

City of Fort Wayne, Indiana

2005 Comprehensive Annual Financial Report

For the Year ended December 31, 2005



Graham A. Richard
Mayor

Patricia A. Roller, CPA
Controller

COMPREHENSIVE ANNUAL FINANCIAL REPORT

**City of Fort Wayne, Indiana
Year Ended December 31, 2005**



**Patricia A. Roller, CPA
Director of Finance and Administration
City Controller**

**Karen C. Aiken
Deputy Controller**

**Valerie A. Ahr
Deputy Controller**

INTRODUCTION



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CITY OF FORT WAYNE

GRAHAM RICHARD, MAYOR

June 21, 2006

Dear Citizens:

I am pleased to present to you the 2005 Comprehensive Annual Financial Report for the City of Fort Wayne. This is an in-depth account of the financial status of the City. This report demonstrates our commitment to provide you with a full and detailed explanation for the use of your tax dollars. We are committed to fiscally conservative management of your tax dollars.

If you have any suggestions for improving our Comprehensive Annual Financial Report or for better managing your tax dollars, please contact the City Controller's Office at (260) 427-1106.

Sincerely,

A handwritten signature in black ink that reads "Graham A. Richard".

Graham A. Richard
Mayor

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CITY OF FORT WAYNE

GRAHAM RICHARD, MAYOR

June 21, 2006

**Honorable Mayor Graham Richard and Members of the Fort Wayne Common Council,
City of Fort Wayne, Indiana**

With this document, we submit the Comprehensive Annual Financial Report (CAFR) of the City of Fort Wayne for the fiscal year ended December 31, 2005. This is the seventeenth CAFR prepared by the City's financial staff. The sixteen previous CAFRs have received the Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association of the United States and Canada. This award marks a continuing effort to improve the City's accountability and financial disclosure to the citizens of Fort Wayne.

We believe the financial information and exhibits, as presented, to be accurate in all material aspects. Responsibility for the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests solely with the City of Fort Wayne. We believe it is important for the various constituencies of the City of Fort Wayne, including citizens, taxpayers, oversight bodies, and the capital markets, to gain maximum understanding of the financial activities, results of operations, and financial position of the various funds and account groups of the City of Fort Wayne. The CAFR is presented with that goal foremost in mind.

The CAFR is presented in three primary sections: introductory, financial, and statistical. The introductory section includes this transmittal letter, the Mayor's transmittal letter, the Certificate of Achievement for Excellence in Financial Reporting, a list of the principal officials, the City's organizational chart, as well as other informational exhibits designed to familiarize the reader with the City of Fort Wayne. This letter of transmittal is designed to complement the Management's Discussion & Analysis (MD&A, found in the financial section) and should be read in conjunction with it. The financial section contains the independent auditor's opinion, MD&A, the basic financial statements for the City's funds, notes to the financial statements disclosing additional information, required supplementary information and supplementary information including various combined and combining statements and schedules for the City's funds and activities. The statistical section includes a number of financial, statistical, and demographic exhibits designed to provide a broad perspective on the City of Fort Wayne.

The Reporting Entity

This CAFR contains financial reporting for all funds of the City. The City operates under a Mayor/Council form of government pursuant to Indiana statute. Listed below are a number of the services the City provides: public safety (police, fire, and communications), community development (planning, zoning, neighborhood revitalization, and economic development), parks and recreation, transportation (roads and streets), solid waste disposal, engineering, and general administrative services. In addition, the City provides water, wastewater, and stormwater utility services. In 1975, the City leased its electrical utility to an investor-owned utility.

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The City of Fort Wayne, Indiana entity has been carefully defined pursuant to the entity definition criteria promulgated by the Governmental Accounting Standards Board (GASB) in Statement 14, "The Financial Reporting Entity". In accordance with this criterion, the City has included various component units in its presentation of the general-purpose financial statements. Blended component units are included as part of the primary government's operations even though they are legally separate entities. The Fort Wayne Municipal Building Corporation has been presented as a blended component unit because the financial statements would be misleading if data from this component unit was not included.

Discretely presented component units have been presented in a separate column in the government-wide financial statements to emphasize that they are legally separate from the City. The following entities have been shown as discretely presented component units because the City is financially accountable for them and can impose its will on them, or the component unit is fiscally dependent upon the City: Neighborhood Care, Inc. (HANDS), Summit Development Corporation, Fort Wayne Urban Enterprise Association, Inc., Fort Wayne-Allen County Convention and Tourism Authority, and Fort Wayne Redevelopment Authority.

The following governmental units have not been included in the reporting entity because the City is not financially accountable for them: Fort Wayne Housing Authority, Fort Wayne-Allen County Airport Authority, Fort Wayne Community School System, and Fort Wayne Public Transportation Corporation. The City of Fort Wayne entity also excludes several nonprofit entities that have some association with the City, including the Community Development Corporation.

The City of Fort Wayne entity includes several governmental boards and commissions, including the Park Board, the Redevelopment Commission, the Metro Human Relations Commission, the Board of Public Works, the Board of Public Safety, and the Animal Control Commission.

The oversight body for the Civil City (governmental operations) is the Common Council of the City of Fort Wayne. The Council is composed of nine elected Council members who serve four-year terms, six of whom represent geographic councilmanic districts and three of whom are elected at-large. The oversight body for the City Utilities of Fort Wayne is the Board of Public Works. The Board of Public Works, as of December 31, 2005, composed of the Chairman of the Board of Public Works and two citizen members appointed by the Mayor.

Note 1 of the basic financial statements provides a further discussion of the City as a financial reporting entity.

Economic Condition and Outlook

With a population of 254,062, Fort Wayne remains the second largest city in Indiana. For the last decade, the Fort Wayne area (Allen County) has consistently maintained a lower unemployment level than the nation or the State of Indiana, until 2001 when the area's rates began to match the State's. During the past decade the area has seen a decline in manufacturing jobs offset by an increase in service jobs. Per capita income has also grown each year, primarily by the rate of inflation.

Almost two-thirds of the area's jobs are evenly distributed between the manufacturing, service and retail sectors. The remaining one-third comes from the construction, finance and government sectors. Job growth has been primarily from expansion of existing businesses. In 2005, over 70 economic development projects were announced that represent over \$400 million in new investment, the retention of over 8,700 jobs and addition of over 1,700 jobs to Fort Wayne and Allen County.

In early 2000, the City's economic development objectives were refocused on gaining higher quality jobs in the manufacturing, service and technology sectors. The City, in collaboration with Allen County and the local Chamber of Commerce, created the Fort Wayne/Allen County Economic Development Alliance. Over the last five years, the Alliance has been responsible for marketing the County's assets, which include a high quality of life, existing commercial building sites and an outstanding workforce, to new and expanding businesses. Since its inception, the Alliance has been involved in over 100 projects that have retained nearly 9,000 jobs and created 4,100 new jobs.

The Northeast Indiana Innovation Center (NIIC), a technology incubator, dedicated its new facility in the fall of 2005. Beginning in 2001, in former Raytheon facilities, NIIC has programs to assist the business entrepreneur as well as emerging technology businesses through business incubation, business counseling, and financing. One of NIIC's newest initiatives, the Indiana Center for Orthopedic Research, hopes to strengthen partnerships between the public and private sectors in the medical industry that will help to create additional opportunities for research and development of future technology.

The City is strategically located just 200 miles from most of the larger Midwest cities --- Chicago, Detroit, Indianapolis, Columbus, Cleveland, Cincinnati, Dayton, Louisville and Toledo. This location positions the community well for distribution businesses as well as manufacturing/service businesses that require proximity to customers in the Midwest, northeastern United States and southern Canada. In 2005, the City's location was important in retaining the operations of Total Fleet Services, Gainey Transportation Services, and NAL Worldwide. These three companies were spun-off from SIRVA North American Van Lines located on U.S. 30 West.

Major Initiatives

Since Mayor Graham Richard took office in 2000, he has worked to make the City of Fort Wayne a High Performance Government. Mayor Richard has implemented innovative business practices like Lean Six Sigma to reduce expenses and improve customer service in city government. Lean Six Sigma savings and cost avoidance currently total more than \$10 million.

Mayor Richard also strives to make Fort Wayne a wired and inspired city. City residents can now complete many transactions on-line instead of making a trip to the City-County Building. The City of Fort Wayne has been recognized by several national organizations for being one of the most technologically innovative governments in the nation.

Mayor Richard has championed the Fort Wayne Area Public Safety Academy, which is slated to open in 2007. The Public Safety Academy will provide world-class training to public safety personnel from throughout northeast Indiana. The Public Safety Academy will be located at the now thriving Southtown Centre in southeast Fort Wayne.

The City of Fort Wayne is committed to a fiscally conservative management of citizens' tax dollars. The implementation of the multi-year financial projections has prepared the City of Fort Wayne for the financial challenges that lie ahead. The City will continue to wisely invest citizens' tax dollars.

Financial Information

Budgetary Controls

Budgetary control, for those funds where the Common Council legally adopts budgets, is maintained at the departmental or major category level. The annual budgetary sequence of events for the City of Fort Wayne contains several review points. Departments prepare draft budgets each June for the next fiscal

year incorporating a set of assumptions provided by the Division of Finance and Administration. These budget requests are subjected to internal review and modification before a budget ordinance is prepared for introduction to the Common Council in early September.

Generally, budget hearings are held throughout September in Common Council sessions. Beyond the public and televised Common Council sessions, there is a legal public hearing held as part of the budget process at which citizens may provide the administration and the Common Council with their comments concerning the budget. By state law, the Common Council must pass the budget by the end of September each year. The Common Council has the power to decrease any major category proposed by the Administration, but may not increase any major category in the budget.

