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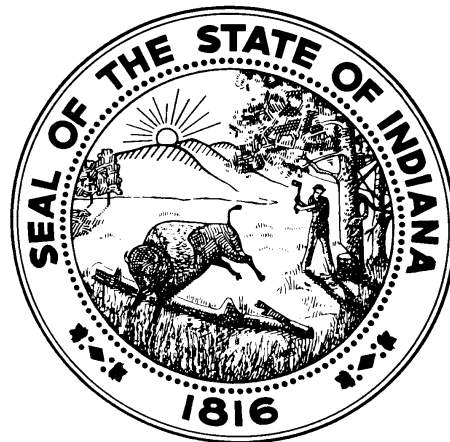
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2008

CITY OF COLUMBUS

BARTHOLOMEW COUNTY, INDIANA



**FILED**  
12/31/2009



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Brenda Sullivan	01-01-08 to 12-31-11
Mayor	Fred L. Armstrong	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Fred L. Armstrong	01-01-08 to 12-31-09
President of the Common Council	Martha Myers	01-01-08 to 12-31-09
Director of Utilities	Keith Reeves	01-01-08 to 12-31-09
Utility Business Manager	Dale Langferman	01-01-08 to 12-31-09
Airport Manager	Rod R. Blasdel	01-01-08 to 12-31-09



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

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbus (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In our opinion, the financial statements of the enterprise funds present fairly, in all material respects, the financial position of each major proprietary fund as of December 31, 2008, and the respective changes in financial position and cash flows, where applicable, thereof and for the year ended, in conformity with accounting principles generally accepted in the United States.

In accordance with Government Auditing Standards, we have also issued a report dated December 17, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

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

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

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

STATE BOARD OF ACCOUNTS

December 17, 2009



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

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Columbus (City), as of and for the year ended December 31, 2008, which collectively comprise the City's basic financial statements and have issued our report thereon dated December 17, 2009. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

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

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

STATE BOARD OF ACCOUNTS

December 17, 2009

## MANAGEMENT'S DISCUSSION AND ANALYSIS

### REPORTING THE CITY AS A WHOLE

#### Statement of Net Assets and Statement of Activities

The Statement of Net Assets and the Statement of Activities reflect how the City of Columbus did financially during 2008. These statements include all assets and liabilities using the accrual basis of accounting similar to that which is used by most private-sector companies. This basis of accounting considers all of the current year's revenues and expenses regardless of when cash is received or paid.

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

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

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

### REPORTING THE CITY'S MOST SIGNIFICANT FUNDS

#### Fund Financial Statements

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

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

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

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

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

**Government-Wide Financial Analysis**

Table 1 provides a summary of the City's net assets for 2008 compared to 2007.

**Table 1  
Net Assets**

	Governmental Activities		Business-Type Activities		Total	
	2008	2007	2008	2007	2008	2007
<b>Assets</b>						
Current Assets	4,199,660	4,806,430	13,726,488	14,014,476	17,926,148	18,820,906
Restricted Assets	17,796,793	22,812,891	19,508,893	29,071,478	37,305,686	51,884,369
Fixed Assets			116,621,072	93,783,325	116,621,072	93,783,325
Depreciation					-	-
Other Assets			393,463	386,069	393,463	386,069
<b>Total Assets</b>	<b>21,996,453</b>	<b>27,619,321</b>	<b>150,249,916</b>	<b>137,255,348</b>	<b>172,246,369</b>	<b>164,874,669</b>
<b>Liabilities</b>						
Current and Other Liabilities			3,969,429	4,211,261	3,969,429	4,211,261
Long-Term Debt			37,243,710	33,249,150	37,243,710	33,249,150
Other Liabilities					-	-
Equity/Retained Earnings					-	-
<b>Total Liabilities</b>	<b>-</b>	<b>-</b>	<b>41,213,139</b>	<b>37,460,411</b>	<b>41,213,139</b>	<b>37,460,411</b>
<b>Total Net Assets</b>	<b>21,996,453</b>	<b>27,619,321</b>	<b>109,036,777</b>	<b>99,794,937</b>	<b>131,033,230</b>	<b>127,414,258</b>
<b>Net Assets</b>						
Invested in Capital Assets, Net of related debt			76,172,609	57,348,737	76,172,609	57,348,737
Restricted	17,796,793	22,812,891	19,293,649	28,860,411	37,090,442	51,673,302
Unrestricted	4,199,660	4,806,430	13,570,519	13,585,789	17,770,179	18,392,219
<b>Total Net Assets</b>	<b>21,996,453</b>	<b>27,619,321</b>	<b>109,036,777</b>	<b>99,794,937</b>	<b>131,033,230</b>	<b>127,414,258</b>

Table 2 reflects the changes in net assets for 2008 with a comparison to 2007 net assets. This is a comparative analysis of government-wide data to compare the changes in each category of revenues and disbursements.

**Table 2**  
**Changes in Net Assets**

Table 2 reflects the changes in net assets for 2008 compared to 2007

	Governmental	Business-Type	Governmental	Business-Type	Total	
	Activities	Activities	Activities	Activities	2008	2007
	2008	2008	2007	2007		
<b>Receipts</b>						
<b>Program Receipts</b>						
Charges For Services	1,414,548	14,679,250	2,768,236	12,668,672	16,093,798	15,436,908
Operating Grants and Contributions	1,349,020		4,047,631		1,349,020	4,047,631
Capital Grants and Contributions	3,410,841	3,566,699	2,118,100		6,977,540	2,118,100
<b>Total Program Receipts</b>	<b>6,174,409</b>	<b>18,245,949</b>	<b>8,933,967</b>	<b>12,668,672</b>	<b>24,420,358</b>	<b>21,602,639</b>
<b>General Receipts</b>						
Property Taxes	25,149,017		21,610,193		25,149,017	21,610,193
Other Local Sources	18,158,952	228,236	18,699,955	3,563,951	18,387,188	22,263,906
Other Revenues	19,963,046	6,800,143	13,539,602	4,371,095	26,763,189	17,910,697
<b>Total General Receipts</b>	<b>63,271,015</b>	<b>7,028,379</b>	<b>53,849,750</b>	<b>7,935,046</b>	<b>70,299,394</b>	<b>61,784,796</b>
<b>Total Receipts</b>	<b>69,445,424</b>	<b>25,274,328</b>	<b>62,783,717</b>	<b>20,603,718</b>	<b>94,719,752</b>	<b>83,387,435</b>
Transfers	21,218	(21,218)	(2,174)	(16,310)	-	(18,484)
<b>Total Receipts and Transfers</b>	<b>69,466,642</b>	<b>25,253,110</b>	<b>62,781,543</b>	<b>20,587,408</b>	<b>94,719,752</b>	<b>83,368,951</b>
<b>Program Disbursements</b>						
General Government	24,572,025		18,445,556		24,572,025	18,445,556
Public Safety	15,113,357		17,014,385		15,113,357	17,014,385
Highway and streets	15,867,826		7,207,011		15,867,826	7,207,011
Sanitation	4,357,317		2,196,489		4,357,317	2,196,489
Health and Welfare	558,465		422,432		558,465	422,432
Economic Development	-		2,694,993		-	2,694,993
Culture and recreation	6,181,153		7,478,576		6,181,153	7,478,576
Urban redevelopment and housing	1,168,293		-		1,168,293	-
Principal and interest on indebtedness	7,271,074		1,369,831		7,271,074	1,369,831
Water		26,433,353		4,302,182	26,433,353	4,302,182
Wastewater		7,426,034		5,780,983	7,426,034	5,780,983
Aviation		1,103,263		1,307,594	1,103,263	1,307,594
<b>Total Disbursements</b>	<b>75,089,510</b>	<b>34,962,650</b>	<b>56,829,273</b>	<b>11,390,759</b>	<b>110,052,160</b>	<b>68,220,032</b>
<b>Increase in Cash Net Assets</b>	<b>(5,622,868)</b>	<b>(9,709,540)</b>	<b>5,952,270</b>	<b>9,196,649</b>	<b>(15,332,408)</b>	<b>15,148,919</b>
<b>Beginning Cash Net Assets</b>	<b>27,619,321</b>	<b>41,579,682</b>	<b>21,667,051</b>	<b>90,598,288</b>	<b>69,199,003</b>	<b>112,265,339</b>
<b>Ending Cash Net Assets</b>	<b>21,996,453</b>	<b>31,870,142</b>	<b>27,619,321</b>	<b>99,794,937</b>	<b>53,866,595</b>	<b>127,414,258</b>

The major program expenses for governmental activities are for general government, which accounts for the largest amount of all governmental expenses. Public Safety is another area which accounts for a higher percentage of total disbursements. These two programs are funded almost entirely from property taxes, CAGIT revenues, and State shared revenues.

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

Table 3, indicates the total cost of services and the net cost of services for governmental activities. The statement of activities reflects the cost of program services and the charges for services, grants, and contributions offsetting those services. The net cost of services identifies the cost of those services supported by tax revenues and unrestricted intergovernmental revenues. A comparison is provided to show changes from 2007 to 2008.

**Table 3  
Governmental Activities**

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

	<b>Total Cost of Services 2008</b>	<b>Net Cost of Services 2008</b>	<b>Total Cost of Services 2007</b>	<b>Net Cost of Services 2007</b>
<b>Program Disbursements</b>				
General Government	24,572,025	22,310,725	18,445,556	15,496,623
Public Safety	15,113,357	14,841,404	17,014,385	16,969,037
Highway and streets	15,867,826	14,073,871	7,207,011	4,771,643
Sanitation	4,357,317	3,934,099	2,196,489	1,936,172
Health and Welfare	558,465	558,465	422,432	370,103
Economic Development	-	-	2,694,993	1,601,410
Urban redevelopment and housing	1,168,293	633,722	-	-
Culture and recreation	6,181,153	5,291,741	7,478,576	5,380,488
Principial & Int Long Term	7,271,074	7,271,074	1,369,831	1,369,831
<b>Total Disbursements</b>	<b>75,089,510</b>	<b>68,915,101</b>	<b>56,829,273</b>	<b>47,895,307</b>

It should be noted that for all governmental activities, the largest percentage of the revenues to provide these services are derived from the City's general revenues: that being primarily property taxes, CAGIT monies, and state shared revenues.

**BUSINESS-TYPE ACTIVITIES FINANCIAL ANALYSIS**

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

The revenues generated by the utilities division is primarily based on the amount of water the residents use. They are billed based on the quantity they use for both water and sewer. Customers not using the city water supply get billed a flat rate for sewage treatment. Our customer base is primarily residential within the city limits of Columbus. However, we do have an industrial base and do bill a couple rural utilities under a negotiated contract.

**BUDGETARY HIGHLIGHTS**

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

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

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

## CURRENT ISSUES

Columbus City Utilities has a number of major factors in 2008 that had an impact on the financial statements. They included a rate increase, and new debt relating to the new wastewater treatment plant.

### Operational Statistics

Revenues for 2008	\$13,995,500
Operating Cash Change (\$11,791,944)	
Change in net plant value	\$26,502,776

We continued to work on capital projects that began in 2008. This resulted in a decrease in cash and an increase in net fixed assets.

### New Debt

New debt of \$5,670,000 was acquired through SRF to build a new lift station and force main on the south side.

### Future Outlook

At the beginning of 2009, we acquired the assets of Eastern Bartholomew Regional Sewer District. This acquisition added 480 customers and will be revenue neutral to the Utility.

At mid-year of 2009, we put into effect a 55% sewer rate increase to help pay for a new wastewater treatment plant that will be funded by a \$51,000,000 SRF loan. The interest rate on this loan was reduced by a \$4,000,000 grant from the 2009 Recovery Act.

The Clerk Treasurer's office continues to be current on all bank reconciliation on all funds. The year 2008 presented quite a financial struggle again due to the fact that tax billings were again delayed. The city procured a loan from the Indiana Bond Bank to assist in the cash flow problem. In addition, the city was able to do inter-funding borrowing within the city funds. All loans were repaid by December 31, 2008. The 2008 year was closed timely and the Clerk Treasurer was able to account for all monies.

The Clerk Treasurer made the decision in October, 2008 to move all payrolls to a bi-weekly pay cycle and to make direct deposit mandatory for all employees. City employees were informed by letter in mid-October. Meetings at different locations were held to inform employees. Starting January 1, 2009 all payroll went direct deposit and bi-weekly.

The city of Columbus opened a fire station at the Columbus Municipal Airport. This fire station replaced Fire Station Number 2 located on Central Avenue. The location of the fire station was a necessary step for compliance with FAA regulations for the Columbus Municipal Airport.

Columbus City Council committed \$9,000,000 for the construction of the Commons in downtown Columbus. A fund drive has begun to launch an effort to raise the remaining portion of money needed to complete the Commons. All monies have been secured for the project. It is a partnership of private and city funds.

Hotel Indigo, a new downtown hotel, opened in downtown Columbus along with the new Jackson Street Parking Garage. Two new restaurants also located on the first floor of the Jackson Street Parking Garage opened making it retail on the bottom of the structure and parking above.

