2 | 3,283,819 | 1,698 | 1,010 |
| 1997 | 50 | 2 | 2,926,204 | 1,694 | 965 |
| 1996 | 50 | 2 | 2,802,626 | 1,161 | 1,452 |