Subsequent to that action, the Department of Local Government Finance (DLGF) holds a final budget hearing, review, and modification in December of each year prior to issuing a formal budget approval order in January. Within this four-month process, there is ample opportunity for oversight and public input. Additional appropriation or transfer requests are controlled at the major category level and must be supported by available cash balances. The Department of Local Government Finance must approve any additional appropriations to those funds where the Common Council adopts a legal budget.

In funds where the modified accrual basis of accounting is used, expenditures are measured against available appropriations by encumbrance of purchase orders. For budget purposes, expenditures are recognized in the year encumbered. Under Indiana statute, open purchase orders at the end of a fiscal year, to the extent of available budgetary spending authority, are automatically added to the subsequent year's budget.

In proprietary fund types such as utilities, where the full accrual basis of accounting is used, encumbrances of purchase orders are not recorded. For financial statement and budget purposes, expenses are recognized when incurred.

The budgetary process for City Utilities is somewhat different from that of the Civil City or governmental operations. The oversight body for the utility operations under Indiana statute is the Board of Public Works. On a schedule that runs about a month behind the Civil City budget process before the Common Council, the Board of Public Works reviews and approves the utility budgets. Additional appropriation requests and transfers are controlled at the major category level.

Internal Controls

The management of the City of Fort Wayne is responsible for establishing and maintaining a system of internal financial controls that account for and safeguard the assets of the City from loss, theft, and misuse. The internal financial control system must allow for compilation of data in a manner in which financial statements can be prepared efficiently in conformance with generally accepted accounting principles.

It is important that the costs and efforts involved in internal control mechanisms not exceed the benefits received. Accordingly, we believe that the City's internal financial controls adequately safeguard assets and provide reasonable assurance of properly recorded financial transactions at an appropriate level of expense and effort. The City consults with the Indiana State Board of Accounts, not only during the audit, but also throughout the year. As a result, we believe that we have established a proactive, positive relationship with our auditor that works to increase the quality of the City's financial reporting and internal control system.

External Audit Function

The Indiana State Board of Accounts (SBA) conducts a financial audit of the City of Fort Wayne annually. In addition to this, the SBA conducts a state law compliance audit. The SBA also audits the City for compliance with the federal Office of Management and Budget Circular A-133, as empowered in the Single Audit Act of 1984, relative to federal financial assistance received.

Beginning with the 2005 audit, the financial statements of the City Utilities operations, including the Electric, Water, Water Pollution Control and Yard Waste Facility, enterprise funds, the Stormwater special revenue fund were audited by the Indiana State Board of Accounts. Audits prior to 2005 for the City Utilities operations were conducted by independent accounting firms.

Internal Audit Department

The City's Internal Audit Department was created in 1988, and is currently staffed by three accounting professionals: the Director of Internal Audit and two Staff Auditors. The Audit Committee ordinance requires that the Director of Internal Audit be a Certified Public Accountant licensed in the State of Indiana or a Certified Internal Auditor. The Internal Audit Department is organized as a separate department and has direct responsibilities to the Mayor and the Audit Committee and indirect responsibilities to the Common Council and the City Controller.

Audit Committee

In 1990, the City of Fort Wayne established by ordinance an Audit Committee. The Audit Committee is composed of five members of the community appointed as follows: 1) one member appointed by the Common Council; 2) one member appointed by the Mayor; 3) one member appointed by the Board of the Allen County Bar Association; 4) one member, approved by the State Board of Accounts, who is a chief financial officer of another governmental unit in Allen County and is familiar with governmental accounting in Indiana; and 5) one member appointed by the Board of the local chapter of the Institute of Internal Auditors.

The Audit Committee has significantly increased the accountability of the City of Fort Wayne to its four primary financial constituencies: 1) taxpayers and ratepayers; 2) citizens; 3) oversight body (Common Council); and 4) the capital markets (where securities of the City of Fort Wayne are sold and purchased in the primary market and traded in the secondary markets).

The duties of the Audit Committee include recommending a budget to the Mayor for the Internal Audit Department, approving an annual audit plan for the staff of the Internal Audit Department, publicly receiving audit reports of the State Board of Accounts, recommending the City's independent external auditors, making sure timely and appropriate remedial actions are taken on all exceptions and comments in audit reports and management letters, and mandating and monitoring compliance with all applicable Indiana laws, generally accepted accounting principles, governmental accounting standards, regulations of the Internal Revenue Service, and other federal agencies.

Pension Plans

The City of Fort Wayne maintains six pension plans for its employees. Most employees are members of the Public Employees Retirement Fund of Indiana (PERF), the public employee retirement system for a large percentage of all governmental employees in the State of Indiana. PERF is classified as an agent, multiple-employer public employee retirement system, acting as a common investment and administrative agent for governmental units in Indiana. Police and fire department personnel hired subsequent to April 30, 1977 are members of the 1977 Police Officers and Firefighters' Pension Fund administered by PERF. Both plans are fully funded on an actuarial basis.

Police personnel hired prior to May 1, 1977 are members of the Police Pension Fund established in 1925 by the State of Indiana. Fire Department personnel hired prior to May 1, 1977 are members of the Fire Pension Fund established in 1937 by the State of Indiana. Utility personnel who retired prior to July 1, 1976 are members of the Municipal Pension Plan. Finally, Board of Health personnel who were employed by the City of Fort Wayne before the Board of Health became a county function on April 1, 1982 are members of the Sanitary Officers' Pension Plan. There are substantially no assets available to fund the liabilities of these four plans. They are funded on a pay-as-you-go basis, with unfunded liabilities currently totaling more than \$228 million.

Note 21 of the basic financial statements as well as the required supplementary information provide further discussion of the City's pension plans.

Risk Management

On July 14, 1989, the City of Fort Wayne created by ordinance a non-reverting Liability Self-Insurance Fund. The City has chosen to retain four primary risks at this time: 1) general liability; 2) automobile liability; 3) police professional liability; and 4) workers' compensation. The City retains an actuarial firm to advise the Insurance Committee and monitor the progress of the program. The ordinance created this three member Insurance Committee to assist the Risk Manager in managing the insurance and self-insurance programs. The Committee is comprised of the Chairman of the Board of Works, the City Attorney, and the City Controller.

Note 9 in the basic financial statements contains further detail of the City's risk management programs.

Cash Management

All cash temporarily idle in 2005 was invested by the City in short-term investments in conformance with Indiana statutes governing investment of public funds. Those statutes limit the investment media that can be utilized by the City of Fort Wayne to certificates of deposit of local financial institutions, U. S. Treasury securities, and U. S. agency securities backed by the full faith and credit of the U. S. Government having a term to maturity of two years or less. This statutory limitation severely constrains the return the City is able to achieve. The objective is to attain the highest possible return consistent with the City's liquidity needs and desired level of risk. All excess funds are deposited daily and all accounts are interest bearing.

Certificate of Achievement for Excellence in Financial Reporting

The Government Finance Officers Association (GFOA) of the United States and Canada annually awards the Certificate of Achievement for Excellence in Financial Reporting to state, provincial, and local governmental units that publish an easily readable and efficiently organized comprehensive annual financial report whose contents conform to program standards. Such reports must satisfy both generally accepted accounting principles and applicable legal requirements.

This comprehensive annual financial report is the seventeenth published by the City of Fort Wayne. The 1989-2004 Comprehensive Annual Financial Reports were awarded the Certificate of Achievement by GFOA. The award is good for only one year. We believe our report conforms to Certificate program requirements, and we are hopeful that GFOA will confirm, through its review process, our eligibility for a seventeenth Certificate.

Acknowledgments

Without the strong commitment of Mayor Graham Richard to the highest standards of ethics, financial reporting, disclosure, and professionalism, this report would not have been possible. We would like to express our sincere appreciation for that commitment and support.

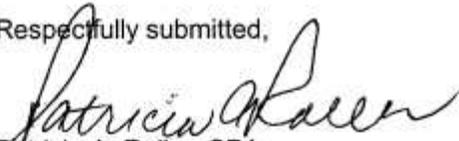
The City Controller and Deputy Controllers are not able to produce a report of this type and magnitude alone. A number of people are part of the team effort that produces the City's CAFR.

We acknowledge and thank the following City employees:

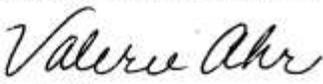
Jay Bigham, Senior Financial Accountant
Jeanne Cook, Administrative Assistant to the Controller
Mark Knepper, Senior Financial Accountant
Ed Shick, Senior Financial Accountant
Suzanne Sims, Bookkeeper/Receptionist
Greg Weisser, Financial Accountant

We also acknowledge the assistance of the entire audit team from the Indiana State Board of Accounts Fort Wayne Office for making this report possible.