In June, 2008 the city of Columbus experienced a disaster like none other. The city sustained a terrible flood affecting many homes and businesses. City employees worked many hours to assist in the debris removal from the residences. Along with all of this, many other cities sent trucks and workers to assist. FEMA came to the rescue and helped residences as well as making an effort to help the city recover monetary damages. The recovery for the city of Columbus has been an ongoing endeavor.

The city of Columbus has received \$530,598 for a Community Development Block Grant to assist with buyouts of the flood-damaged homes in Pleasant Grove neighborhood.

The city of Columbus built a Roundabout on Jackson Street. It opened on September 17, 2008. The entrance to the city has totally been redesigned in conjunction with the Roundabout.

The city experienced a reduced revenue stream and has taken action in order to come up with a balanced budget. The city reduced its budget and began looking at ways to become a more lean community. One thing being considered is imposing a sanitation fee for trash pick-up.

The city of Columbus continues to be financially sound even in the midst of a recession. The city saw the problems and took swift steps to avoid cash flow issues. The city has worked hard to bring expenses back in line with revenues in order to avoid a cash shortfall. As it stands at the year-end for 2008, tools have been put into place to see there are no city services compromised for the citizens of this city.

### **REQUEST FOR INFORMATION**

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

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

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		Totals
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	
Governmental activities:							
General government	\$ 24,572,025	\$ 423,699	\$ 788,624	\$ 1,048,977	\$ (22,310,725)	\$ -	\$ (22,310,725)
Public safety	15,113,357	90,128	25,825	156,000	(14,841,404)	-	(14,841,404)
Highways and streets	15,867,826	11,234	-	1,782,721	(14,073,871)	-	(14,073,871)
Sanitation	4,357,317	75	-	423,143	(3,934,099)	-	(3,934,099)
Health and welfare	558,465	-	-	-	(558,465)	-	(558,465)
Culture and recreation	6,181,153	889,412	-	-	(5,291,741)	-	(5,291,741)
Urban redevelopment and housing	1,168,293	-	534,571	-	(633,722)	-	(633,722)
Principal and interest on indebtedness	7,271,074	-	-	-	(7,271,074)	-	(7,271,074)
Total governmental activities	75,089,510	1,414,548	1,349,020	3,410,841	(68,915,101)	-	(68,915,101)
Business-type activities:							
Wastewater Utility	26,433,353	8,521,259	-	1,085,999	-	(16,826,095)	(16,826,095)
Water Utility	7,426,034	4,819,963	-	-	-	(2,606,071)	(2,606,071)
Aviation Commission	1,103,263	1,338,028	-	2,480,700	-	2,715,465	2,715,465
Total business-type activities	34,962,650	14,679,250	-	3,566,699	-	(16,716,701)	(16,716,701)
Total primary government	\$ 110,052,160	\$ 16,093,798	\$ 1,349,020	\$ 6,977,540	(68,915,101)	(16,716,701)	(85,631,802)
General receipts:							
Property taxes					25,149,017	-	25,149,017
Income taxes					7,480,793	-	7,480,793
Intergovernmental					5,846,203	-	5,846,203
Other local sources					18,158,952	228,236	18,387,188
Net proceeds from borrowings					6,186,493	5,670,000	11,856,493
Investment earnings					449,557	1,130,143	1,579,700
Transfers					21,218	(21,218)	-
Total general receipts and transfers					63,292,233	7,007,161	70,299,394
Change in net assets					(5,622,868)	(9,709,540)	(15,332,408)
Net assets - beginning					27,619,321	41,579,682	69,199,003
Net assets - ending					\$ 21,996,453	\$ 31,870,142	\$ 53,866,595
Assets							
Cash and investments					4,199,660	12,385,229	16,584,889
Restricted assets:							
Cash and investments					17,666,004	19,484,913	37,150,917
Cash with fiscal agent					130,789	-	130,789
Total assets					\$ 21,996,453	\$ 31,870,142	\$ 53,866,595
Net Assets							
Restricted for:							
General government					1,210,799	-	1,210,799
Public safety					304,717	-	304,717
Highways and streets					3,211,867	-	3,211,867
Culture and recreation					1,712,322	-	1,712,322
Urban redevelopment and housing					568,300	-	568,300
Debt service					774,878	2,454,773	3,229,651
Capital outlay					6,675,466	16,815,038	23,490,504
Other purposes					3,338,444	215,102	3,553,546
Unrestricted					4,199,660	12,385,229	16,584,889
Total net assets					\$ 21,996,453	\$ 31,870,142	\$ 53,866,595

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

CITY OF COLUMBUS  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2008

	General	Thoroughfare	Parking Garage	Park and Recreation General	Other Governmental Funds	Totals
<b>Receipts:</b>						
Taxes	15,875,510	1,054,527	-	4,824,280	4,093,126	\$ 25,847,443
Licenses and permits	126,086	-	-	-	17,370	143,456
Intergovernmental	10,627,250	1,879,824	-	594,065	2,948,328	16,049,467
Charges for services	159,719	-	-	139,621	386,848	686,188
Fines and forfeits	82,973	-	-	-	501,931	584,904
Other	2,521,526	-	203,370	27,406	5,538,100	8,290,402
<b>Total receipts</b>	<b>29,393,064</b>	<b>2,934,351</b>	<b>203,370</b>	<b>5,585,372</b>	<b>13,485,703</b>	<b>51,601,860</b>
<b>Disbursements:</b>						
General government	7,599,155	-	-	-	267,961	7,867,116
Public safety	14,550,194	-	-	-	123,351	14,673,545
Highways and streets	2,664,212	3,947,834	-	-	1,718,545	8,330,591
Sanitation	1,710,717	-	-	-	-	1,710,717
Health and welfare	556,032	-	-	-	-	556,032
Culture and recreation	-	-	-	4,402,060	1,704,451	6,106,511
Urban redevelopment and housing	114,471	-	-	-	606,485	720,956
Debt service:						
Principal	5,409,914	-	-	357,092	1,240,000	7,007,006
Interest	51,700	-	-	888	211,480	264,068
Capital outlay:						
General government	1,083,611	-	-	-	3,480,288	4,563,899
Public safety	45,771	-	-	-	394,041	439,812
Highways and streets	20,067	-	7,446,270	-	70,898	7,537,235
Sanitation	303,532	-	-	-	2,343,068	2,646,600
Health and welfare	2,433	-	-	-	-	2,433
Culture and recreation	-	-	-	74,642	-	74,642
Urban redevelopment and housing	-	-	-	-	447,337	447,337
<b>Total disbursements</b>	<b>34,111,809</b>	<b>3,947,834</b>	<b>7,446,270</b>	<b>4,834,682</b>	<b>12,607,905</b>	<b>62,948,500</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(4,718,745)</b>	<b>(1,013,483)</b>	<b>(7,242,900)</b>	<b>750,690</b>	<b>877,798</b>	<b>(11,346,640)</b>
<b>Other financing sources (uses):</b>						
Net proceeds from borrowings	5,186,493	-	-	-	1,000,000	6,186,493
Transfers in	-	-	-	-	2,575,405	2,575,405
Transfers out	(2,068,276)	-	-	(20,666)	(1,141,928)	(3,230,870)
Interfund loans	5,850,000	(2,000,000)	1,400,000	-	(1,500,000)	3,750,000
Interfund loan repayments	(5,850,000)	2,000,000	(1,400,000)	-	1,500,000	(3,750,000)
Other receipts	-	-	-	-	64,941	64,941
<b>Total other financing sources (uses)</b>	<b>3,118,217</b>	<b>-</b>	<b>-</b>	<b>(20,666)</b>	<b>2,498,418</b>	<b>5,595,969</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(1,600,528)</b>	<b>(1,013,483)</b>	<b>(7,242,900)</b>	<b>730,024</b>	<b>3,376,216</b>	<b>(5,750,671)</b>
<b>Cash and investment fund balance - beginning</b>	<b>3,808,823</b>	<b>3,312,415</b>	<b>7,336,536</b>	<b>666,895</b>	<b>9,284,011</b>	<b>24,408,680</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 2,208,295</b>	<b>\$ 2,298,932</b>	<b>\$ 93,636</b>	<b>\$ 1,396,919</b>	<b>\$ 12,660,227</b>	<b>18,658,009</b>
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						3,338,444
<b>Net assets of governmental activities</b>						<b>\$ 21,996,453</b>
<b>Cash and Investment Assets - Ending</b>						
Cash and investments	\$ 2,208,295	\$ -	\$ -	\$ -	\$ 1,991,365	\$ 4,199,660
Restricted assets:						
Cash and investments	-	2,298,932	93,636	1,396,919	10,668,862	14,458,349
<b>Total cash and investment assets - ending</b>	<b>\$ 2,208,295</b>	<b>\$ 2,298,932</b>	<b>\$ 93,636</b>	<b>\$ 1,396,919</b>	<b>\$ 12,660,227</b>	<b>\$ 18,658,009</b>
<b>Cash and Investment Fund Balance - Ending</b>						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ 1,210,799	\$ 1,210,799
Public safety	-	-	-	-	304,717	304,717
Highways and streets	-	2,298,932	-	-	912,935	3,211,867
Culture and recreation	-	-	-	1,396,919	315,403	1,712,322
Urban redevelopment and housing	-	-	-	-	568,300	568,300
Debt service	-	-	-	-	774,878	774,878
Capital outlay	-	-	93,636	-	6,581,830	6,675,466
Unrestricted	2,208,295	-	-	-	1,991,365	4,199,660
<b>Total cash and investment fund balance - ending</b>	<b>\$ 2,208,295</b>	<b>\$ 2,298,932</b>	<b>\$ 93,636</b>	<b>\$ 1,396,919</b>	<b>\$ 12,660,227</b>	<b>\$ 18,658,009</b>

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

CITY OF COLUMBUS  
WATER UTILITY, WASTEWATER UTILITY, AND AVIATION COMMISSION  
STATEMENT OF NET ASSETS  
December 31, 2008

<u>Assets</u>	2008		
	Water	Wastewater	Aviation
<b>Current assets:</b>			
Cash and cash equivalents	\$ 328,793	\$ 741,283	\$ 1,215,153
Investments	5,400,000	4,700,000	-
Interest receivable	29,368	23,566	-
Accounts receivable (net of allowance)	340,461	578,448	5,059
Notes receivable	1,904	-	-
Inventories	141,457	65,181	-
Prepaid items	69,621	65,027	21,167
<b>Total current assets</b>	<b>6,311,604</b>	<b>6,173,505</b>	<b>1,241,379</b>
<b>Noncurrent assets:</b>			
<b>Restricted cash, cash equivalents and investments:</b>			
Depreciation cash and cash equivalents	1,351,275	1,798,053	-
Depreciation investments	700,000	-	-
Bond and interest cash and cash equivalents	99,796	394,186	-
Bond and interest investments	467,963	1,037,129	-
Bond reserve cash and cash equivalents	-	32,095	-
Bond reserve investments	-	423,604	-
Customer deposits cash and cash equivalents	5,180	5,922	-
Customer deposits investments	80,000	124,000	-
SRF #1 construction cash and cash equivalents	-	7,756,020	-
SRF #2 construction cash and cash equivalents	-	3,142,500	-
SRF #2 investments	-	2,000,000	-
FAA grant cash and cash equivalents	-	-	67,190
Interest receivable	9,685	14,295	-
<b>Total restricted assets:</b>	<b>2,713,899</b>	<b>16,727,804</b>	<b>67,190</b>
Deferred charges	70,013	323,450	-
<b>Capital assets:</b>			
Land, improvements to land and construction in progress	1,935,236	8,539,311	4,573,960
Other capital assets (net of accumulated depreciation)	31,801,877	56,709,734	13,060,954
<b>Total capital assets</b>	<b>33,737,113</b>	<b>65,249,045</b>	<b>17,634,914</b>
<b>Total noncurrent assets</b>	<b>36,521,025</b>	<b>82,300,299</b>	<b>17,702,104</b>
<b>Total assets</b>	<b>42,832,629</b>	<b>88,473,804</b>	<b>18,943,483</b>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Accounts payable	68,298	127,261	13,952
Accrued wages payable	43,530	44,397	6,156
Taxes payable	15,091	-	-
Compensated absences	17,443	27,881	-
Deferred revenue	-	-	185,565
<b>Current liabilities payable from restricted assets:</b>			
Contracts payable	-	819,939	184,434
Customer deposits	85,180	129,922	-
Revenue bonds payable	605,000	845,000	-
Loans payable	-	274,000	-
Accrued interest payable	50,025	426,355	-
<b>Total current liabilities</b>	<b>884,567</b>	<b>2,694,755</b>	<b>390,107</b>
<b>Noncurrent liabilities:</b>			
Revenue bonds payable (net of unamortized premiums and deferred amount on refunding)	2,614,595	1,726,398	-
Loans payable	-	32,902,717	-
<b>Total noncurrent liabilities</b>	<b>2,614,595</b>	<b>34,629,115</b>	<b>-</b>
<b>Total liabilities</b>	<b>3,499,162</b>	<b>37,323,870</b>	<b>390,107</b>
<b>Net Assets</b>			
Invested in capital assets, net of related debt	30,467,493	28,254,636	17,450,480
Restricted for debt service	573,162	1,898,809	-
Restricted for depreciation	2,055,501	1,800,387	-
Restricted for SRF construction	-	12,898,600	-
Restricted for federal grant requirements	-	-	67,190
Unrestricted	6,237,311	6,297,502	1,035,706
<b>Total net assets</b>	<b>\$ 39,333,467</b>	<b>\$ 51,149,934</b>	<b>\$ 18,553,376</b>