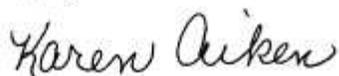
Respectfully submitted,



Patricia A. Roller, CPA
City Controller
Director of Finance & Administration



Valerie Ahr
Deputy Controller

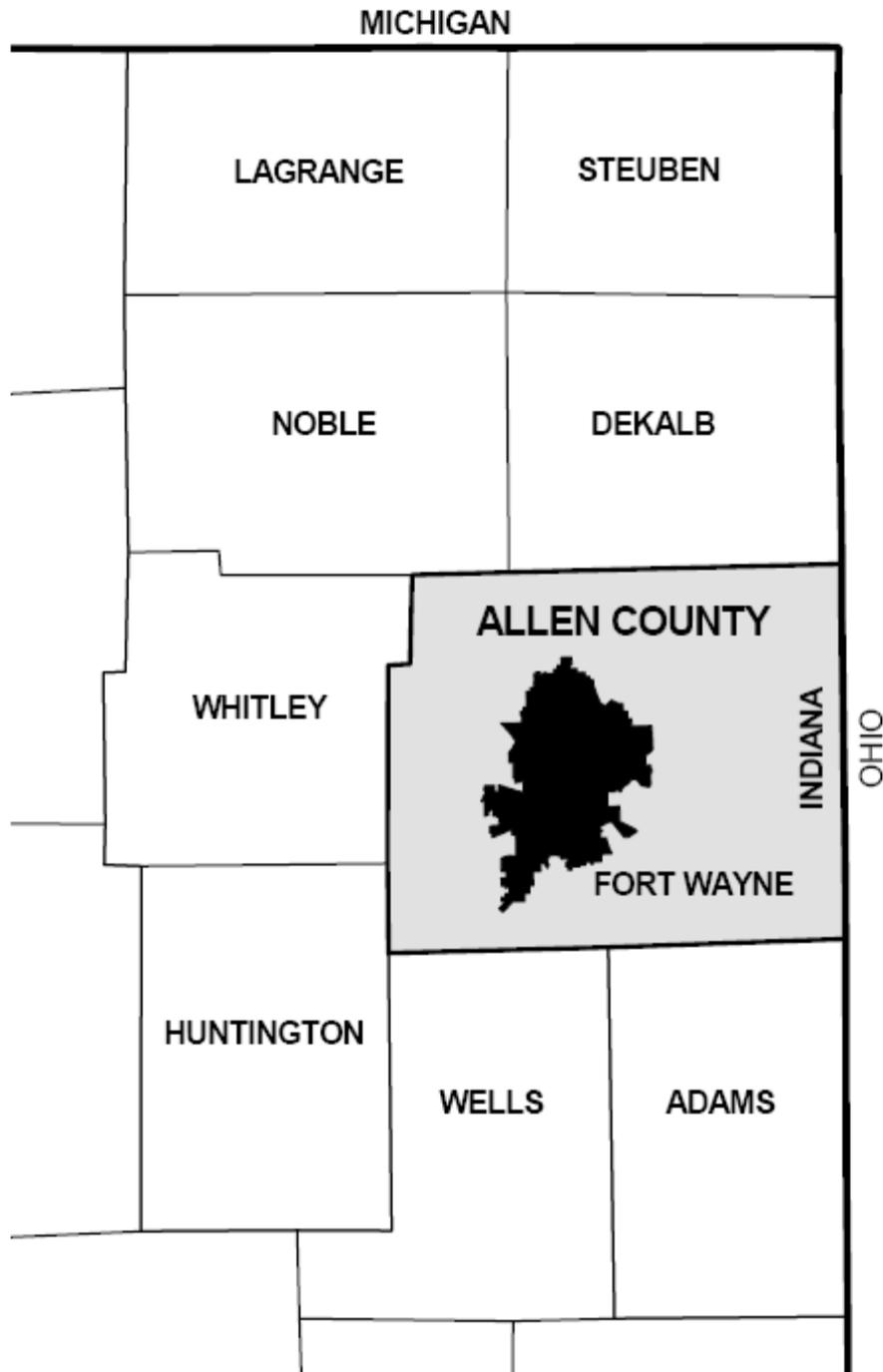


Karen Aiken
Deputy Controller

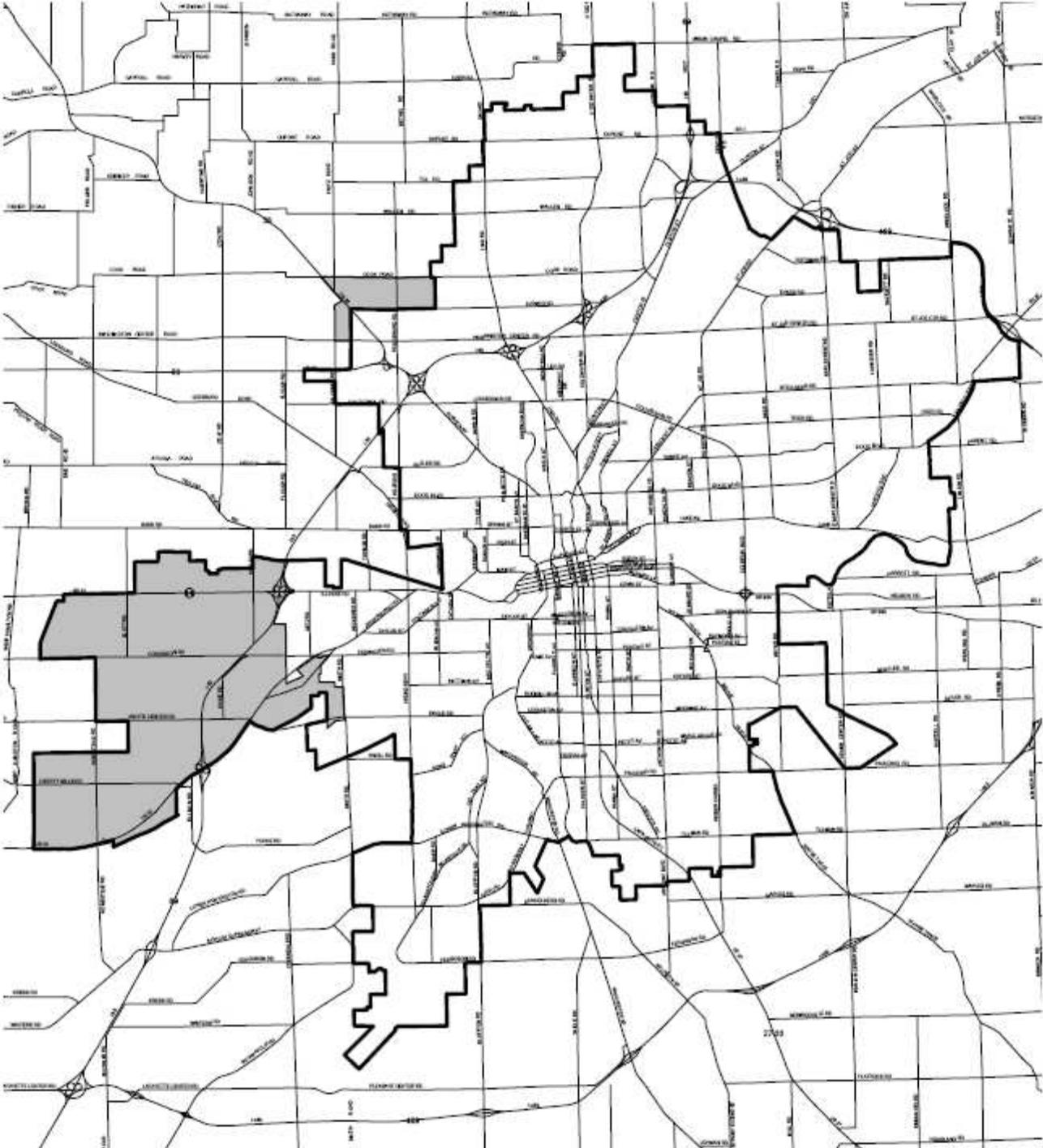
Midwest Locator Map



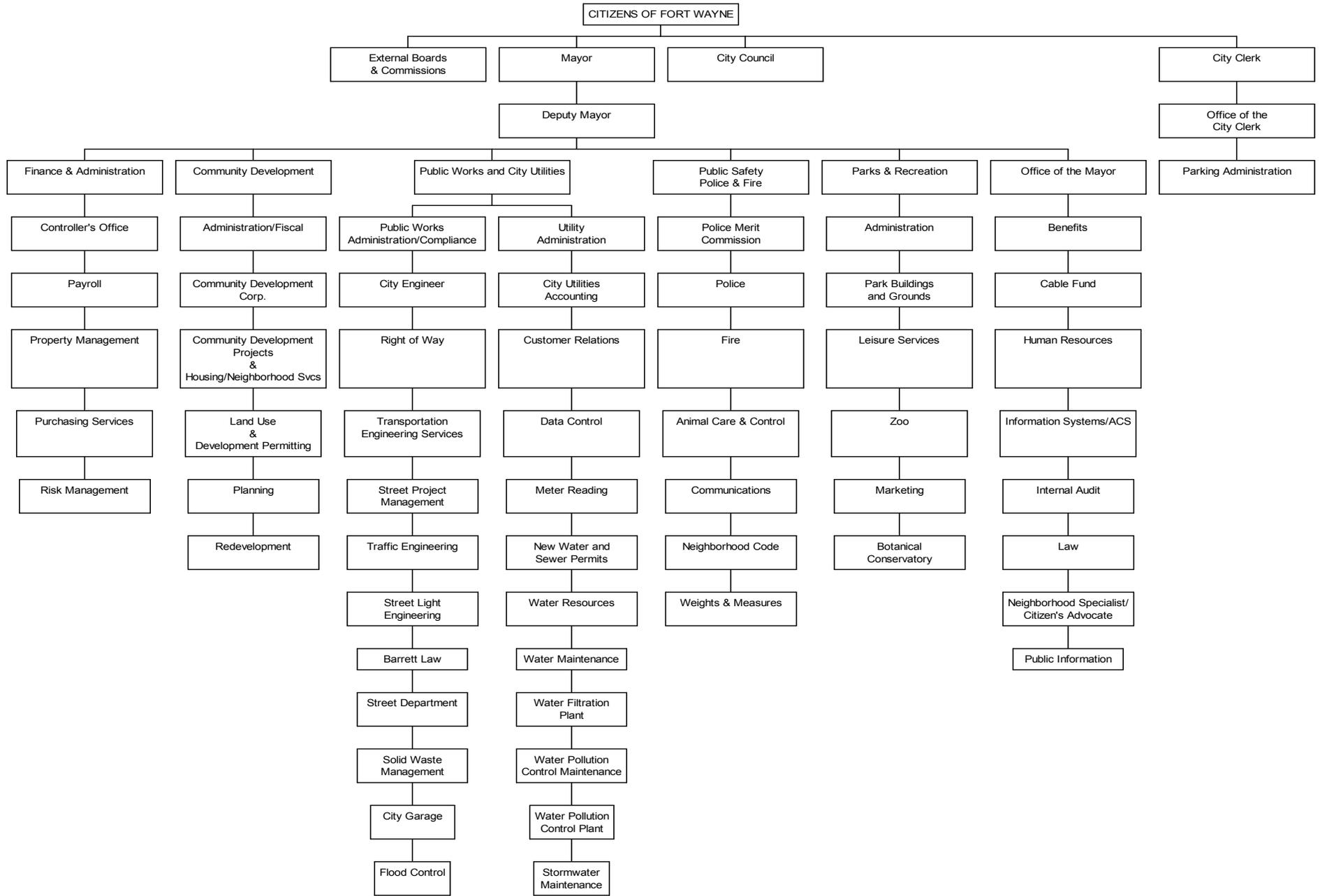
Northeast Indiana Locator Map



Future Annexation Map



City of Fort Wayne
2005 Organization Chart



**CITY OF FORT WAYNE
LIST OF PRINCIPAL OFFICIALS
December 31, 2005**

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE WITH CITY</u>
Elected Officials:		
Graham Richard	Mayor	6
Sandra E. Kennedy	City Clerk	26
Samuel J. Talarico, Jr.	Council Member	10
John N. Crawford	Council Member	10
Glynn A. Hines	Council Member	6
Thomas Smith	Council Member	9
Thomas E. Hayhurst	Council Member	9
Timothy M. Pape	Council Member	6
Donald J Schmidt	Council Member	35
John Shoaff	Council Member	2
Thomas Didier	Council Member	2
Division Directors:		
Mark Becker	Deputy Mayor	5
Vacant	Director of Community and Economic Development	-
Alvin R. Moll, Jr.	Director of Parks and Recreation	4
Greg Meszaros	Director of Utilities/ Director of Public Works	20
Russell York	Director of Public Safety	28
Timothy Davie	Director of Public Safety	24
Patricia A. Roller	Director of Finance and Administration	2
Tim Manges	City Attorney	6
Civil City Department Directors:		
Belinda Lewis	Animal Control - Manager	17
David Ross	City Engineer	16
Steve Smith	Communications - District Chief	26
John Urbahns	CD - Deputy Director of Development	7
Greg Leatherman	CD - Deputy Director of Development	7
Heather Presley	CD - Deputy Director of Housing & Neighborhood Services	12
Barbara Jones	CD/HANDS - Administrator	23
Pam Holocher	CD - Director of Planning	27
Darren Renier	CD/CDC - Senior Finance Specialist	1
Clifford Clarke	Chief Technology Officer	1
Karen Aiken	Controller's Office - Deputy Controller	26
Valerie Ahr	Controller's Office - Deputy Controller	10
Timothy Davie	Fire Department - Chief	24
Larry Campbell	City Garage - Fleet Manager	3
Chloetha Davie	Human Resources Director	5
Lynn Trittip	Internal Audit - Director	5
Gerald Foday	Metropolitan Human Relations - Director	5
Thomas Bander	Neighborhood Code Enforcement - Administrator	21
Garry Morr	Parks & Recreation - Associate Director of Admin	13
Susan VanEvery	Payroll - Supervisor	18
Russell York	Police - Chief	28
Dan Brenner	Property Management - Manager	3
John Perlich	Public Information Office - Director	4

**CITY OF FORT WAYNE
LIST OF PRINCIPAL OFFICIALS
December 31, 2005
(Continued)**

<u>NAME</u>	<u>TITLE</u>	<u>YEARS OF SERVICE WITH CITY</u>
Civil City Department Directors continued:		
Bob Kennedy	Public Works - Associate Director	21
Jim Howard	Purchasing/Administrative Services - Director	5
Lisa Lange	Redevelopment - Director	1
Nancy McAfee	Risk Management - Manager	1
Matt Gratz	Solid Waste - Manager	7
Brad Baumgartner	Street Department - Director	25
Mario Trevino	Transportation Engineering Services - Director	26
Steve Davis	Traffic/Street Light Engineering & Traffic/Street Light Operations Director	22
Terry McCaffrey	Urban Enterprise Association - Business Development Specialist	8
Gary Brown	Weights & Measures - Inspector	3
City Utilities Department Directors:		
Steve Martin	City Utilities Accounting - General Accounting Manager	31
Maggie Fiedler	City Utilities Customer Svc - Manager	5
Sally Clem	City Utilities Data Control - Manager	13
Chet Shastri	Filtration Plant - Superintendent	14
Kevin Holle	GIS - Manager	20
Patrick Faherty	Meter Reading - Manager	12
Judy Black	New Water & Sewer Permits - Supervisor	24
Michael Thomson	Storm Planning & Design - Program Manager	15
Gary Merriman	Stormwater Maintenance - Assistant Superintendent	30
Greg Meszaros	Utility Administration - Director	20
Len Poehler	Utility Administration - Associate Director of Finance	2
Phil Giaquinta	Utility Services Manager	6
Ron Shepperd	Engineering Support Services	16
Mary Jane Slaton	Planning and Design Services	13
Jerry Schoenle	Water Maintenance/Service - Superintendent	35
Mark Gensic	Planning and Design Services - Manager	6
Jeffrey Morris	WPC Maintenance - Interim Superintendent	28
Cheryl Cronin	WPC Plant - Interim Superintendent	18

CITY OF FORT WAYNE

DEPARTMENT DETAILS

OFFICE OF THE MAYOR

The Mayor oversees the implementation of policies and the efficient flow of ongoing services through wide appointive powers, including the capability to appoint division heads and many board and commission members. The Mayor may serve unlimited four-year terms. Fort Wayne, the second largest city in Indiana, is the northeast Indiana leader in industrial, educational, and cultural activity. Leadership from the Office of the Mayor is crucial to the entire area.

The power to organize the executive department is shared between the mayor and the council. Since the mayor is charged with the responsibility for the efficient operation of the city and the enforcement of its ordinances, he or she has the power to initiate or recommend new departments, transfer duties between or terminate existing departments. The council must ratify by ordinance such recommendations to put them into effect.

The Mayor controls the major administrative functions of the consolidated city through the seven divisions as follows: Finance & Administration, Community Development, Public Works, Utility Administration, Public Safety, Parks & Recreation, and Office of the Mayor. Each of these areas is headed by an appointed director.

Public Information Office

The Mayor's Public Information Office provides information regarding administrative policies and City services to a variety of audiences, including citizens, City Council members, neighborhood leaders, City employees, State legislators, and state and national groups. The messages are delivered using a variety of communication tools, including the media, Internet, cable television and others. The purpose of the messages are threefold: 1) to educate and inform, 2) to encourage citizen participation and involvement and 3) to promote the City of Fort Wayne locally, statewide and nationally.

Neighborhoods and Citizen's Advocate Office

The Neighborhoods and Citizen's Advocate Office assists neighborhood associations, business associations, community service organizations, and citizens with their needs and concerns regarding City government, departments and services. This office also acts as a referral agency to other branches of government.

This office helps neighborhood associations, business associations, community service organizations, and citizens leverage resources to resolve their concerns and acts as a liaison between citizens and the Mayor and City Government.

The Neighborhoods and Citizen's Advocate Office can be contacted via the telephone, TDY, visits to the office, the mail, electronic mail, or meetings with the staff.

Department of Law

It is the mission of the Department of Law to manage the legal affairs of the City of Fort Wayne by giving legal advice to the officers, departments, boards, commissions and other agencies of the City; by drafting ordinances and other legal papers for the City and its departments, boards, commissions and other agencies; by prosecuting violators of City ordinances; and by supervising and directing all litigation in which the City has an interest.

Human Resources Department

The goal of the Human Resources Department is to provide services efficiently to employees, applicants, and the public at the least cost to the City's taxpayers. Services include the facilitation of positive employee and labor relations, employee communications, benefits administration, training and counseling; employee record-keeping; classification of employee positions; policy and procedure development; union contract negotiations, interpretations and enforcement; recruiting; and testing of applicants.

Information Systems Department

Information Systems is responsible for providing quality, reliable and cost effective information systems and services to the many and varied City departments. Information Systems Tactical and Strategic Planning is the foundation of providing these services to the City departments while considering organizational structure, departments and their mission, critical success factors, service products and the return on investment.

Internal Audit Department

Internal Audit is primarily responsible for performing financial, operational and compliance audits in accordance with professional auditing standards. The vast majority of audits are followed by written reports containing findings and recommendations, as well as management's plans for implementing corrective action. In addition, the Internal Audit Department provides primary support to external auditors during their annual financial statement audit.

OFFICE OF THE CITY CLERK AND COMMON COUNCIL

The **City Clerk** is an elected position every four years and serves as the Clerk of the Common Council. The Clerk is responsible for the preservation of all ordinances and resolutions passed by this body and also responsible for a number of Indiana Statutory responsibilities as listed in Indiana Code 36-4-6-9. City Clerk also serves as the Administrator of the Fort Wayne Violations Bureau and Parking Enforcement Department. The Clerk may seek unlimited four-year terms.