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

CITY OF COLUMBUS  
WATER UTILITY, WASTEWATER UTILITY, AND AVIATION COMMISSION  
STATEMENT OF REVENUES, EXPENSES AND OTHER CHANGES IN FUND NET ASSETS  
As Of And For The Year Ended December 31, 2008

	2008		
	Water	Wastewater	Aviation
Operating revenues:			
Flat rate revenues	\$ -	\$ 186,164	\$ -
Metered revenue:			
Residential	2,813,955	5,274,672	-
Commercial	427,655	846,308	-
Industrial	674,624	1,345,687	-
Fire protection revenue	706,354	-	-
Penalties	20,429	93,170	-
Airport operating revenue	-	-	99,987
Farming	-	-	619,856
Rental	-	-	541,958
Other	86,220	177,081	81,380
<b>Total operating revenues</b>	<b>4,729,237</b>	<b>7,923,082</b>	<b>1,343,181</b>
Operating expenses:			
Source of supply and expense/collection system expense -			
Operations and maintenance			
Salaries and wages	164,707	89,970	-
Employee pensions and benefits	12,155	6,580	-
Materials and supplies	10,492	11,535	-
Transportation expense	-	39,257	-
Treatment and disposal expense-operations and maintenance			
Salaries and wages	337,078	790,406	-
Employee pensions and benefits	25,036	57,429	-
Purchase power	411,684	318,975	-
Chemicals	80,288	30,428	-
Materials and supplies	188,713	90,402	-
Contractual services	-	362,968	-
Transportation expense	20,383	22,799	-
Other	17,146	17,809	-
Transmission and distribution/pumping expense -			
Operations and maintenance			
Salaries and wages	548,227	390,802	-
Employee pensions and benefits	39,951	28,265	-
Chemicals	9,072	17,256	-
Materials and supplies	206,564	324,761	-
Transportation expense	51,590	13,368	-
Purchase power	31,227	83,399	-
Other	7,850	20,120	-
Customer accounts expense			
Salaries and wages	85,313	58,597	-
Employee pensions and benefits	6,313	4,306	-
Materials and supplies	15,453	9,872	-
Contractual services	18,343	21,318	-
Bad debt expense	5,844	-	-
Administrative and general expense			
Salaries and wages	242,654	260,392	330,013
Employee pensions and benefits	410,756	456,928	-
Materials and supplies	67,816	36,916	64,240
Contractual services	197,056	133,429	401,877
Purchase power	15,989	60,524	-
Transportation expense	234	111	-
Depreciation and amortization	755,934	953,673	505,463
Other	227,289	226,924	71,806
<b>Total operating expenses</b>	<b>4,211,157</b>	<b>4,939,519</b>	<b>1,373,399</b>
<b>Operating income (loss)</b>	<b>518,080</b>	<b>2,983,563</b>	<b>(30,218)</b>
Nonoperating revenues (expenses):			
Interest and investment revenue	314,462	752,961	24,353
Rent	85,200	261,356	-
Gain/(loss) on disposal of capital assets	(17,763)	(10,060)	(9,930)
Interest expense	(150,575)	(566,201)	-
Amortization of bond issue costs	(16,803)	(36,162)	-
<b>Total nonoperating revenues (expenses)</b>	<b>214,521</b>	<b>401,894</b>	<b>14,423</b>
<b>Income (loss) before contributions and transfers</b>	<b>732,601</b>	<b>3,385,457</b>	<b>(15,795)</b>
Capital contributions	764,361	1,609,508	2,452,501
Transfers out	-	-	(21,218)
<b>Change in net assets</b>	<b>1,496,962</b>	<b>4,994,965</b>	<b>2,415,488</b>
<b>Total net assets - beginning</b>	<b>37,836,505</b>	<b>46,154,969</b>	<b>16,137,888</b>
<b>Total net assets - ending</b>	<b>\$ 39,333,467</b>	<b>\$ 51,149,934</b>	<b>\$ 18,553,376</b>

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

CITY OF COLUMBUS  
WATER UTILITY, WASTEWATER UTILITY, AND AVIATION COMMISSION  
STATEMENT OF CASH FLOWS  
ENTERPRISE FUNDS  
As Of And For The Year Ended December 31, 2008

	2008		
	Water	Wastewater	Aviation
Cash flows from operating activities:			
Receipts from customers and users	\$ 4,728,081	\$ 7,931,678	\$ 1,338,028
Payments to suppliers and contractors	(1,627,438)	(2,087,666)	(707,872)
Payments to employees	(1,854,732)	(1,825,594)	(326,502)
Other receipts	91,882	589,581	-
Net cash provided by operating activities	<u>1,337,793</u>	<u>4,607,999</u>	<u>303,654</u>
Cash flows from non capital activities:			
Transfer to other funds	-	-	(21,218)
Cash flows from capital and related financing activities:			
Proceeds from capital debt	-	5,670,000	-
Acquisition and construction of capital assets	(3,764,512)	(17,428,411)	(68,890)
Principal paid on capital debt	(45,000)	(1,077,000)	-
Interest paid on capital debt	(134,352)	(1,193,225)	-
Net cash used by capital and related financing activities	<u>(3,943,864)</u>	<u>(14,028,636)</u>	<u>(68,890)</u>
Cash flows from investing activities:			
Net proceeds from sales and maturities of investments	3,106,096	17,497,818	-
Interest received	352,829	752,961	24,353
Net cash provided by investing activities	<u>3,458,925</u>	<u>18,250,779</u>	<u>24,353</u>
Net increase in cash and cash equivalents	852,854	8,830,142	237,899
Cash and cash equivalents, January 1	<u>932,190</u>	<u>5,039,917</u>	<u>1,044,444</u>
Cash and cash equivalents, December 31	<u>\$ 1,785,044</u>	<u>\$ 13,870,059</u>	<u>\$ 1,282,343</u>
Reconciliation of operating income to net cash provided by operating activities			
Operating income	\$ 518,080	\$ 2,983,563	\$ (30,218)
Adjustments to reconcile operating income to net cash provided by operating activities			
Depreciation expense	755,934	953,673	505,463
(Increase) decrease in assets:			
Accounts receivable	(380)	7,219	(5,153)
Notes receivable	(776)	1,377	-
Inventories	(42,664)	(5,844)	-
Prepaid items	(6,394)	(6,779)	(5,565)
Misc. nonoperating income	91,401	589,581	-
Increase in liabilities:			
Accounts payable	4,056	63,972	(74,677)
Contracts payable	-	-	(89,708)
Wages payable	10,630	5,182	3,512
Taxes payable	481	-	-
Compensated absence payable	6,828	11,395	-
Customer deposits	597	4,660	-
Total adjustments	<u>819,713</u>	<u>1,624,436</u>	<u>333,872</u>
Net cash provided by operating activities	<u>\$ 1,337,793</u>	<u>\$ 4,607,999</u>	<u>\$ 303,654</u>
Noncash investing, capital and financing activities:			
Contributions of capital assets from developers	<u>\$ 764,361</u>	<u>\$ 1,609,508</u>	<u>\$ -</u>

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

CITY OF COLUMBUS  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As Of And For The Year Ended December 31, 2008

	<u>Internal Service Funds</u>
Operating receipts:	
Insurance proceeds	\$ 10,735,191
Other	346,990
Total operating receipts	<u>11,082,181</u>
Operating disbursements:	
Insurance disbursements	<u>12,141,010</u>
Deficiency of operating receipts over operating disbursements	(1,058,829)
Other financing sources (uses):	
Transfers in	1,186,632
Interfund loans	(1,000,000)
Interfund loan repayments	<u>1,000,000</u>
Total other financing sources (uses)	<u>1,186,632</u>
Excess of receipts and other financing sources over disbursements and other financing uses	127,803
Cash and investment fund balance - beginning	<u>3,210,641</u>
Cash and investment fund balance - ending	<u><u>\$ 3,338,444</u></u>
<u>Cash and Investment Assets - December 31</u>	
Restricted assets:	
Cash and investments	\$ 3,207,655
Cash with fiscal agent	<u>130,789</u>
Total cash and investment assets - December 31	<u><u>\$ 3,338,444</u></u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	<u><u>\$ 3,338,444</u></u>

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

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

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Taxes	\$ 1,225,950	
State	168,798	
Interfund loan repayments	2,750,000	
Total contributions	4,144,748	
Agency fund additions	-	
Total additions	4,144,748	
Deductions:		
Benefits	2,216,593	
Administrative expenses	4,800	
Interfund loans	2,750,000	
Transfer out	509,949	
Agency fund deductions	-	
Total deductions	5,481,342	
Excess of total additions over total deductions	(1,336,594)	
Cash and investment fund balance - beginning	3,973,471	
Cash and investment fund balance - ending	\$ 2,636,877	\$ 156,645

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

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

Primary Government: City of Columbus

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

Governmental, Internal Service, and Fiduciary Funds

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

Enterprise Funds

The City has three business-type activity funds that report on the full accrual basis of accounting, the Columbus Water Utility, the Columbus Wastewater Utility, and the Columbus Aviation Commission. These business-type activity financial statements consist of the Statement of Net Assets; Statement of Revenues, Expenses, and Changes in Fund Net Assets; and the Statement of Cash Flows.

The City reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

The parking garage fund is a capital projects type fund used for the construction of a parking garage.

The City reports the following major proprietary funds:

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

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

The aviation fund accounts for the operation of the airport.

Additionally, the City reports the following fund types:

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

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

Agency funds account for assets held by the City as an agent for employees and serves as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund (internal service funds), and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The accounts of the Water Utility, Wastewater Utility, and Aviation Commission are maintained and the financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recognized when incurred.

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

The Utilities and Commission distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

D. Assets, Liabilities, Cash and Investment Balances, and Net Assets or Equity

1. Cash and Investments

a. Governmental, Internal Service, and Fiduciary Funds

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

b. Enterprise Funds (Water Utility, Wastewater Utility, and Aviation Commission)

The Utilities and Commission 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.

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the City in June and in December. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were not distributed to the City on or prior to December 31 of the year collected. The County did not perform the fall settlement until February of 2009.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

3. Capital Assets

Governmental, Internal Service, and Fiduciary Funds

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

Enterprise Funds (Water Utility, Wastewater Utility, and Aviation Commission)

Capital assets, which include property, plant, and equipment, are reported in the 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 are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings and improvements	\$ 500	Straight-line	67 to 80 years
Improvements other than buildings	500	Straight-line	20 to 80 years
Machinery and equipment	500	Straight-line	5 to 20 years
Transportation	500	Straight-line	5 to 10 years

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 Utilities during the current year was \$1,309,002. Of the amount, \$592,226 was included as part of the cost of capital assets under construction.

4. Inventories and Prepaid Items – Water and Wastewater Utilities and Aviation Commission

All inventories are valued at cost using the first in/first out (FIFO) method. Inventories of business-type activity 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 the business-type activity financial statements.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. Restricted Assets - Water and Wastewater Utilities and Aviation Commission

Certain proceeds of the business-type activity 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 their use is limited by bond covenants.

6. Long-Term Debt

Governmental, Internal Service, and Fiduciary Funds

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

Enterprise Funds (Water Utility, Wastewater Utility, and Aviation Commission)

Long-term debt and other long-term obligations of the business-type activity funds are reported as liabilities in the 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 straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

7. Compensated Absences – Water and Wastewater Utilities and Aviation Commission

- a. Sick Leave – Employees of the Utilities earn sick leave at the rate of 6 days per year. Unused sick leave may be accumulated indefinitely. Accumulated sick leave is not paid to employees.
- b. Vacation Leave – Employees of the Utilities earn vacation leave at rates from 5 days to 25 days per year based upon the number of years of service. Vacation leave may be accumulated to a maximum of 10 days. Accumulated vacation leave is paid to employees through cash payments.
- c. Personal Leave – Employees of the Utilities earn personal leave at the rate of 2 days per year. Personal leave does not accumulate from year to year.

Vacation leave is accrued when incurred.

8. Equity Classification

Government-Wide Statements

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

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

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

- 1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
- 2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
- 3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

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

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. At December 31, 2008, the City had deposit balances in the amount of \$39,090,307.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the City to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the City's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Interfund Transfers

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

Transfer From	Transfer To	2008
General Fund	Other governmental funds	\$ 934,892
	Internal Service Fund	1,133,384
Park and Recreation General	Other governmental funds	1,458
	Internal Service Fund	19,208
Other governmental funds	Other governmental funds	1,129,106
	Internal Service Fund	12,822
All others	Other governmental funds	509,949
	Internal Service Fund	21,218
Total		<u>\$ 3,762,037</u>

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

C. Restatements and Reclassifications

For the year ended December 31, 2007, certain changes have been made to the financial statements to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances by opinion unit. New Funds represents the inclusion of existing funds which were not presented in the prior report.