The **Fort Wayne Common Council**, as the Legislative Body, has the responsibility of passing ordinances and resolutions for the City. The Fort Wayne Common Council is comprised on nine elected members, on representative from each of the city's six councilmanic districts and three at-large members. As elected officials, they are entrusted with the duty to provide the ways and means to ensure the safety and security of citizens of the City of Fort Wayne and work to maintain a high quality of life. Common Council members may seek unlimited four-year terms.

FINANCE AND ADMINISTRATION DIVISION

The mission of the Finance & Administration Division is to ensure the financial stability for the City of Fort Wayne. The departments within this division include the Controllers Office, Payroll, Risk Management, Purchasing and Property Management.

The Division is also responsible for: the annual budget; proper financial controls to ensure the City's financial transactions and assets are reported accurately; as well as providing financial analysis for management decision making including guidance for delivery of efficient, cost effective government services.

Payroll Department

The Payroll Department is responsible for maintaining the City government payroll records to meet the requirements of the various laws (federal, state, and local) under which it is operating; maintaining a payroll accounting system that embodies all of the procedures and methods related to the disbursement of pay to employees in a highly technical environment; and promoting goodwill and a positive working environment by processing the payroll accurately and on time.

Risk Management Department

The Risk Management Department is responsible for formulating and implementing programs and procedures that will minimize the City's property, revenue and personnel losses. A comprehensive self-insurance program for auto and general liabilities and worker's compensation was designed to finance the losses that do occur. The Risk Management Department works closely with the other departments within the City to ensure all employees work in the safest possible working conditions.

Purchasing Department

The City of Fort Wayne's Purchasing Department provides a centralized, service-oriented focal point for all Civil City and City Utilities departments. The role of the Purchasing Department is to assist with identifying, acquiring, accessing, positioning, and managing resources the City needs to achieve its strategic objectives. The staff of the Purchasing Department ensures that all activity is conducted within the framework of State code and local ordinance, and always adheres to professional purchasing practices.

Property Management

The mission of the Property Management Department is to develop preventive maintenance programs, which will track maintenance and repairs of City-owned buildings. The department also provides guidance in areas related to real estate purchases, renovations, and contracted services.

In addition, the Property Manager will develop a program to market City properties and oversee the purchase and sale of buildings and real estate in accordance with State statutes. The department will evaluate renovations, both short and long term, and will determine whether a property is worth the renovations or a new facility is needed.

UTILITY ADMINISTRATION

The City Utilities Administration Department includes the office of the Director of Public Works and Utilities and is responsible for administering and interpreting City Utilities rules and regulations for water, sewer and stormwater services. City Utilities' mission is to protect the health, welfare and prosperity of the Fort Wayne community; therefore City Utilities is committed to provide quality water, sewer and stormwater services in an efficient, responsible and capable manner. City Utilities Administration encompasses fifteen departments, listed below, that are under the management of the Director of Public Works and Utilities: General Accounting, Customer Relations, Data Control, Meter Reading, New Water & Sewer Permits, Geographic Information Systems, Water Resources, Three Rivers Filtration Plant, Water Maintenance and Service, Water Pollution Control Plant, Water Pollution Control Maintenance, Stormwater Maintenance, Development Services, Engineering Support Services and Planning and Design Services.

General Accounting

General Accounting is responsible for maintaining all financial records of City Utilities, which include electric, administrative departments, water, water pollution control, stormwater and yardwaste.

Customer Relations

The Customer Relations Department's goal is to serve customers promptly, courteously and professionally. The public contacts this department to initiate, finalize or transfer water and sewer services as well as make any billing inquiries either in person, by phone or by correspondence. The Credit and Collection area within the Customer Relations department seeks payments for outstanding bills through demand notices, litigation and placing liens.

Data Control

The Data Control Department completes on-line work orders initiated by the Customer Relations and Water Maintenance and Service Departments. This department is also responsible for maintaining the integrity of the billing system and developing system enhancements to allow for ordinance changes made by City Council, as well as customer clarity and user efficiency.

Meter Reading

The Meter Reading Department reads residential and commercial water and sewer meters. The department's objective is to provide accurate meter readings in a timely manner for customers.

New Water & Sewer Permits

The New Water and Sewer permit area calculates and collects all water and sewer assessments and tap-in fees for the utility and initiates new accounts for billing on-line. The Department's objective is to provide accurate and timely service to the Chief of Engineering, contractors, builders, developers and the general public.

Water Resources

The Water Resources Department is the administrative office of the Associate Director for Engineering and related support staff. This department coordinates and directs the activities of the Engineering Departments of City Utilities and provides support to the administrative and elected officials of the City regarding Utility operations.

The following four sections are under the Water Resources Department as follows:

Engineering Support Services Department (ESS). Engineering Support Services provides field services (inspection, surveying and testing) and construction contract management of Utility capital projects. These projects may range from private developers installing infrastructure in subdivisions to utility capital projects for the installation of large diameter sewer lines, replacement of water mains and services, contracts for sewer televising, cleaning, smoke testing and dye testing sewer lines, and improvements to the water filtration and sewage treatment plants.

Development Services Department (DVS). The function of the Development Services Department is to facilitate the expansion or modification of the City's water, wastewater and stormwater systems in order to provide the best possible service to customers. Development Services staff members provide information about the policies, procedures and rules that govern the operation of Fort Wayne City Utilities and assist developers, contractors, builders and citizens in finding information about the physical characteristics of various utility systems. Development Services is also involved in managing citizen complaints and concerns about Utility systems, offering and reviewing options for solving problems and coordinating financing for projects.

Planning and Design Services (PDS). The Planning and Design Services Department applies the practice of engineering to analyze operation of City Utility systems, to recommend City Utility system improvements and to develop construction plans and specifications for City Utility construction projects.

Geographic Information Systems (GIS). The Geographic Information Systems Department collects, checks, processes and utilizes data with geographical significance to create computer generated reports and maps for City Utilities and Public Works departments.

Three Rivers Filtration Plant

The Three Rivers Filtration Plant draws its raw water supply from the St. Joseph River. This department maintains a 265-acre reservoir that holds nearly 2 billion gallons of water. It also maintains the Cedarville Dam and the 500 million-gallon Cedarville Reservoir. Raw water from the river is pumped from the St. Joe Dam Pump Station to the Three Rivers Filtration Plant. An average of 30 million gallons a day is treated and purified through a series of chemical and physical treatment processes. In addition to the reservoir's Pump Station and Filtration Plant, this department operates and maintains the finished water storage reservoirs.

Water Maintenance and Service

The Water Maintenance and Service Department (WM&S) is responsible for both maintaining various elements of the water distribution system and providing service-related operations. The construction division of this department repairs and installs mains, hydrants, valves, and services. The service division installs and maintains meters, pressure tests and disinfects new water mains, provides field support for the Customer Relations Department on credit turn-offs and furnishes complaint investigation and turn-on or turn-off of water service.

Water Pollution Control Plant

Fort Wayne's Water Pollution Control Plant is responsible for treatment of an average of 48 million gallons of sewage per day. The plant is an activated sludge treatment plant including primary, secondary, and advanced waste water treatment. This department is charged with the responsibility of cleansing the City's used water to meet the limitations of the City's National Pollution Discharge Elimination System Permit before the water is discharged into the Maumee River.

Water Pollution Control Maintenance/Stormwater Maintenance

The Water Pollution Control Maintenance/Stormwater Maintenance departments are responsible for the maintenance of the City's sanitary, storm, and combination sewer systems totaling over 1,500 miles. These departments install, inspect, repair, maintain and clean manholes, inlets, catch-basins, and sewer lines. Improvements are also made to open drains and ditches to improve high water flows.

DIVISION OF COMMUNITY DEVELOPMENT

Vision Statement

"To foster a vibrant, prosperous and growing Fort Wayne through extraordinary community development."

Mission Statement

"To develop and implement creative community-based strategies to enhance economic opportunity, build strong neighborhoods, and ensure a dynamic framework for quality growth and development."

A director and three Deputy Directors oversee the nine departments comprising this division: Fiscal Management, Special Projects/GIS, Strategic Planning, the Community Development Corporation of Northeast Indiana, Redevelopment, Land Use Management and Development Permits, Housing Programs, Grants Administration, and Neighborhood Revitalization.

The overall purpose of the Division of Community Development is to develop and implement creative community-based strategies to enhance economic opportunity, build strong neighborhoods, and ensure a dynamic framework for quality growth and development. A director and two Deputy Directors oversee the eight departments comprising this division: Administration, Special Projects/GIS, Housing and Neighborhood Services, Fiscal Management, the Community Development Corporation of Northeast Indiana, Redevelopment, Strategic Planning, and Land Use Management and Zoning.

Director's Office

The Director's Office provides coordination and overall direction for the Division.

Deputy Director of Planning, Policy and Operations

Working under the Division Director, this Director oversees the implementation of integrated strategic and operational planning initiatives that enhance development opportunities and efficiencies for the City of Fort Wayne. The Deputy Director oversees the daily operations of the division and the following departments:

Fiscal Management

The Fiscal Manager is responsible for financial management of the myriad federal, state and local funds which support the Division's activities.

Special Projects/GIS

The Special Projects/GIS Department provides strategic research to assist in the direction of Division resources, management of special projects and develops/leads implementation of the Division technology strategy. It provides data, analysis, and GIS support to the Division.

Strategic Planning

Strategic Planning works to promote good stewardship of City resources through various land and planning studies, visioning initiatives, Comprehensive Plan updates, transportation studies and the promotion for orderly, fiscally sound expansion of the City through annexation.

Historic Preservation, a sub-area within this department, manages the historic and aesthetic resources of the community, working with property owners, city agencies and other groups to coordinate improvement efforts, provide technical assistance and cost-effective design solutions.

Deputy Director of Development

Working under the Division Director, this Director oversees the implementation of an aggressive development partnership between the public and private sectors. The Deputy Director oversees the following departments and provides direct liaison/support to the Fort Wayne/Allen County Economic Development Alliance and support for international trade:

The Community Development Corporation of Northeast Indiana

The Community Development Corporation of Northeast Indiana (CDC) is a city-sponsored, 501 c (6) not-for-profit business development organization. Its primary objective is to promote the growth and development of small commercial and industrial businesses in the Fort Wayne area and a nine-county area in northeast Indiana through creative business loan programs.

Redevelopment

The Redevelopment Department in conjunction with the Redevelopment Commission, promotes and implements opportunity projects, acting as a catalyst to develop areas that have shown a cessation of growth and lack of development. This is done through techniques including real estate acquisition, site preparation and/or providing public infrastructure to the site. Financing resources generally used are Tax Incremental Financing (TIF) and Redevelopment General Obligation Bonds.

Land Use Management and Development Permits

The Land Use Management and Development Permits Department performs a variety of tasks and activities in support of the City Plan Commission, Subdivision Control Committee, Board of Zoning Appeals, Hearing Officer, Sign Review Board, and the River Greenway Committee. This department is responsible for the administration and enforcement of the City Historic Preservation, Sign, Subdivision Control, and Zoning Ordinances. The department also provides and presents information as necessary to Common Council.

The Deputy Director of Housing and Neighborhood Services

Working under the Division Director, this Director oversees the implementation of initiatives to attract and support housing investment and reinvestment in the City to promote community development and expand access to desirable housing. The Deputy Director oversees the strategic investment of public funds in neighborhood revitalization-oriented projects and programs which leverage significantly higher levels of private investment through the following departments:

HANDS

A not-for-profit Corporation organized under chapter 246 of the Indiana Acts of 1921. HANDS is a quasi-public Corporation of the city.

Housing Programs administers the City's Home Investment Partnerships Act (HOME) Program from the federal department of Housing and Urban Development (HUD).

Grants Administration administers the City's Community Development Block Grant (CDBG) and Emergency Shelter Grant (ESG) programs from the federal department of Housing and Urban Development (HUD).

Neighborhood Revitalization plans, coordinates and directs the City's neighborhood revitalization implementation program and ancillary projects.

All departments coordinate and collaborate to carry out activities in order to:

Provide technical services and other consultant services and assistance to profit and nonprofit developers

- To serve as interim sponsor-developer/mortgagor of new or rehabilitated housing units
- To provide financial and technical assistance to owners and purchasers of real property for the purchase, restoration, reconstruction, rehabilitation and improvement of real property
- To promote, assist and fund special purpose programs, including homeownership counseling, maintenance and family budget counseling, for the strengthening of family stability, neighborhood conservation, and to combat neighborhood and community deterioration
- To foster and promote the rehabilitation of residential and mixed use properties;
- To promote the establishment of local housing sponsor, development and management organizations
- To promote education, training and counseling programs in residential housing construction and management skills for sponsors of housing, and for other persons now unskilled or semiskilled, presently employed or underemployed with emphasis on expanding employment opportunities in the home building and construction industries
- To promote responsible ownership, management and entrepreneurship in the contracting and contracting residential housing construction industry, with emphasis upon developing ownership ventures in urban areas, owned and operated by local residents
- To promote proven and innovative techniques, programs and attempts by private industry, financial institutions and others to design, construct, remodel and rehabilitate and finance housing of long-term durability.

METROPOLITAN HUMAN RELATIONS

Metropolitan Human Relations conditions of ability was established to ensure the equal rights of all people, regardless of race, color, sexual orientation, age, religion, national origin, ancestry, or disability. It strives to promote community harmony and alleviate tensions caused by harassment, prejudice, and misunderstanding, through the use of enforcement, education, training, and community awareness.

PUBLIC WORKS

The Division of Public Works manages Fort Wayne's infrastructure, including the City's systems for streets, traffic, roadway lighting and flood control. From engineering an intersection improvement to battling floods, the Division of Public Works provides vital support to neighborhoods, businesses and economic development projects.

Office of the Director

The Director's Office includes the support staff for the Board of Public Works. It is the center for processing construction projects, public hearings and a variety of other functions related to purchasing and contracting.

Barrett Law

The primary purpose of the Barrett Law office is the performance of all accounting functions necessary to administer the Barrett Law process according to Indiana Code. This includes invoicing, recording receipts and disbursements, filing of waivers, issuance of bonds, pro-rating available cash for individual bond issues, monitoring and investment of funds, preparation of various supporting schedules, etc.

Since the development of an automated system with the capability of computer interface with Allen County real estate files, the Barrett Law office prepares property ownership lists and assessment rolls for all projects. The office also performs research and serves as an information source for the general public as well as other City departments in regard to the purpose, procedures and regulations governing the system.

Contract Compliance Office

The Contract Compliance Office monitors construction and procurement contracts to ensure that local, state and federal regulations are followed by all City contractors. In addition, the Department monitors the City's Community Development Block Grant (CDBG) contracts with private agencies.

Solid Waste Management

The Solid Waste Management Department is responsible for administering and monitoring the City's residential garbage, recycling, and yard waste collection and disposal contracts. Additionally, the department is involved in other waste issues such as illegal dumping, waste reduction education, enforcement of the City's garbage ordinance, litter prevention programs, and citywide clean-up programs.

City Engineer

The City Engineer's Office is responsible for direction and coordination of the activities directly or indirectly related to Civil City Engineering and other duties as required by State statutes. It is the duty of the City Engineer to oversee the preparation of plans and specifications for Public Works contractual Capital Improvement Projects (primarily transportation infrastructure), maintenance projects requiring engineering expertise and all other improvement projects necessary for the safe, efficient and economical operation of the Public Works Division of the City government.

Flood Control

Flood Control administers the City's responsibilities for the Army Corps of Engineers Flood Control Project; as well as planning, construction, and maintenance of the City's existing Flood Control system.

Transportation Engineering Services

The **Street Project Management Section** is responsible for the design and preparation of plans and specifications for all new construction and repairs for streets, alleys, sidewalks and curbs in the City of Fort Wayne. Many construction projects are the result of request from citizens petitions filed by property owners through the Barrett Law process, applications through the Community & Economic Development Block Grant Program and a yearly street-resurfacing program established by the Division of Public Works. Street Project Management also reviews subdivisions submitted for construction, commercial building developments and residential and commercial driveway applications to ensure they meet applicable codes and standards.

The **Technical Services Section** provides surveying, drafting, and inspection services to the engineering departments, as well as many private engineering firms. Technical Services also monitors street pavement condition by way of field inspections and through the Pavement Management System (PMS). This department has a well-equipped test laboratory to assure construction materials meet City engineering standards. Technical Services also provides print reproduction for many municipal departments.

Traffic Engineering

The Traffic Engineering Department provides the following services to the public: design, installation and maintenance of traffic signal systems; traffic signs and pavement markings; record, tabulate and analyze accident reports; investigate all requests and complaints related to traffic conditions and operations; and conduct traffic studies relating to one way streets, parking regulations, speed limits, traffic calming, roadway design, traffic control, special signing, maintain traffic impact attenuators.

Street Lighting

The Street Lighting Department provides the following services to the public:

Design and install new street lights and systems that provide safe and efficient illumination for both motorists and pedestrians during nighttime hours. Maintain and update over 30,000 existing City Street Lights.

Street Light Engineering adheres to the standards of both the American National Standards Institute and the Illuminating Engineering Society of North America for the design of the City's street lighting systems.

Street Department

The Fort Wayne Street Department is responsible for the cost-efficient maintenance and construction of the more than 920 miles of City streets. The Street Department also maintains alleys and publicly owned guardrails. The Street Departments work is divided into three separate Seasons: Summer Construction, Leaf Season and Snow Season. During the Spring and Summer months, its crews mow roadside right-of-ways, sweep approximately 16,000 miles of streets, resurface improved and unimproved streets and perform general maintenance on streets and alleys. During the Fall the department conducts a citywide leaf collection, and during the Winter the department focuses on snow and ice removal on all city streets.

Fleet Management

The Fleet Management Department is responsible for 1,200 city owned vehicles and ancillary equipment. The Fleet Superintendent oversees the contract with the private company, which provides vehicle maintenance services to the City's fleet. The department is also responsible for developing approval policies for vehicle use, preventive maintenance and replacement.

PARKS AND RECREATION

The Parks and Recreation Department maintains over 2,000 acres of public park land and provides numerous recreation facilities, programs, and services for the Fort Wayne community. The Fort Wayne Parks Department was created in 1905 when the Indiana General Assembly adopted the Cities and Towns Law. The Parks and Recreation Department is administered by a four member bipartisan Board of Park Commissioners. Each commissioner is appointed by the Mayor and serves a four-year term. The Park Board reviews and approves the annual budget, approves expenditures, holds regular public meetings as required by law and approves the awarding of all contracts.

Administration/Marketing

The Administration Division is responsible for the financial accounting, personnel, budgeting, purchasing, MIS, and secretarial functions of the department.

The Marketing Division was created in 1989 and is responsible for : public relations, promotions, customer service, grant writing, service quality, strategic planning, marketing research, corporate sponsorship, and other marketing/planning functions. The Botanical Conservatory falls under this division as well.

Headwaters Park

The Department contracts with the not-for-profit Headwaters Alliance for the maintenance and operation of this spectacular 40-acre park on the north edge of downtown. Headwaters Park has become the focal point for community festivals, special events and an aesthetic gateway to the downtown area.