Opinion Unit	Balance as Reported December 31, 2007	New Funds	Additions	Balance as Restated January 1, 2008
Business Type Activity - Water Utility	\$ -	\$ 10,686,249	\$ -	\$ 10,686,249
Business Type Activity - Wastewater Utility	-	29,848,989	-	29,848,989
Business Type Activity - Aviation Commission	-	1,044,444	-	1,044,444
Proprietary Fund - Water Net Assets	37,830,305	-	6,200	37,836,505
Proprietary Fund - Wastewater Net Assets	45,826,744	-	328,225	46,154,969

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Capital Assets

Capital asset activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Water Utility:				
Capital assets, not being depreciated:				
Land	\$ 237,523	\$ -	\$ -	\$ 237,523
Construction in progress	922,703	3,033,234	2,258,224	1,697,713
Capital assets, being depreciated:				
Buildings and structures	37,745,421	3,312,278	32,272	41,025,427
Machinery and equipment	2,122,366	373,302	105,414	2,390,254
Transportation equipment	354,897	30,187	16,915	368,169
Office equipment, furniture, and fixtures	705,068	38,695	8,684	735,079
Fully depreciated assets	558,721	53,689	6,553	605,857
Less accumulated depreciation for:				
Buildings and structures	(10,777,814)	(579,063)	(31,528)	(11,325,349)
Machinery and equipment	(896,965)	(52,435)	(41,330)	(908,070)
Transportation equipment	(152,170)	(35,488)	(16,915)	(170,743)
Office equipment, furniture, and fixtures	(279,092)	(35,259)	(1,461)	(312,890)
Fully depreciated assets	(558,721)	(53,689)	(6,553)	(605,857)
<b>Total water utility capital asset, net</b>	<b>29,981,937</b>	<b>6,085,451</b>	<b>2,330,275</b>	<b>33,737,113</b>
Wastewater Utility:				
Capital assets, not being depreciated:				
Land	1,536,704	-	440	1,536,264
Construction in progress	11,711,441	18,211,229	22,919,623	7,003,047
Capital assets, being depreciated:				
Buildings and structures	43,652,074	16,312,322	-	59,964,396
Machinery and equipment	6,048,901	6,383,368	48,757	12,383,512
Transportation equipment	494,694	21,363	-	516,057
Office equipment, furniture, and fixtures	367,850	35,437	182,581	220,706
Fully depreciated assets	486,730	191,721	23,816	654,635
Less accumulated depreciation for:				
Buildings and structures	(11,953,565)	(583,168)	-	(12,536,733)
Machinery and equipment	(3,194,134)	(111,027)	153,358	(3,458,519)
Transportation equipment	(248,711)	(49,469)	-	(298,180)
Office equipment, furniture, and fixtures	(242,782)	(18,288)	(179,565)	(81,505)
Fully depreciated assets	(486,730)	(191,721)	(23,816)	(654,635)
<b>Total wastewater utility capital asset, net</b>	<b>48,172,472</b>	<b>40,201,767</b>	<b>23,125,194</b>	<b>65,249,045</b>

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	Beginning Balance	Increases	Decreases	Ending Balance
Aviation:				
Capital assets, not being depreciated:				
Land	2,009,644	-	-	2,009,644
Construction in progress	2,472,195	2,362,441	2,270,320	2,564,316
Capital assets, being depreciated:				
Buildings and structures	3,314,890	85,000	-	3,399,890
Improvements other than buildings	16,705,716	2,298,404	-	19,004,120
Machinery and equipment	374,500	39,496	39,384	374,612
Transportation equipment	321,123	19,271	27,775	312,619
Less accumulated depreciation for:				
Buildings and structures	(2,283,607)	(71,358)	-	(2,354,965)
Improvements other than buildings	(6,927,583)	(367,085)	-	(7,294,668)
Machinery and equipment	(213,541)	(38,430)	(16,553)	(235,418)
Transportation equipment	(144,421)	(28,590)	(27,775)	(145,236)
 Total aviation capital asset, net	 <u>15,628,916</u>	 <u>4,299,149</u>	 <u>2,293,151</u>	 <u>17,634,914</u>
 Total business-type activity capital assets, net	 <u>\$ 93,783,325</u>	 <u>\$ 50,586,367</u>	 <u>\$ 27,748,620</u>	 <u>\$ 116,621,072</u>

Depreciation expense was charged to functions/programs of the Utilities and Commission as follows:

Water	\$ 755,934
Wastewater	953,673
Aviation Commission	<u>505,463</u>
Total depreciation expense	<u>\$ 2,215,070</u>

E. Construction Commitments

Construction work in progress is composed of the following:

Project	Total Project Authorized	Expended to December 31, 2008	Committed	Required Future Funding
Water Utility projects	\$ 1,697,713	\$ 1,697,713	\$ -	\$ -
Wastewater Utility projects	33,518,717	7,003,047	26,515,670	-
Aviation Commission projects	<u>2,564,316</u>	<u>2,564,316</u>	-	-
 Totals	 <u>\$ 37,780,746</u>	 <u>\$ 11,265,076</u>	 <u>26,515,670</u>	 <u>-</u>

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Long-Term Liabilities

1. Revenue Bonds

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

Purpose	Interest Rate	Amount
2005 Waterworks Refunding Revenue Bond	2.80% to 4.25%	\$ 3,290,000
2005 Sewage Works Refunding Revenue Bond	4.00%	<u>2,640,000</u>
Total		<u>\$ 5,930,000</u>

Revenue bonds debt service requirements to maturity are as follows:

Year Ended December 31	Water Utility		Wastewater Utility	
	Principal	Interest	Principal	Interest
2009	\$ 605,000	\$ 121,300	\$ 845,000	\$ 88,700
2010	625,000	96,700	880,000	54,200
2011	655,000	71,100	915,000	18,300
2012	685,000	44,300	-	-
2013	<u>720,000</u>	<u>15,300</u>	<u>-</u>	<u>-</u>
Totals	<u>\$ 3,290,000</u>	<u>\$ 348,700</u>	<u>\$ 2,640,000</u>	<u>\$ 161,200</u>

2. Notes and Loans Payable

Under the terms of the State Revolving Loan Fund, revenue bonds were purchased by the Indiana Bond Bank, the proceeds of which were used to finance the construction of the Royal View Sewer Improvement Project and the New Wastewater Treatment Plant. Funds were loaned to the Utility as construction costs accrued to the maximum allowed. The Royal View Sewer Improvement Project loan established a maximum draw of \$400,000; the Combined Sewer Overflow Project loan established a maximum draw of \$27,449,000; the Sewer Line Extension Project loan established a maximum draw of \$5,670,000. At the completion of construction, the outstanding principal balance of \$399,717, \$27,449,000, and \$5,670,000 was amortized over a period of 21 years. Annual debt service requirements to maturity for these loans are as follows:

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Year Ended December 31	Principal	Interest
2009	\$ 274,000	\$ 1,156,102
2010	473,000	1,219,812
2011	488,000	1,201,279
2012	1,461,000	1,164,680
2013	1,511,000	1,109,376
2014-2018	8,456,000	4,624,527
2019-2023	10,148,717	2,915,269
2024-2028	9,960,000	884,013
2029	405,000	8,343
Totals	<u>\$ 33,176,717</u>	<u>\$ 14,283,401</u>

3. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2008, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Revenue bonds payable:					
Water Utility	\$ 3,335,000	\$ -	\$ 45,000	\$ 3,290,000	\$ 605,000
Less deferred on refunding	(149,607)	-	(28,957)	(120,650)	-
Add unamortized premium	62,304	-	12,059	50,245	-
Total Water Utility	<u>3,247,697</u>	<u>-</u>	<u>28,102</u>	<u>3,219,595</u>	<u>605,000</u>
Wastewater Utility	3,450,000	-	810,000	2,640,000	845,000
Less deferred amount	(154,041)	-	(48,644)	(105,397)	-
Add unamortized premium	53,777	-	16,982	36,795	-
Total Wastewater Utility	<u>3,349,736</u>	<u>-</u>	<u>778,338</u>	<u>2,571,398</u>	<u>845,000</u>
State revolving loan	<u>27,773,717</u>	<u>5,670,000</u>	<u>267,000</u>	<u>33,176,717</u>	<u>274,000</u>
Total long-term liabilities	<u>\$ 34,371,150</u>	<u>\$ 5,670,000</u>	<u>\$ 1,073,440</u>	<u>\$ 38,967,710</u>	<u>\$ 1,724,000</u>

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

G. Restricted Assets

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

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Aviation Commission</u>
Bond and interest	\$ 567,759	\$ 1,431,315	\$ -
Bond reserve	-	455,699	-
Depreciation	2,051,275	1,798,053	-
Customer deposits	85,180	129,922	-
SRF construction	-	12,898,520	-
FAA grant	-	-	67,190
	<u>                    </u>	<u>                    </u>	<u>                    </u>
Total restricted assets	<u>\$ 2,704,214</u>	<u>\$ 16,713,509</u>	<u>\$ 67,190</u>

IV. Other Information

A. Risk Management

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

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

Job Related Illness or Injuries to Employees

The City has chosen to establish a risk financing fund for risks associated with job related illnesses or injuries to employees. The risk financing fund is accounted for in the Insurance Non-Reverting Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$500,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all affected funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

Medical Benefits to Employees, Retirees, and Dependents

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents for City, Utility, and Aviation Commission employees. The risk financing fund is accounted for in the Insurance Nonreverting Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$90,000 per year. Settled claims resulting from this

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

risk did not exceed commercial insurance coverage in the past three years. Interfund premiums are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each affected fund and are reported as quasi-external interfund transactions.

B. Subsequent Events

The Columbus Wastewater Utility took over operations from the Eastern Bartholomew Regional Sewer District on January 1, 2009. The Sewer District's cash balances were transferred to the Wastewater Utility on December 31, 2008, and the remaining account balances were transferred on January 31, 2009.

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

C. Loans Receivable – Indiana Department of Rural Development

Borrower	Loan Balance December 31, 2008	Date of of Loan	Interest Rate	Purpose	Annual Payment Requirements
Douglas R. Wilson M.D.	\$ 20,000.00	12-23-08	0% interest	Flood Relief	\$ 3,999.96

D. Rate Structure – Enterprise Funds

Water Utility

The current rate structure was approved by the Indiana Utility Regulatory Commission on November 15, 1992.

Wastewater Utility

The current rate structure was approved by the Common Council on May 4, 1992, with a rate increase approved on March 7, 2006.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

E. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

b. 1925 Police Officers' Pension Plan

Plan Description

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

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Funding Policy and Annual Pension Cost

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

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

c. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy and Annual Pension Cost

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

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

d. Utility Pension

Plan Description

The Columbus City Utilities (Water and Wastewater) have a defined benefit pension plan covering eligible employees. An employee becomes a participant with the completion of one year of eligible services and the attainment of age twenty-one. Benefits are based on a 1.3% of monthly plan compensation multiplied by benefit service. Contributions are intended to provide not only for benefits attributed to service to date, but also those expected to be earned in the near future. Employee contributions are not required by the plan agreement.

Funding Policy and Annual Pension Cost

Information not available.

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Utility Pension
Annual required contribution	\$ 457,739	\$ 1,138,200	\$ 1,645,700	N/A
Interest on net pension obligation	(428)	89,900	177,500	NA
Adjustment to annual required contribution	488	(113,400)	(224,000)	N/A
Annual pension cost	457,799	1,114,700	1,599,200	N/A
Contributions made	452,946	860,488	1,236,070	N/A
Increase in net pension obligation	4,853	254,212	363,130	N/A
Net pension obligation, beginning of year	(5,906)	1,498,500	2,958,607	N/A
Net pension obligation, end of year	<u>\$ (1,053)</u>	<u>\$ 1,752,712</u>	<u>\$ 3,321,737</u>	<u>N/A</u>

N/A=Not available

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Utility Pension
Contribution rates:				
City	6.75%	N/A	1,766%	N/A
Plan members	3%	6%	6%	N/A
Actuarial valuation date	07-01-08	01-01-08	01-01-08	N/A
Actuarial cost method	Entry age	Entry age	Entry age	N/A
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed	N/A
Amortization period	30 years	30 years	30 years	N/A
Amortization period (from date)	07-01-97	01-01-05	01-01-05	N/A
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	N/A

N/A=Not available

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Utility Pension
Investment rate of return	7.25%	6%	6%	N/A
Projected future salary increases:				
Total	5%	4%	4%	N/A
Attributed to inflation	4%	4%	4%	N/A
Attributed to merit/seniority	1%	0%	0%	N/A
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*	N/A

\*2.75% converted members; 4% nonconverted members

N/A=Not available

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-06	\$ 426,058	84%	\$ (91,522)
	06-30-07	479,627	82%	(5,906)
	06-30-08	457,799	99%	(1,053)
1925 Police Officers' Pension Plan	12-31-06	1,139,600	80%	1,379,108
	12-31-07	1,107,300	89%	1,498,500
	12-31-08	1,114,700	77%	1,752,712
1937 Firefighters' Pension Plan	12-31-06	1,864,200	65%	2,659,802
	12-31-07	1,714,700	83%	2,958,607
	12-31-08	1,599,200	77%	3,321,737
Utility Pension	N/A	N/A	N/A	N/A

N/A=Not available

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

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	44	65
Current active employees	0	2

CITY OF COLUMBUS  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

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

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2008, 2007, and 2006, were \$1,174,944, \$1,565,255, and \$1,443,992, respectively, equal to the required contributions for each year.