Parks/Horticulture

Buildings and Grounds is responsible for operation and maintenance of the park land and facilities, automobile and machinery operation and upkeep, building repairs and maintenance, and engineering. The Horticulture Division is responsible for park and street trees, public gardens and flower beds, park landscaping and operates three (3) greenhouses.

Leisure Services

Leisure Services is responsible for most of the recreational programs and facilities operated by the department. Facilities include: three public golf courses, two tennis centers, about 50 public tennis courts, an ice arena, three community recreation centers, four swimming pools, a day camp, a nature preserve, Lifetime Sports Academy, and a reservoir. The Division hosts a number of citywide special events, offers competitive and instructional programs in athletics and outdoor recreation, operates supervised playgrounds, runs a travel program for seniors, families, and adventure travelers, and offers classes covering a variety of special interests for pre-school through older adult. Concerts, arts programs, cultural events, and the new Solomon Farm Park are also provided by the division.

Fort Wayne Children's Zoo

The Fort Wayne Children's Zoo and the Diehm Museum of Natural History are operated under our operating agreement between the Fort Wayne Parks and Recreation Division and the Zoological Society.

PUBLIC SAFETY

Department of Public Safety

This Department maintains order and protects the rights and property of the citizens of Fort Wayne. The Fire Chief and Chief of Police serve as the Directors of Public Safety. The Directors retain responsibility for major policy decisions, budgeting, long-range planning and the day-to-day coordination of six departmental divisions: Police, Fire, Animal Control, Human Resources, Weights and Measures, and Communications. The Division Directors serve as the Mayor's appointee on many commissions and councils in order to coordinate activities and plan cooperative efforts with other state and local agencies.

The Board of Public Safety is composed of three civilians appointed by the Mayor. The Board studies problems of the Department of Public Safety, hires new police and fire officers, and is the disciplinary body for those departments. Also, it governs traffic regulations.

Police Department

It is the mission of the Fort Wayne Police Department in partnership with the community, to strive to protect the life, property, and personal liberties of all individuals. We believe that the overall quality of life for all residents will improve through the deterrence of criminal activity and an understanding of the diversity of cultures within this community. Furthermore, we recognize the need for fair and impartial enforcement of the law, with attention given to the highest possible quality of service delivery to the community. The department is responsible for maintaining order within the city limits of Fort Wayne.

Fire Department

It is the mission of the Fort Wayne Fire Department to prevent the loss of life and to control or reduce the loss to property. In the event of a fire or other disaster, the Fort Wayne Fire Department will apply all of its professional knowledge and resources to limit the community's loss. The mission will be accomplished through the services provided by the Operations/Combat Division, Fire Prevention Bureau, Training Division and Technical Services. These divisions provide for firefighting, emergency hazardous materials stabilization, emergency rescue, EMS - first responder, underwater rescue/recovery, public education, building inspections, fire investigations, fire safety training, and other miscellaneous services. The Fire Department provides services to the entire City of Fort Wayne with mutual assistance to the surrounding departments upon their request.

Communications

The Communications Department of the Fort Wayne Police Department is responsible for the planning, design, construction, maintenance and operation of all electronic communication systems utilized by the City of Fort Wayne. Communications is comprised of the Emergency 911 Communications Center, the Records Bureau and Police Desk of the Fort Wayne Police Department, and the Radio Repair Shop. Primary functions are the answering of 911 calls for service as well as non-emergency calls, dispatching all Public Safety support units, maintaining all Police Records and supporting the Data and Voice Communication Systems of the City of Fort Wayne.

Animal Care and Control

The Department of Animal Care and Control faces the public health and safety issues involving animals using a proactive approach. Local and state legislation is used to address pet overpopulation, responsible pet ownership issues, and cruelty or violence issues involving animals. The success of the approach would not be possible without positive community outreach and education, the job of our Humane Education Department. Protection of both citizens and animals along with efforts to minimize euthanasia of unwanted animals through spay/neuter promotion all strongly reflect the neighborhood and community driven origins of this agency. Involvement of the citizens through our volunteering program has also been crucial to departmental advancement. This department's county contracts provide an overall "one stop" for city and county residents in need of services, wishing to adopt an animal, seeking educational outreach materials, or assistance with lost/found pets.

Neighborhood Code Enforcement

The Department of Neighborhood Code Enforcement is responsible for enforcing Fort Wayne's Minimum Housing Code, Zoning, Weed and Abandoned Vehicle Ordinances. Neighborhood Code Enforcement actively seeks to recover the costs of boardings, demolitions, and clean-ups from property owners.

Weights & Measures

The goal of the Division of Weights and Measures is to provide equity in the marketplace for businesses and consumers alike. It is responsible for testing and inspection of all commercial weighing and measuring devices. The department enforces State codes and City ordinances governing weights and measures, and orders corrections of and/or condemns or confiscates faulty devices or commodities. Weights and Measures is also responsible for licensing taxi drivers, issuing permits for taxicabs, and enforcing the taxi ordinance for the Board of Safety.

Fort Wayne at a Glance

As of December 31, 2005

Date Founded	October 22, 1794	
Date of Incorporation	February 22, 1840	
Population	224,913	
Area in Square Miles	94.79	
Miles of Streets	990	
Number of Street Lights	31,382 	
Miles of Water lines	996	
Miles of Sewer/Stormwater Mains	1,685	
Number of City Employees	2,004	
Labor Statistics: (Nov. 05)		
<u>Fort Wayne Metropolitan Service Area - Allen</u>		
Labor Force	213,660	
Employed	203,480	
Unemployed	10,180	
Unemployment Rate	4.8	
Building Permits for Fort Wayne & Allen County	2004	2005
Total New Construction - Number of Permits	1,776	1,816
- Estimated Assessed Value	\$150,003,127	\$149,089,280
Total Construction Permits - Number of Permits	4,008	5,068
- Estimated Assessed Value	\$183,535,739	\$203,448,143
Relative Size	2nd largest city in Indiana	
Form of Government	Elected Mayor, Clerk, Councilperson (9)	
Airports	Fort Wayne International, Smith Field	
Rail Service	Norfolk Southern	
Motor Carriers	34	
Public Transportation Route	12	
Taxi Service	3 cab companies, 10 limousine companies	
Bank Holding Companies	6	
Banks/Finance Companies	68	
Credit Unions	21	
Museums	6	
Media 	2 monthly, 2 weekly, 2 daily newspapers; 8 TV stations; 11 cable & satellite systems, 19 radio stations	
Market Location 	Area within 250 miles of Fort Wayne includes a population of 45.3 million, or 17% of the total U.S. population.	

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Parks & Recreation  	84 parks & playgrounds covering 2,429.41 acres, including: 18 rental pavilions, 13 open shelters (not reserved), 1 ice arena, 3 public/18 hole golf courses, 2 Frisbee golf courses, 21 soccer fields, 1 skateboard rink, 38 baseball/softball diamonds, 4 swimming pools, 1 Spray park, 1 campground, 1 ice arena 16 tennis courts, 26 basketball courts, 1 outdoor theater Solomon Farm Learning Ctr., The Old Fort	
Water System	Municipally owned, treatment capacity of 72 million gallons/day	
Sewage System	Municipally owned, treatment capacity of 60 million gallons/day	
Electric Utility 	3 - American Electric Power, Northeastern REMC, United REMC	
Natural Gas	Northern Indiana Public Service Co.	
Telephone	Verizon, Inc.	
Garbage Service 	City residents charged: \$9.75/mo. user fee for single family dwelling; \$19.50/mo. user fee for duplex, 3- or 4-plex. Services presently contracted with Nat'l Serv-All.	
Curbside Recycling		
Yard Waste Collection		
Gross Income Tax	3.4%	
County Option Income Tax	0.6%	
County Economic Development Income Tax	0.4%	
State Sales and Use Tax	6.0%	
Allen County Food & Beverage Tax	1.0%	
Property Tax Rate:	\$3.3698** per \$100 assessed value - 2004 pay	
(Fort Wayne - Wayne Township**)	2005; City's portion is \$1.046	
Annual Wheel Tax	Rate by vehicle class \$7.50 to \$25.00	
State Excise Tax	Cigarettes - 55.5 cents/pkg of 20, 69.375 cents/pkg of 25 Gasoline - 18 cents/gallon Auto - various class rates	
Hospitals	6 (1,463 beds)	
Churches	390	
Number of Schools 	Fort Wayne Community Schools	53
	Northwest Allen County Schools	8
	East Allen County Schools	18
	Southwest Allen County Schools	9
	Parochial & Other	34
	Higher Education	12

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Fort Wayne,
Indiana

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

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



Carla E. Fudge

President

Jeffrey R. Emery

Executive Director

FINANCIAL SECTION



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

State Board of Accounts
302 West Washington Street
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Indianapolis, Indiana 46204-2765
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INDEPENDENT AUDITORS' REPORT

TO: THE OFFICIALS OF THE CITY OF FORT WAYNE, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund and the aggregate remaining fund information of the City of Fort Wayne (City), as of and for the year ended December 31, 2005, 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 did not audit the financial statements of two of the five discretely presented component units, Fort Wayne Urban Enterprise Association Inc. and Fort Wayne-Allen County Convention and Tourism Authority which represent 62.40 percent and 88.17 percent, respectively, of the assets and revenues of the discretely presented component units. Other auditors whose reports thereon have been furnished to us audited those financial statements. Our opinions, insofar as they relate to the amounts included for the two discretely presented component units, is based solely upon the reports of the other auditors.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the 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 and the reports of the other auditors provide a reasonable basis for our opinions.