CITY OF COLUMBUS  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 7,340,740	\$ 8,363,060	\$ (1,022,320)	88%	\$ 6,881,804	(15%)
07-01-07	8,170,187	8,850,186	(679,999)	92%	6,824,124	(10%)
07-01-08	9,167,744	10,173,576	(1,005,832)	90%	7,268,446	(14%)

1925 Police Officer Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 969,707	\$ 16,106,600	\$ (15,136,893)	6%	\$ 204,500	(7,402%)
01-01-04	1,594,540	16,106,100	(14,511,560)	10%	168,000	(8,638%)
01-01-05	1,779,679	14,253,100	(12,473,421)	12%	86,200	(14,470%)
01-01-06	1,696,515	15,837,800	(14,141,285)	11%	88,500	(15,979%)
01-01-07	1,696,161	15,367,100	(13,670,939)	11%	45,400	(30,112%)
01-01-08	1,659,248	15,474,300	(13,815,052)	11%	-	*

1937 Firefighters Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 1,610,887	\$ 23,998,300	\$ (22,387,413)	7%	\$ 860,000	(2,603%)
01-01-04	2,893,417	24,631,900	(21,738,483)	12%	504,000	(4,313%)
01-01-05	3,302,696	24,390,800	(21,088,104)	14%	517,200	(4,077%)
01-01-06	3,233,292	24,606,700	(21,373,408)	13%	486,600	(4,392%)
01-01-07	2,807,537	23,096,300	(20,288,763)	12%	317,800	(6,384%)
01-01-08	2,314,223	22,078,500	(19,764,277)	10%	93,200	(21,206%)

\*No covered payroll

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

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-03	\$ 1,808,800	82%	18%
	12-31-04	1,879,900	64%	36%
	12-31-05	1,028,700	82%	18%
	12-31-06	1,155,300	19%	60%
	12-31-07	1,127,400	20%	68%
	12-31-08	1,138,200	24%	16%
1937 Firefighters' Pension Plan	12-31-03	2,853,600	91%	9%
	12-31-04	2,944,700	60%	40%
	12-31-05	1,862,000	69%	31%
	12-31-06	1,891,400	12%	52%
	12-31-07	1,753,400	13%	68%
	12-31-08	1,645,700	47%	10%

CITY OF COLUMBUS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
For The Year Ended December 31, 2008

	General Fund			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 14,935,567	\$ 14,935,567	\$ 15,875,510	\$ 939,943
Licenses and permits	138,595	111,331	126,086	14,755
Intergovernmental	8,354,880	7,235,349	10,627,250	3,391,901
Charges for services	107,587	247,641	159,719	(87,922)
Fines and forfeits	23,847	100,505	82,973	(17,532)
Other	606,934	494,141	2,521,526	2,027,385
Total revenues	<u>24,167,410</u>	<u>23,124,534</u>	<u>29,393,064</u>	<u>6,268,530</u>
Expenditures:				
General government	10,917,162	10,985,759	8,682,766	(2,302,993)
Public safety	16,528,012	16,661,827	14,595,965	(2,065,862)
Highways and streets	735,330	810,981	2,684,279	1,873,298
Sanitation	2,014,213	2,171,734	2,014,249	(157,485)
Health and welfare	-	-	558,465	558,465
Urban redevelopment and housing	-	-	114,471	114,471
Debt Service	-	-	5,461,614	5,461,614
Total expenditures	<u>30,194,717</u>	<u>30,630,301</u>	<u>34,111,809</u>	<u>3,481,508</u>
Other financing sources (uses):				
Net proceeds from borrowings	-	-	5,186,493	5,186,493
Interfund loans	-	-	5,850,000	5,850,000
Interfund loan repayments	-	-	(5,850,000)	(5,850,000)
Transfers out	-	-	(2,068,276)	(2,068,276)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>3,118,217</u>	<u>3,118,217</u>
Net change in fund balance	(6,027,307)	(7,505,767)	(1,600,528)	5,905,239
Fund balance - beginning	<u>3,808,823</u>	<u>3,808,823</u>	<u>3,808,823</u>	<u>-</u>
Fund balance - ending	<u>\$ (2,218,484)</u>	<u>\$ (3,696,944)</u>	<u>\$ 2,208,295</u>	<u>\$ 5,905,239</u>

CITY OF COLUMBUS  
 BUDGETARY COMPARISON SCHEDULES  
 THOROUGHFARE FUND  
 For The Year Ended December 31, 2008

	Thoroughfare			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 999,882	\$ 999,882	\$ 1,054,527	\$ 54,645
Intergovernmental	17,331	72,176	1,879,824	1,807,648
Other	2,672,000	2,672,000	-	(2,672,000)
Total revenues	<u>3,689,213</u>	<u>3,744,058</u>	<u>2,934,351</u>	<u>(809,707)</u>
Expenditures:				
Current:				
Highway & Streets:				
Other services and charges	4,429,500	4,680,706	3,947,834	732,872
Total expenditures	<u>4,429,500</u>	<u>4,680,706</u>	<u>3,947,834</u>	<u>732,872</u>
Other financing sources (uses):				
Interfund loans	-	-	(2,000,000)	(2,000,000)
Interfund loan repayments	-	-	2,000,000	2,000,000
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	(740,287)	(936,648)	(1,013,483)	(1,542,579)
Fund balances - beginning	<u>3,312,415</u>	<u>3,312,415</u>	<u>3,312,415</u>	<u>-</u>
Fund balances - ending	<u>\$ 2,572,128</u>	<u>\$ 2,375,767</u>	<u>\$ 2,298,932</u>	<u>\$ (1,542,579)</u>

CITY OF COLUMBUS  
 BUDGETARY COMPARISON SCHEDULES  
 PARKING GARAGE FUND  
 For The Year Ended December 31, 2008

	Parking Garage			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Other	\$ -	\$ -	\$ 203,370	\$ 203,370
Expenditures:				
Unappropriated				
Other services and charges	-	-	7,446,270	(7,446,270)
Total expenditures	-	-	7,446,270	(7,446,270)
Other financing sources (uses):				
Interfund loans	-	-	1,400,000	1,400,000
Interfund loan repayments	-	-	(1,400,000)	(1,400,000)
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	-	-	(7,242,900)	(7,242,900)
Fund balances - beginning	7,336,536	7,336,536	7,336,536	-
Fund balances - ending	<u>\$ 7,336,536</u>	<u>\$ 7,336,536</u>	<u>\$ 93,636</u>	<u>\$ (7,242,900)</u>

CITY OF COLUMBUS  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULES  
PARK AND RECREATION FUND  
For The Year Ended December 31, 2008

	Park and Recreation			Variance with Final Budget- Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues:				
Taxes	\$ 4,495,382	\$ 4,495,382	\$ 4,824,280	\$ 328,898
Intergovernmental	254,069	324,500	594,065	269,565
Charges for services	-	-	139,621	139,621
Other	149,538	149,538	27,406	(122,132)
Total revenues	<u>4,898,989</u>	<u>4,969,420</u>	<u>5,585,372</u>	<u>615,952</u>
Expenditures:				
Culture and recreation:				
Personal services	2,838,130	2,732,906	3,424,928	(692,022)
Supplies	395,474	486,518	889,864	(403,346)
Other services and charges	1,605,265	1,620,341	87,268	1,533,073
Capital outlay	89,189	121,548	74,642	46,906
Debt service:				
Principal	-	-	357,092	(357,092)
Interest	-	-	888	(888)
Total expenditures	<u>4,928,058</u>	<u>4,961,313</u>	<u>4,834,682</u>	<u>126,631</u>
Other financing uses:				
Transfers out	-	-	(20,666)	(20,666)
Net change in fund balances	(29,069)	8,107	730,024	721,917
Fund balances - beginning	<u>666,895</u>	<u>666,895</u>	<u>666,895</u>	<u>-</u>
Fund balances - ending	<u>\$ 637,826</u>	<u>\$ 675,002</u>	<u>\$ 1,396,919</u>	<u>\$ 721,917</u>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008

	Motor Vehicle Highway	Local Road And Street	Donations	Law Enforcement Block Grant Crime Prevention	Police Grants Fund	Community Development Maintenance	Police Continuing Education Fund
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	17,370
Intergovernmental	1,098,555	426,865	-	-	110,000	-	-
Charges for services	11,234	-	-	-	-	-	13,688
Fines and forfeits	-	-	-	-	-	-	3,408
Other	-	-	68,265	-	-	-	4,910
<b>Total receipts</b>	<b>1,109,789</b>	<b>426,865</b>	<b>68,265</b>	<b>-</b>	<b>110,000</b>	<b>-</b>	<b>39,376</b>
<b>Disbursements:</b>							
General government	-	-	60,901	-	-	-	-
Public safety	-	-	-	-	1,141	-	70,465
Highways and streets	1,570,031	148,514	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	711	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	108,690	-	-
Highways and streets	70,898	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,640,929</b>	<b>148,514</b>	<b>60,901</b>	<b>-</b>	<b>109,831</b>	<b>711</b>	<b>70,465</b>
Excess (deficiency) of receipts over disbursements	(531,140)	278,351	7,364	-	169	(711)	(31,089)
<b>Other financing sources (uses):</b>							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	523,213	43,950	-	-	-	50,000	-
Transfers out	(12,823)	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Interfund loan repayments	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>510,390</b>	<b>43,950</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>50,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,750)	322,301	7,364	-	169	49,289	(31,089)
Cash and investment fund balance - beginning	221,751	389,633	119,443	9	381	184,096	148,588
Cash and investment fund balance - ending	\$ 201,001	\$ 711,934	\$ 126,807	\$ 9	\$ 550	\$ 233,385	\$ 117,499
<b>Cash and investment assets -ending</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	201,001	711,934	126,807	9	550	233,385	117,499
<b>Total cash and investment assets - ending</b>	<b>\$ 201,001</b>	<b>\$ 711,934</b>	<b>\$ 126,807</b>	<b>\$ 9</b>	<b>\$ 550</b>	<b>\$ 233,385</b>	<b>\$ 117,499</b>
<b>Cash and investment fund balance - ending</b>							
Restricted for:							
General government	\$ -	\$ -	\$ 126,807	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	9	550	-	117,499
Highways and streets	201,001	711,934	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	233,385	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 201,001</b>	<b>\$ 711,934</b>	<b>\$ 126,807</b>	<b>\$ 9</b>	<b>\$ 550</b>	<b>\$ 233,385</b>	<b>\$ 117,499</b>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
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 For The Year Ended December 31, 2008  
 (Continued)

	Riverboat	Rainy Day	Police Asset Forfeiture Fund	TIF Money	USDA/RBEG Flood Relief	Medic Receipts	Cumulative Capital Improvements
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 1,090,609	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	245,020	-	-	-	30,000	-	127,021
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	29,384	-	-	-	-
Other	12,586	-	1,095	-	-	152	-
<b>Total receipts</b>	<b>257,606</b>	<b>-</b>	<b>30,479</b>	<b>1,090,609</b>	<b>30,000</b>	<b>152</b>	<b>127,021</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	48,890	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	20,000	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	813,462	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>48,890</b>	<b>813,462</b>	<b>20,000</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	257,606	-	(18,411)	277,147	10,000	152	127,021
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	1,076,152	-	-	-	-	-
Transfers out	(340,000)	-	-	-	-	(223)	-
Interfund loans	(600,000)	-	-	-	-	-	-
Interfund loan repayments	600,000	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(340,000)</b>	<b>1,076,152</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(223)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(82,394)	1,076,152	(18,411)	277,147	10,000	(71)	127,021
Cash and investment fund balance - beginning	997,607	-	53,248	-	-	71	210,664
<b>Cash and investment fund balance - ending</b>	<b>\$ 915,213</b>	<b>\$ 1,076,152</b>	<b>\$ 34,837</b>	<b>\$ 277,147</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 337,685</b>
Cash and investment assets -ending							
Cash and investments	\$ 915,213	\$ 1,076,152	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	-	34,837	277,147	10,000	-	337,685
<b>Total cash and investment assets - ending</b>	<b>\$ 915,213</b>	<b>\$ 1,076,152</b>	<b>\$ 34,837</b>	<b>\$ 277,147</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 337,685</b>
Cash and investment fund balance - ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	34,837	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	10,000	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	277,147	-	-	337,685
Unrestricted	915,213	1,076,152	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 915,213</b>	<b>\$ 1,076,152</b>	<b>\$ 34,837</b>	<b>\$ 277,147</b>	<b>\$ 10,000</b>	<b>\$ -</b>	<b>\$ 337,685</b>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 (Continued)

	McCullough Run/ Federal Park and Recreation	Community Development Special Projects	Senior Center Donations	Community Development Special Programs	Community Development Block Grant Entitle/House Relief Non-Rev	Community Development Block Grant Local Match	Community Development Ethnic Expo
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	505,709	13,720	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	-	-	18,839	4,350	-	-	47,785
<b>Total receipts</b>	<b>-</b>	<b>-</b>	<b>18,839</b>	<b>4,350</b>	<b>505,709</b>	<b>13,720</b>	<b>47,785</b>
Disbursements:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	18,449	-	-	-	-
Urban redevelopment and housing	-	-	-	1,663	504,570	27,440	48,863
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>18,449</b>	<b>1,663</b>	<b>504,570</b>	<b>27,440</b>	<b>48,863</b>
Excess (deficiency) of receipts over disbursements	-	-	390	2,687	1,139	(13,720)	(1,078)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Interfund loan repayments	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	390	2,687	1,139	(13,720)	(1,078)
Cash and investment fund balance - beginning	19,167	342	-	206,965	461	13,720	34,580
<b>Cash and investment fund balance - ending</b>	<b>\$ 19,167</b>	<b>\$ 342</b>	<b>\$ 390</b>	<b>\$ 209,652</b>	<b>\$ 1,600</b>	<b>\$ -</b>	<b>\$ 33,502</b>
Cash and investment assets - ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	19,167	342	390	209,652	1,600	-	33,502
<b>Total cash and investment assets - ending</b>	<b>\$ 19,167</b>	<b>\$ 342</b>	<b>\$ 390</b>	<b>\$ 209,652</b>	<b>\$ 1,600</b>	<b>\$ -</b>	<b>\$ 33,502</b>
Cash and investment fund balance - ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	19,167	-	390	-	-	-	-
Urban redevelopment and housing	-	342	-	209,652	1,600	-	33,502
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 19,167</b>	<b>\$ 342</b>	<b>\$ 390</b>	<b>\$ 209,652</b>	<b>\$ 1,600</b>	<b>\$ -</b>	<b>\$ 33,502</b>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 (Continued)

	Community Development Garden Plots	Community Development MLK Breakfast	Maintenance Eastside Community Center	Community Development Mayor's Breakfast	Police Alarms	Advanced Technology Non Reverting	Fire Alarms Systems
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,270	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	1,395	1,701	-	-	6,757	-	1,963
<b>Total receipts</b>	<b>1,395</b>	<b>1,701</b>	<b>-</b>	<b>-</b>	<b>8,027</b>	<b>-</b>	<b>1,963</b>
Disbursements:							
General government	-	-	-	-	-	143,880	-
Public safety	-	-	-	-	261	-	301
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	748	2,290	-	200	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
General government	-	-	-	-	-	53,623	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>748</b>	<b>2,290</b>	<b>-</b>	<b>200</b>	<b>261</b>	<b>197,503</b>	<b>301</b>
Excess (deficiency) of receipts over disbursements	647	(589)	-	(200)	7,766	(197,503)	1,662
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	75,000	-
Transfers out	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Interfund loan repayments	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>75,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	647	(589)	-	(200)	7,766	(122,503)	1,662
Cash and investment fund balance - beginning	3,897	1,221	6,200	2,782	63,691	122,503	3,094
Cash and investment fund balance - ending	<u>\$ 4,544</u>	<u>\$ 632</u>	<u>\$ 6,200</u>	<u>\$ 2,582</u>	<u>\$ 71,457</u>	<u>\$ -</u>	<u>\$ 4,756</u>
Cash and investment assets -ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	4,544	632	6,200	2,582	71,457	-	4,756
<b>Total cash and investment assets - ending</b>	<u>\$ 4,544</u>	<u>\$ 632</u>	<u>\$ 6,200</u>	<u>\$ 2,582</u>	<u>\$ 71,457</u>	<u>\$ -</u>	<u>\$ 4,756</u>
Cash and investment fund balance - ending							
Restricted for:							
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	71,457	-	4,756
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	6,200	-	-	-	-
Urban redevelopment and housing	4,544	632	-	2,582	-	-	-
Debt service	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<u>\$ 4,544</u>	<u>\$ 632</u>	<u>\$ 6,200</u>	<u>\$ 2,582</u>	<u>\$ 71,457</u>	<u>\$ -</u>	<u>\$ 4,756</u>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Telecommunications	Columbus Technology	Engineering Special Project	Debt 2008 Fund Taxes	Woodside Bond Payments	Parks Bond of 2005	Debt Fund 2006 Loan
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ 1,120,862	\$ 46,000	\$ 358,899	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	76,580	-	26,384	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other	12	253,176	-	-	-	-	-
Total receipts	12	253,176	-	1,197,442	46,000	385,283	-
Disbursements:							
General government	-	35,082	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	500,000	-	240,000	-
Interest	-	-	-	26,611	-	114,500	-
Capital outlay:							
General government	-	-	-	535,870	-	-	1,426
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Total disbursements	-	35,082	-	1,062,481	-	354,500	1,426
Excess (deficiency) of receipts over disbursements	12	218,094	-	134,961	46,000	30,783	(1,426)
Other financing sources (uses):							
Net proceeds from borrowings	-	-	-	-	-	-	-
Transfers in	-	1,527	-	-	-	-	-
Transfers out	(76,527)	-	-	-	-	-	(64,460)
Interfund loans	-	(400,000)	-	-	-	-	-
Interfund loan repayments	-	400,000	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total other financing sources (uses)	(76,527)	1,527	-	-	-	-	(64,460)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(76,515)	219,621	-	134,961	46,000	30,783	(65,886)
Cash and investment fund balance - beginning	76,515	547,194	72,061	-	-	65,405	65,886
Cash and investment fund balance - ending	\$ -	\$ 766,815	\$ 72,061	\$ 134,961	\$ 46,000	\$ 96,188	\$ -
Cash and investment assets - ending							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:							
Cash and investments	-	766,815	72,061	134,961	46,000	96,188	-
Total cash and investment assets - ending	\$ -	\$ 766,815	\$ 72,061	\$ 134,961	\$ 46,000	\$ 96,188	\$ -
Cash and investment fund balance - ending							
Restricted for:							
General government	\$ -	\$ 766,815	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	72,061	-	-	-	-
Debt service	-	-	-	-	46,000	96,188	-
Capital outlay	-	-	-	134,961	-	-	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ -	\$ 766,815	\$ 72,061	\$ 134,961	\$ 46,000	\$ 96,188	\$ -

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 (Continued)

	Debt Fund 2007 Loan	Debt Fund 2008 Loan	Redevelopment Bond '08	Bond 2008 Capital and Interest	Debt Fund 2005 Loan	Cumulative Capital Development
Receipts:						
Taxes	\$ 71,906	\$ -	\$ -	\$ -	\$ -	\$ 1,004,524
Licenses and permits	-	-	-	-	-	-
Intergovernmental	35,546	-	-	-	-	104,568
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	50,873	36,456	-	54,669	-	56,046
<b>Total receipts</b>	<b>158,325</b>	<b>36,456</b>	<b>-</b>	<b>54,669</b>	<b>-</b>	<b>1,165,138</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	500,000	-	-	-	-
Interest	-	35,869	-	-	-	-
Capital outlay:						
General government	178,602	251,601	427,455	-	50,873	344,665
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
<b>Total disbursements</b>	<b>178,602</b>	<b>787,470</b>	<b>427,455</b>	<b>-</b>	<b>50,873</b>	<b>344,665</b>
Excess (deficiency) of receipts over disbursements	(20,277)	(751,014)	(427,455)	54,669	(50,873)	820,473
Other financing sources (uses):						
Net proceeds from borrowings	-	-	1,000,000	-	-	-
Transfers in	-	17,016	-	-	-	1,500
Transfers out	-	-	-	-	(10,231)	-
Interfund loans	-	-	-	-	-	-
Interfund loan repayments	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>17,016</b>	<b>1,000,000</b>	<b>-</b>	<b>(10,231)</b>	<b>1,500</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(20,277)	(733,998)	572,545	54,669	(61,104)	821,973
Cash and investment fund balance - beginning	20,277	2,000,000	-	-	61,104	247,637
Cash and investment fund balance - ending	\$ -	\$ 1,266,002	\$ 572,545	\$ 54,669	\$ -	\$ 1,069,610
Cash and investment assets - ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	-	1,266,002	572,545	54,669	-	1,069,610
<b>Total cash and investment assets - ending</b>	<b>\$ -</b>	<b>\$ 1,266,002</b>	<b>\$ 572,545</b>	<b>\$ 54,669</b>	<b>\$ -</b>	<b>\$ 1,069,610</b>
Cash and investment fund balance - ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	54,669	-	-
Capital outlay	-	1,266,002	572,545	-	-	1,069,610
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ -</b>	<b>\$ 1,266,002</b>	<b>\$ 572,545</b>	<b>\$ 54,669</b>	<b>\$ -</b>	<b>\$ 1,069,610</b>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	Parks Capital Improvement Non Reverting	Jackson St. Parking Garage	Cumulative Capital Fire	Storm Sewer Non-Reverting	Medic Non-Reverting	Woodside Northwest
Receipts:						
Taxes	\$ -	\$ -	\$ 394,784	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	48,360	-	-	100,000
Charges for services	-	54,921	-	75	25,008	-
Fines and forfeits	-	-	-	-	-	-
Other	-	2,495	-	-	-	-
<b>Total receipts</b>	<b>-</b>	<b>57,416</b>	<b>443,144</b>	<b>75</b>	<b>25,008</b>	<b>100,000</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	2,293	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	34,500
Capital outlay:						
General government	-	57,416	-	-	-	-
Public safety	-	-	285,351	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	300,806	-	886,660
Urban redevelopment and housing	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>57,416</b>	<b>285,351</b>	<b>300,806</b>	<b>2,293</b>	<b>921,160</b>
Excess (deficiency) of receipts over disbursements	-	-	157,793	(300,731)	22,715	(821,160)
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	1,458	-	637,664	84,608	223	-
Transfers out	-	-	-	-	(637,664)	-
Interfund loans	-	-	(500,000)	-	-	-
Interfund loan repayments	-	-	500,000	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>1,458</b>	<b>-</b>	<b>637,664</b>	<b>84,608</b>	<b>(637,441)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,458	-	795,457	(216,123)	(614,726)	(821,160)
Cash and investment fund balance - beginning	21,790	-	513,223	355,808	690,335	853,236
Cash and investment fund balance - ending	<u>\$ 23,248</u>	<u>\$ -</u>	<u>\$ 1,308,680</u>	<u>\$ 139,685</u>	<u>\$ 75,609</u>	<u>\$ 32,076</u>
Cash and investment assets -ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	23,248	-	1,308,680	139,685	75,609	32,076
<b>Total cash and investment assets - ending</b>	<b>\$ 23,248</b>	<b>\$ -</b>	<b>\$ 1,308,680</b>	<b>\$ 139,685</b>	<b>\$ 75,609</b>	<b>\$ 32,076</b>
Cash and investment fund balance - ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	75,609	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	23,248	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	1,308,680	139,685	-	32,076
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 23,248</b>	<b>\$ -</b>	<b>\$ 1,308,680</b>	<b>\$ 139,685</b>	<b>\$ 75,609</b>	<b>\$ 32,076</b>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	City (Cummins) Projects	Cummins Garage Bond	Transit Non-Reverting	Columbus Redevelopment	Capitalized Interest Fund	Bond Premium Fund
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	1,429,142	10,000	-	330,762	553,903	24,718
<b>Total receipts</b>	<b>1,429,142</b>	<b>10,000</b>	<b>-</b>	<b>330,762</b>	<b>553,903</b>	<b>24,718</b>
Disbursements:						
General government	-	-	-	-	-	600
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	10,000	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	1,155,602	-	-	-	-	-
Urban redevelopment and housing	-	-	-	447,337	-	-
<b>Total disbursements</b>	<b>1,155,602</b>	<b>10,000</b>	<b>-</b>	<b>447,337</b>	<b>-</b>	<b>600</b>
Excess (deficiency) of receipts over disbursements	273,540	-	-	(116,575)	553,903	24,118
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-
Interfund loan repayments	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	273,540	-	-	(116,575)	553,903	24,118
Cash and investment fund balance - beginning	-	-	-	462,508	-	-
Cash and investment fund balance - ending	\$ 273,540	\$ -	\$ -	\$ 345,933	\$ 553,903	\$ 24,118
Cash and investment assets -ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	273,540	-	-	345,933	553,903	24,118
<b>Total cash and investment assets - ending</b>	<b>\$ 273,540</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 345,933</b>	<b>\$ 553,903</b>	<b>\$ 24,118</b>
Cash and investment fund balance - ending						
Restricted for:						
General government	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	553,903	24,118
Capital outlay	273,540	-	-	345,933	-	-
Unrestricted	-	-	-	-	-	-
<b>Total cash and investment fund balance - ending</b>	<b>\$ 273,540</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 345,933</b>	<b>\$ 553,903</b>	<b>\$ 24,118</b>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2008  
 (Continued)

	New Commons	Council Non-Reverting	Human Rights Non-Reverting	Park and Recreation Non-Reverting	City Hall Non-Reverting	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ 5,542	\$ -	\$ 4,093,126
Licenses and permits	-	-	-	-	-	17,370
Intergovernmental	-	-	-	-	-	2,948,328
Charges for services	-	-	-	280,652	-	386,848
Fines and forfeits	-	-	-	469,139	-	501,931
Other	1,579,261	-	6,735	980,054	-	5,538,100
<b>Total receipts</b>	<b>1,579,261</b>	<b>-</b>	<b>6,735</b>	<b>1,735,387</b>	<b>-</b>	<b>13,485,703</b>
<b>Disbursements:</b>						
General government	-	-	5,785	-	21,713	267,961
Public safety	-	-	-	-	-	123,351
Highways and streets	-	-	-	-	-	1,718,545
Culture and recreation	-	-	-	1,686,002	-	1,704,451
Urban redevelopment and housing	-	-	-	-	-	606,485
Debt service:						
Principal	-	-	-	-	-	1,240,000
Interest	-	-	-	-	-	211,480
Capital outlay:						
General government	755,295	-	-	-	-	3,480,288
Public safety	-	-	-	-	-	394,041
Highways and streets	-	-	-	-	-	70,898
Sanitation	-	-	-	-	-	2,343,068
Urban redevelopment and housing	-	-	-	-	-	447,337
<b>Total disbursements</b>	<b>755,295</b>	<b>-</b>	<b>5,785</b>	<b>1,686,002</b>	<b>21,713</b>	<b>12,607,905</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>823,966</b>	<b>-</b>	<b>950</b>	<b>49,385</b>	<b>(21,713)</b>	<b>877,798</b>
<b>Other financing sources (uses):</b>						
Net proceeds from borrowings	-	-	-	-	-	1,000,000
Transfers in	-	7,094	-	-	56,000	2,575,405
Transfers out	-	-	-	-	-	(1,141,928)
Interfund loans	-	-	-	-	-	(1,500,000)
Interfund loan repayments	-	-	-	-	-	1,500,000
Other receipts	-	-	-	64,941	-	64,941
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>7,094</b>	<b>-</b>	<b>64,941</b>	<b>56,000</b>	<b>2,498,418</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>823,966</b>	<b>7,094</b>	<b>950</b>	<b>114,326</b>	<b>34,287</b>	<b>3,376,216</b>
<b>Cash and investment fund balance - beginning</b>	<b>-</b>	<b>66,336</b>	<b>5,670</b>	<b>152,072</b>	<b>202,840</b>	<b>9,284,011</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 823,966</b>	<b>\$ 73,430</b>	<b>\$ 6,620</b>	<b>\$ 266,398</b>	<b>\$ 237,127</b>	<b>\$ 12,660,227</b>
<b>Cash and investment assets -ending</b>						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,991,365
Restricted assets:						
Cash and investments	823,966	73,430	6,620	266,398	237,127	10,668,862
<b>Total cash and investment assets - ending</b>	<b>\$ 823,966</b>	<b>\$ 73,430</b>	<b>\$ 6,620</b>	<b>\$ 266,398</b>	<b>\$ 237,127</b>	<b>\$ 12,660,227</b>
<b>Cash and investment fund balance - ending</b>						
<b>Restricted for:</b>						
General government	\$ -	\$ 73,430	\$ 6,620	\$ -	\$ 237,127	\$ 1,210,799
Public safety	-	-	-	-	-	304,717
Highways and streets	-	-	-	-	-	912,935
Culture and recreation	-	-	-	266,398	-	315,403
Urban redevelopment and housing	-	-	-	-	-	568,300
Debt service	-	-	-	-	-	774,878
Capital outlay	823,966	-	-	-	-	6,581,830
Unrestricted	-	-	-	-	-	1,991,365
<b>Total cash and investment fund balance - ending</b>	<b>\$ 823,966</b>	<b>\$ 73,430</b>	<b>\$ 6,620</b>	<b>\$ 266,398</b>	<b>\$ 237,127</b>	<b>\$ 12,660,227</b>

CITY OF COLUMBUS  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 INTERNAL SERVICE FUNDS  
 As of and for the Year Ended December 31, 2008

	Flex Fund	Insurance Non-Reverting	2005 Dunn Flex Plan	2006 SIHO Flex Plan	2006 SIHO Medical Claims	Totals
Operating receipts:						
Insurance proceeds	\$ -	\$ 5,010,099	\$ 39,808	\$ 340,010	\$ 5,345,274	\$ 10,735,191
Other	346,975	-	15	-	-	346,990
Total operating receipts	346,975	5,010,099	39,823	340,010	5,345,274	11,082,181
Operating disbursements:						
Insurance disbursements	340,000	6,112,619	39,673	336,805	5,311,913	12,141,010
Excess (deficiency) of receipts over disbursements	6,975	(1,102,520)	150	3,205	33,361	(1,058,829)
Other financing sources (uses):						
Transfers in	-	1,186,632	-	-	-	1,186,632
Interfund loans	-	(1,000,000)	-	-	-	(1,000,000)
Interfund loan repayments	-	1,000,000	-	-	-	1,000,000
Total other financing sources (uses)	-	1,186,632	-	-	-	1,186,632
Excess of receipts and other financing sources over disbursements and other financing uses	6,975	84,112	150	3,205	33,361	127,803
Cash and investment fund balance - beginning	17,557	3,099,011	(201)	4,107	90,167	3,210,641
Cash and investment fund balance - ending	\$ 24,532	\$ 3,183,123	\$ (51)	\$ 7,312	\$ 123,528	\$ 3,338,444
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and Investments	\$ 24,532	\$ 3,183,123	\$ -	\$ -	\$ -	\$ 3,207,655
Cash with fiscal agent	-	-	(51)	7,312	123,528	130,789
Total cash and investment assets - December 31	\$ 24,532	\$ 3,183,123	\$ (51)	\$ 7,312	\$ 123,528	\$ 3,338,444
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Other purposes	\$ 24,532	\$ 3,183,123	\$ (51)	\$ 7,312	\$ 123,528	\$ 3,338,444
Total cash and investment fund balance - December 31	\$ 24,532	\$ 3,183,123	\$ (51)	\$ 7,312	\$ 123,528	\$ 3,338,444

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

	Police Pension Fund	Fire Pension Fund	Totals
Additions:			
Contributions:			
Taxes	\$ 379,991	\$ 845,959	\$ 1,225,950
State	70,895	97,903	168,798
Interfund loan repayments	1,250,000	1,500,000	2,750,000
Total contributions	1,700,886	2,443,862	4,144,748
Deductions:			
Benefits	636,303	1,580,290	2,216,593
Administrative expenses	2,400	2,400	4,800
Interfund loans	1,250,000	1,500,000	2,750,000
Transfers out	381,610	128,339	509,949
Total deductions	2,270,313	3,211,029	5,481,342
Deficiency of total additions over total deductions	(569,427)	(767,167)	(1,336,594)
Cash and investment fund balance - beginning	1,659,248	2,314,223	3,973,471
Cash and investment fund balance - ending	\$ 1,089,821	\$ 1,547,056	\$ 2,636,877

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

	<u>Payroll</u>	<u>Pension Withholdings</u>	<u>American United Life Insurance</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 20,849,200	\$ 2,639,254	\$ 75,543	\$ 23,563,997
Deductions:				
Agency fund deductions	<u>20,828,532</u>	<u>2,639,254</u>	<u>74,970</u>	<u>23,542,756</u>
Excess of total additions over total deductions	20,668	-	573	21,241
Cash and investment fund balance - beginning	<u>130,267</u>	<u>-</u>	<u>5,137</u>	<u>135,404</u>
Cash and investment fund balance - ending	<u>\$ 150,935</u>	<u>\$ -</u>	<u>\$ 5,710</u>	<u>\$ 156,645</u>

CITY OF COLUMBUS  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2008

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

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

	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 4,248,438
Buildings and improvements	29,143,897
Land improvements	10,910,463
Vehicles	12,754,070
Machinery and equipment	4,017,140
Infrastructure	197,369,318
Art work	<u>128,000</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 258,571,326</u>

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

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
1998 Foundation for youth	\$ 3,489,000	\$ 350,000
2004 City postage machine lease	3,546	3,546
2004 Park vehicle and equipment lease	25,970	26,368
2005 Park vehicle lease	115,257	80,096
2006 Park vehicle lease	84,279	36,204
2006 Park chevy vehicle lease	44,358	17,720
2008 Park vehicle and equipment lease	168,723	46,157
Notes and loans payable:		
2008 Debt loan	1,000,000	1,026,469
Bonds payable:		
General obligation bonds:		
2005 Park district refunding bonds	2,735,000	356,100
2007 Series A1 redevelopment parking garage bonds	5,000,000	180,956
2007 Series A2 redevelopment parking garage bonds	5,000,000	234,921
2007 Series B woodside development bonds	1,000,000	46,000
2008 Redevelopment district bond	1,000,000	54,669
Total governmental activities debt	<u>\$ 19,666,133</u>	<u>\$ 2,459,206</u>

CITY OF COLUMBUS  
AUDIT RESULTS AND COMMENTS

APPROVAL OF FORMS

The City of Columbus was using an alternate form which had not been approved for use in lieu of the following prescribed form: Form 362 - Report of Collections.

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

TIMELY REMITTANCE OF PUBLIC SANITATION COLLECTIONS

We noted instances of more than seven days from the date of collection, listed on the public sanitation receipt, and the date the collections were remitted to the Clerk-Treasurer's office and subsequent entry on the records.

All collections made by any department or person connected with a city or town shall be turned in to the Clerk-Treasurer or Controller at least weekly. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 6)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

INTERNAL CONTROLS

Controls over the monitoring and measuring of water flow output are insufficient. The master meter which measures total water output at the water plant has been nonoperational for a number of years. Therefore, it is impossible to determine if all the water pumped out of the plant has been billed to customers.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TRANSFERS

The amount of \$381,610.51 was transferred from the Police Pension Fund to the Rainy Day Fund on December 31, 2008. The amount of \$128,338.67 was transferred from the Fire Pension Fund to the Rainy Day Fund on December 31, 2008. There is no statutory authority for such transfers from the Police and Fire Pension Trust Funds. The City of Columbus transferred back the amounts from the Rainy Day Fund to the Police Pension Fund and the Fire Pension Fund on December 9, 2009.

IC 36-8-6-5 states in part: ". . . All money derived from the levy is for the exclusive use of the police pensions and benefits . . ."

CITY OF COLUMBUS  
AUDIT RESULTS AND COMMENTS  
(Continued)

IC 36-8-7-9 states in part:

"The 1937 fund and the appropriations made for the fund shall be used exclusively for the following:

- (1) Payments to retired members and the dependents of deceased members.
- (2) Death benefits.
- (3) Other incidental expenses that are authorized by and are essential to the proper administration of this chapter . . ."

Payments or transfers which are not authorized by statute, ordinance, resolution, or court order must be reimbursed or transferred to the appropriate fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PERSONAL TRAVEL EXPENDITURES

San Francisco Conference

Fred Armstrong, Mayor; James Norris, Public Safety Director; and Steve Gochenour, member of the Board of Works; attended the National Interagency Community Reinvestment Conference. The conference was held from March 30, 2008 to April 2, 2008, in San Francisco, California. During a review of claims for City issued credit cards, we discovered numerous personal expenses paid for using the Mayor's and Public Safety Director's City issued credit cards.

Fred Armstrong's City credit card was used to pay for staying in the hotel on March 28<sup>th</sup> for \$295.26 and parking in the hotel's garage on March 28<sup>th</sup> for \$51.30, and purchasing meals on March 28<sup>th</sup> for \$11.71. His City credit card was also used to pay for his spouse's meals on March 30<sup>th</sup> and 31<sup>st</sup>, April 2<sup>nd</sup> and 3<sup>rd</sup> for \$117.48 and to purchase alcoholic beverages on April 2<sup>nd</sup> for \$34.45.

Jim Norris's City credit card was used to pay for staying in a hotel on March 27<sup>th</sup>, March 28<sup>th</sup>, and April 3<sup>rd</sup> for \$685.82. His City credit card was also used to purchase spouse's meals on March 28<sup>th</sup>, March 30<sup>th</sup>, March 31<sup>st</sup>, April 1<sup>st</sup>, and April 3<sup>rd</sup> for \$94.21 and to purchase alcoholic beverages on April 3<sup>rd</sup> for \$17.50.

Steve Gochenour was reimbursed for travel expenditures on City check 13227. The reimbursement included \$595.08 for staying in a hotel on March 28<sup>th</sup> and April 3<sup>rd</sup>.

Fred Armstrong's City credit card was used to pay for meals for the three City employees and their spouses on March 29<sup>th</sup> and April 2<sup>nd</sup> in the amount of \$220.98. Each employee will be responsible for a third of those meals. James Norris's City credit card was used to pay for a second rental car in the amount of \$318.41, which was only necessary because each employee was traveling with their spouse, parking for the rental car of \$319.20, and gas for the rental car of \$150.64. Each employee will be responsible for a third of the rental car, the parking of the rental car and the gas for the rental car.

During a review of the credit card statements and the supporting documentation submitted for reimbursement, the Clerk-Treasurer requested that the City be reimbursed for some personal expenses of the trip. Fred Armstrong reimbursed the city \$189.21 for spouse's meals and alcoholic beverages; James Norris reimbursed the city \$712.88 for spouse's meals, alcoholic beverages, and additional night

CITY OF COLUMBUS  
AUDIT RESULTS AND COMMENTS  
(Continued)

at the hotel; and Steve Gochenour reimbursed the city \$297.54 for an additional night at the hotel. Therefore, we are asking the three City of Columbus employees to repay the City for the remaining unreimbursed personal expenditures totaling \$657.40 for Fred Armstrong; \$421.06 for James Norris; and \$633.95 for Steve Gochenour.

Prior to the exit conference on December 17, 2009, James Norris, Fred Armstrong, and Steve Gochenour reimbursed the City \$421.06, \$657.40, and \$633.95, respectively, for the outstanding personal travel expenses.

The following table documents the additional personal expenses that were incurred for days outside the conference dates and for individuals that are not City employees:

	<u>Fred Armstrong</u>	<u>James Norris</u>	<u>Steve Gochenour</u>
Extra nights at hotel	\$ 346.56	\$ 685.82	\$ 595.08
Additional rental car and gas	156.35	156.35	156.35
Parking for additional rental car	106.40	106.40	106.40
Additional food costs	<u>237.30</u>	<u>185.37</u>	<u>73.66</u>
 Total personal expenses	 846.61	 1,133.94	 931.49
 Less - amount reimbursed to City	 <u>(846.61)</u>	 <u>(1,133.94)</u>	 <u>(931.49)</u>
 Unreimbursed personal expenses	 <u>\$ -</u>	 <u>\$ -</u>	 <u>\$ -</u>

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Purchases of alcoholic beverages may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Orlando Conference

Fred Armstrong, Mayor, attended the Congress of Cities Conference. The conference was held from November 11, 2008 to November 15, 2008, in Orlando, Florida. During a review of the claims for his City issued credit card, we discovered numerous personal expenses incurred during the conference.

His City credit card was used to pay for additional nights stay in the hotel on November 9<sup>th</sup> for \$230.63 and one spouse's meal, \$4.74. The conference was held at the same hotel in which the Mayor stayed, therefore, the expense for a rental car of \$275.12, gas for the rental car, \$41.21, and parking for the rental car, \$89.46 are considered unreasonable costs to the City. The Mayor's City credit card was also used to purchase his spouse's airline ticket, \$203.00. The mayor reimbursed the City for the cost of his spouse's airline ticket, \$203.00, on July 1, 2008.

CITY OF COLUMBUS  
AUDIT RESULTS AND COMMENTS  
(Continued)

Prior to the exit conference on December 17, 2009, Fred Armstrong reimbursed the City \$641.16 for the outstanding personal travel expenses.

Spouse's airline ticket	\$ 203.00
Extra days hotel costs	230.63
Spouse's meal cost	4.74
Parking	89.46
Rental car and gas	<u>316.33</u>
Total personal expenses	844.16
Less: amount reimbursed to the City	<u>(844.16)</u>
Unreimbursed personal expenses	<u>\$ -</u>

Public funds may not be used to pay for personal items or for expenses which do not relate to the functions and purposes of the governmental unit. Any personal expenses paid by the governmental entity may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE CITY OF COLUMBUS, BARTHOLOMEW COUNTY, INDIANA

### Compliance

We have audited the compliance of the City of Columbus (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008. However, the results of our auditing procedures disclosed instances of noncompliance with those requirements which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as item Finding 2008-1.

### Internal Control Over Compliance

The management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in item 2008-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

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

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

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

STATE BOARD OF ACCOUNTS

December 17, 2009

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF AGRICULTURE</u>			
Pass-Through Indiana Department of Rural Development Rural Business Enterprise Grants Flood Relief Loan Program	10.769		\$ 20,000
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Direct Award			
CDBG - Entitlement and (HUD Administered) Small Cities Cluster			
Community Development Block Grants/Entitlement Grants	14.218		
2007 grant		B07MC180020	405,601
2008 grant		B08MC180020	98,970
Total for federal grantor agency			504,571
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Pass-Through Indiana Criminal Justice Institute			
Edward Byrne Memorial Justice Assistance Grant Program	16.738		
2007 grant		04-DB-075	3,349
2008 grant		04-DB-109	4,496
Total for federal grantor agency			7,845
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct Award			
Federal Transit Cluster			
Federal Transit - Formula Grants FY 2008	20.507		490,189
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Impaired Driving Countermeasures Incentive Grants	20.601		
2008 Operation Pullover Grant		OP-08-01-01-69	11,229
2009 Operation Pullover Grant		OP-09-01-01-75	6,750
Total for cluster			17,979
Direct Award			
Airport Improvement Program	20.106		
AIP 3-18 South Apron Phase III		3-18-0012-1806	4,108
AIP 3-19 Runway 5/23		3-18-0012-1907	261,056
AIP 3-20 South Apron Phase IV		3-18-0012-2008	2,223,733
Total for program			2,488,897
Total for federal grantor agency			2,997,065
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Department of Environmental Management			
Capitalization Grants for Clean Water State Revolving Funds	66.458		
2006 SRF grant		CS18239901	4,382,717
2008 SRF grant		CS18239903	59,736
Total for federal grantor agency			4,442,453
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Homeland Security Cluster			
Homeland Security Grant Program	97.067		
		EDS #C44-P-9-2100A	76,000
Disaster Grants - Public Assistance	97.036		
June 2008 Flood		PW 1766	1,237,803
Total for federal grantor agency			1,313,803
Total federal awards expended			\$ 9,285,737

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF COLUMBUS  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Columbus (City) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

II. Subrecipients

Of the federal expenditures presented in the schedule, the City provided federal awards to subrecipients as follows for the year ended December 31, 2008:

Program Title	Federal CFDA Number	2008
Community Development Block Grants/ Entitlement Grants	14.218	<u>\$ 42,875</u>

CITY OF COLUMBUS  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

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

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

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.106	Airport Improvement Program
97.036	Disaster Grants – Public Assistance

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

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

Section III – Federal Award Findings and Questioned Costs

FINDING 2008-1, ACTIVITIES ALLOWED OR UNALLOWED

Federal Agency: U.S. Department of Homeland Security  
Federal Program: Disaster Grants – Public Assistance  
CFDA Number: 97.036  
Federal Award Number: PW 1766  
Pass-Through Entity: Indiana Department of Homeland Security

The City of Columbus has signed a "Mutual Aid Agreement for Assistance" with the City of Muncie. After the flood on June 7, 2008, the City of Muncie sent some public works employees to Columbus to aid in the debris clean up. The City of Muncie incurred \$29,526.10 in costs for lodging, meals, and equipment expenses while the employees were assisting in the clean up.

The City of Columbus submitted a project worksheet to FEMA that included the costs incurred by the City of Muncie plus \$975 for direct administrative costs, for a total of \$30,501.10. The FEMA program reimbursed 75% of the total expenditures, \$22,875.83. With the administrative cost to be retained by Columbus, the net amount reimbursed for the mutual aid contract was \$21,900.83. The City of Columbus has not received a request from the City of Muncie to reimburse them for the costs that they incurred.

As stated on page 8 of the FEMA document entitled Mutual Aid Agreements for Public Assistance and Fire Management Assistance, Disaster Assistance Policy (DAP) 9523.6, "FEMA will not reimburse the value of volunteer labor or the value of paid labor that is provided at no cost to the applicant." Further, the policy states: "If a mutual aid agreement provides for an initial period of unpaid assistance or provides for assistance at no cost to the Requesting Entity, the value of the assistance provided at no cost to the Requesting Entity may be credited to the non-Federal cost share of the Requesting Entity's emergency work under the provisions of Disaster Assistance Policy #9525.2. Donated Resources."

As a result, all reimbursements received relative to the mutual aid agreement, totaling \$22,875.83, are considered questioned costs.

We recommended that City of Columbus officials contact the Indiana Department of Homeland Security, the state pass-through agency, to seek a resolution of this issue.

CITY OF COLUMBUS  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.



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Brenda Sullivan, Clerk-Treasurer

December 17, 2009

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

Re: Audit Finding 2008  
CFDA Number 97.036  
Federal Award Number PW 1766  
Pass-through entity: Indiana Department of Homeland Security

Dear Mr. Preston,

Regarding the above-referenced Audit Finding, please consider the following to serve as our Corrective Action Plan.

Finding 2008 -1 The city of Columbus has reimbursed for costs incurred to the city of Muncie in the amount of \$21,900.83. In spite of the fact the city of Muncie has not requested payment, this obligation to the city of Muncie is fulfilled.

\ It is the hope of the city of Columbus that no more disasters occur in this area that would necessitate the need for other communities to assist us in city operations.

We appreciate the help of the city of Muncie along with all the other communities that helped during the flood of 2008.

Sincerely,

Brenda Sullivan  
City Clerk Treasurer

CITY OF COLUMBUS  
EXIT CONFERENCE

The contents of this report were discussed on December 17, 2009, with Fred L. Armstrong, Mayor; Brenda Sullivan, Clerk-Treasurer; and James Norris, Public Safety Director . The official response has been made a part of this report and may be found on pages 75 through 77.

The contents of this report were discussed on December 17, 2009, with Dale Langferman, Utility Business Manager. The official concurred with our audit findings.

The contents of this report were discussed on December 17, 2009, with Esther Sprague, Columbus Airport Office Manager.



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Brenda Sullivan, Clerk-Treasurer

December 22, 2009

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

**Re: 2008 Annual Audit – Columbus, Indiana**

To Whom It May Concern:

Regarding the comments made at the exit interview, I offer the following:

**Approval of Forms:** The City of Columbus uses an envelope with pre-printed pertinent information necessary for revenues. This envelope has been used prior to my taking office in January, 2004. I was not aware this was not a prescribed form. On December 22, 2009 a letter and a copy of the envelope was mailed to Bruce Hartman with State Board of Accounts for approval.

**Timely Remittance of Public Sanitation Collections:** Please find attached a letter from Bryan Burton, Supervisor for Street and Recycling with his corrective plan.

**Transfer:** I was not aware that transfers could not be made from the Fire and Police Pension to the Rainy Day Fund. I found no statute that directly prohibited that transfer. The money has been returned back to the appropriate funds on December 9, 2009.

**Personal Travel Expenditures:** The State Board of Accounts Auditors dealt personally with Mayor Armstrong, James Norris and Steve Gochenour on the issues regarding their personal travel. Attached is a letter from Mayor Armstrong. James Norris and Steve Gochenour chose not to make a statement. This matter has been resolved.

Sincerely,

Brenda Sullivan  
City Clerk Treasurer



City of Columbus  
City Garage

TO: Indiana State Board of Accounts  
FROM: Bryan L. Burton, Street & Recycling Supervisor  
SUBJECT: Audit Results & Comments  
DATE: December 18, 2009

Ref: Timely Remittance of Public Sanitation Collections

The City of Columbus, Indiana Sanitation Department will turn in to the Clerk-Treasurer any collections from refuse toters at least weekly (Accounting & Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 6). Any bank deposit of such collections will be deposited within 24 hours of receipt by the Clerk Treasurers Office.

JN/cp

Cc: File

Clerk Treasurer's Office



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Fred L. Armstrong, Mayor

December 9, 2009

To the State Board of Accounts:

I would like to thank the State Board of Accounts for their thorough audit for the year 2008.

In regards to their findings, never did I intend for public funds to be used to pay for any personal items/or expenses.

When proper documentation was given to me and receipts submitted to the Clerk-Treasurer any and all amounts were reimbursed with a personal check. Copies of those checks are on file in the Clerk-Treasurers office.

My previous Administrative Assistant made my travel plans for the 2008 National Interagency Community Reinvestment Conference and the National League of Cities Conference. I have no documentation as to why the dates of travel were selected. Often time's arrangements are made depending on cost of airline tickets. This may or may not have been the case in this instance.

I will immediately reimburse the City of Columbus for the expenses that were requested by the State Board of Accounts for the Reinvestment Conference. The State Board of Accounts representatives agreed the National League of Cities extra day for hotel was appropriate plus meals and adjusted the amount from \$ 915.04 to \$ 641.16. However, felt the rental car and gas should be paid by me personally. Although I question their decision I also recognize the vehicle was used to go to and from evening dinner and other events. I will not argue their findings and will personally pay for the rental car and gasoline. I will also pay one day of hotel expense. Again, when the airline ticket was arranged it may have been reason for the dates the hotel was booked. I will reimburse the City of Columbus a total of \$ 1,298.56 immediately.

As we discussed previously, I have stayed within City and State Board of Accounts guidelines in each of my previous thirteen years as Mayor and have never been asked to make additional reimbursements to the City. However, to be corrected in my fourteenth year is still disappointing, and falls below the standards I hold for myself. I appreciate your position and the fairness with which you treated me. With that being said, I can assure you that I will not need any future corrections or meetings with you in my final two years as Mayor.

Sincerely,

Fred L. Armstrong  
Mayor