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

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, supplementary information, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The supplementary information has 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. The introductory section and statistical tables have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on them.

In accordance with Government Auditing Standards, we have also issued a report dated June 21, 2006, on our consideration of the City's internal control structure and a report dated June 21, 2006, on its compliance with laws and regulations.

STATE BOARD OF ACCOUNTS

June 21, 2006

Management's Discussion and Analysis

As management of the City of Fort Wayne (the City), we offer the following discussion as insight into the financial performance of the City for the fiscal year ended December 31, 2005. To gain a fair understanding of the City's financial position, this discussion and analysis should be read in conjunction with our letter of transmittal, the basic financial statements, and the notes to the basic financial statements.

Financial Highlights

- The assets of the City exceeded its liabilities at the end of 2005 by \$889.0 million. Of this amount, \$33.9 million is considered unrestricted. The unrestricted net assets of the City's governmental activities are \$19.4 million and will be used to support the City's day-to-day operations. The unrestricted net assets of the City's business-type activities are \$14.6 million and will be used to support the day-to-day operations of the City's water, wastewater, stormwater, and other business-type activities.
- The City's total net assets increased \$15 million in 2005. The net assets of the City's business-type activities increased \$22.2 million (or 5.7 percent from 2004). The net assets of the City's governmental activities decreased \$7.2 million (or 1.5 percent from 2004).
- At the end of 2005, the City's governmental funds reported a combined ending fund balance of \$110.8 million. The combined governmental funds' fund balance increased by \$52.6 million from the prior year ending fund balance. Approximately \$92.4 million of the \$110.8 million fund balance is considered unreserved at December 31, 2005.
- At the end of 2005, unreserved fund balance for the general fund was \$12.3 million or 18.5 percent of the 2005 general fund expenditures.
- The City's total debt increased by \$74.9 million (or 31.3 percent) during 2005.

Overview of the Financial Statements

This discussion and analysis is an introduction to the City's basic financial statements. The City's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. In addition to the basic financial statements, this Comprehensive Annual Financial Report (CAFR) includes other supplementary information along with the statistical section.

Government-wide financial statements. The government-wide financial statements present the financial picture of the City from the economic resources measurement focus using the accrual basis of accounting, in a manner similar to private-sector businesses. The government-wide financial statements are composed of two statements: the statement of net assets and the statement of activities.

The statement of net assets presents information on all of the City's assets and liabilities, with the difference between the two reported as net assets. Net assets are then broken down between governmental and business-type activities. Over time, increases or decreases in net assets will show the fluctuation in the City's financial position.

The statement of activities presents information on all of the City's revenues and expenses, showing how the government's general expenses less the program revenues equal net expenses for the most recent fiscal year. General revenues are then subtracted from net expenses to get the change in net assets. All of the current year's revenues and expenses are taken into account regardless of when the cash is received or paid. Thus, revenue and expenses reported in this statement for some items will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned, but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, highways and streets, sanitation, health and welfare, economic opportunity, economic development, culture and recreation, urban redevelopment and housing, capital outlay, and interest on long-term debt. The business-type activities of the City include a water system, wastewater system, stormwater service, parking garage administration, solid waste service, electric utility, and a yard waste system.

The government-wide financial statements include not only the City itself (primary government), but also a few legally separate units: Neighborhood Care, Inc. (HANDS), Summit Development Corporation (Summit), Fort Wayne Urban Enterprise Association, Inc. (UEA), Fort Wayne – Allen County Convention and Tourism Authority (C&TA), and Fort Wayne Redevelopment Authority (RA) for which the City is financially accountable. Financial information for these component units are reported separately from the financial information presented for the primary government itself. The financial statements of these component units can be found in their entirety on file in the City Controller's office at One Main Street, Fort Wayne, Indiana 46802. The Fort Wayne Municipal Building Corporation is legally separate from the City, but since its nature and relationship with the City is significant, it is an integral part of the primary government.

The government-wide financial statements can be found on pages 48-50 of this report.

Fund financial statements. A fund is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, with its related liabilities, and corresponding equity balances. Some funds are required to be established by State Law and by bond covenants, while others are adopted to help control monies set aside for a specific purpose. The City of Fort Wayne, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for most of the City's basic services. These funds generally do not provide enough revenue to completely cover their expenses; therefore, they need taxes, fees, interest or any other intergovernmental revenue to help support them. These funds use the modified accrual method of accounting, which measures cash and all other financial assets that can readily be converted to cash. Governmental fund financial statements focus on near-term inflows and outflows of unrestricted resources, as well as on balances of unrestricted resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The differences of results in the governmental fund financial statements to those in the government-wide financial statements are explained in a reconciliation following each governmental fund financial statement. The basic governmental fund financial statements can be found on pages 52-58 of this report.

Proprietary funds. When the City charges a fee to cover the entire cost of an operation, whether to outside customers or to other units of the City, the services are generally classified as a proprietary fund. There are two types of proprietary funds: enterprise funds and internal service funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. These funds are completely self-supported by providing services to *outside customers* of the City. The City uses enterprise funds to account for its water, wastewater, stormwater, solid waste, parking garages, electric, and yard waste operations. Internal Service funds are used to report activities that provide services and supplies for the other City departments. The City uses internal services funds to account for its group health insurance, general auto and liability, worker's compensation, and garage services. The internal service funds are reported within the governmental activities section of the government-wide financial statements. The basic proprietary fund financial statements can be found on pages 59-61 of this report.

Fiduciary funds. Fiduciary funds are funds held by a governmental unit as an agent or a trustee. They are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The City holds two types of fiduciary funds: pension trust funds and agency funds. Pension trust funds are used to account for pension plans held by the City on behalf of its employees. The City uses pension trust funds to report the police pension, fire pension, and sanitary officers' pension funds. Agency funds are used to account for monies held by the City for an external party. The City uses agency funds to report the allocated expense clearing, payroll, and the Barrett law regular waived funds. The basic fiduciary fund financial statements can be found on pages 62-63 of this report.

Notes to the financial statements. The notes are a required part of the basic financial statements that provide necessary information for the understanding of the City's financial report. The notes to the financial statements can be found on pages 67-105 of this report.

Other information. The City is also required to provide more detailed information about certain issues disclosed in required supplementary information (RSI) schedules. The City's RSI schedules include: Budgetary Comparison Schedule for General Fund and Major Special Revenue Funds, the schedule of funding progress, schedule of contributions from the employer and other contributing entities, schedule of the condition rating of the City's street system, and schedule of the needed-to-actual maintenance/preservation comparison. The combining financial statements for the non-major governmental funds, non-major enterprise funds, and the internal service funds are found immediately following the RSI schedules listed above. The RSI schedules can be found on pages 107-111 of this report.

City of Fort Wayne
Net Assets
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total		Component Units	
	2005	2004	2005	2004	2005	2004	2005	2004
Current assets	\$ 111,128	\$ 70,451	\$ 26,104	\$ 27,510	\$ 137,232	\$ 97,961	\$ 9,919	\$ 21,464
Noncurrent assets	16,854	15,693	57,490	51,891	74,344	67,584	34,270	37,562
Capital assets	566,806	564,272	443,309	413,202	1,010,115	977,474	47,972	36,885
Total assets	694,788	650,416	526,903	492,603	1,221,691	1,143,019	92,161	95,911
Current liabilities	25,041	33,498	19,667	21,135	44,708	54,633	1,758	5,450
Noncurrent liabilities	191,863	131,827	96,164	82,623	288,027	214,450	64,533	63,899
Total liabilities	216,904	165,325	115,831	103,758	332,735	269,083	66,291	69,349
Net assets	\$ 477,884	\$ 485,091	\$ 411,072	\$ 388,845	\$ 888,956	\$ 873,936	\$ 25,870	\$ 26,562
Invested in capital assets, net of related debt	\$ 458,517	\$ 508,789	\$ 349,672	\$ 328,190	\$ 808,189	\$ 836,979	\$ 19,169	\$ 5,462
Restricted	-	-	46,840	46,047	46,840	46,047	-	-
Unrestricted	19,367	(23,698)	14,560	14,608	33,927	(9,090)	6,701	21,100
Total net assets	\$ 477,884	\$ 485,091	\$ 411,072	\$ 388,845	\$ 888,956	\$ 873,936	\$ 25,870	\$ 26,562

Government-wide Financial Analysis

The City's (primary government) assets exceeded liabilities by \$889.0 million at the close of 2005. The largest portion of the City's net assets (total assets less total liabilities), which amounts to \$808.2 million (or 90.9 percent), reflects its investment in capital assets (e.g., land, distribution and collection, roads, buildings and improvements, machinery and equipment, construction in progress, and net investment in joint venture), less any outstanding debt used to acquire these assets. These assets are designated as invested in capital assets because they are used to provide the everyday services the citizens of the City expect; they are not liquid and are not available for future spending. The debt associated with these capital assets must be paid from sources other than the capital assets themselves because, as stated before, they cannot be used as a liquid asset.

The remainder of the City's net assets are designated as either restricted or unrestricted. The restricted portion, which totals \$46.8 million (or 5.3 percent), are dollars that are subject to an external restriction and cannot be spent on everyday operations. The unrestricted portion of the net assets is \$33.9 million (or 3.8 percent).

At the end of 2005, the City shows a positive net asset figure as a whole as well as in the governmental and business-type activities sections individually. This shows that the City has been able to make sound financial decisions over the past several years leaving them with a solid equity base on which to build.

The City's net assets increased by \$15 million during 2005. There was an increase in the City's net asset figure for the business-type activities of \$22.2 million and a net decrease for the governmental activities of \$7.2 million.

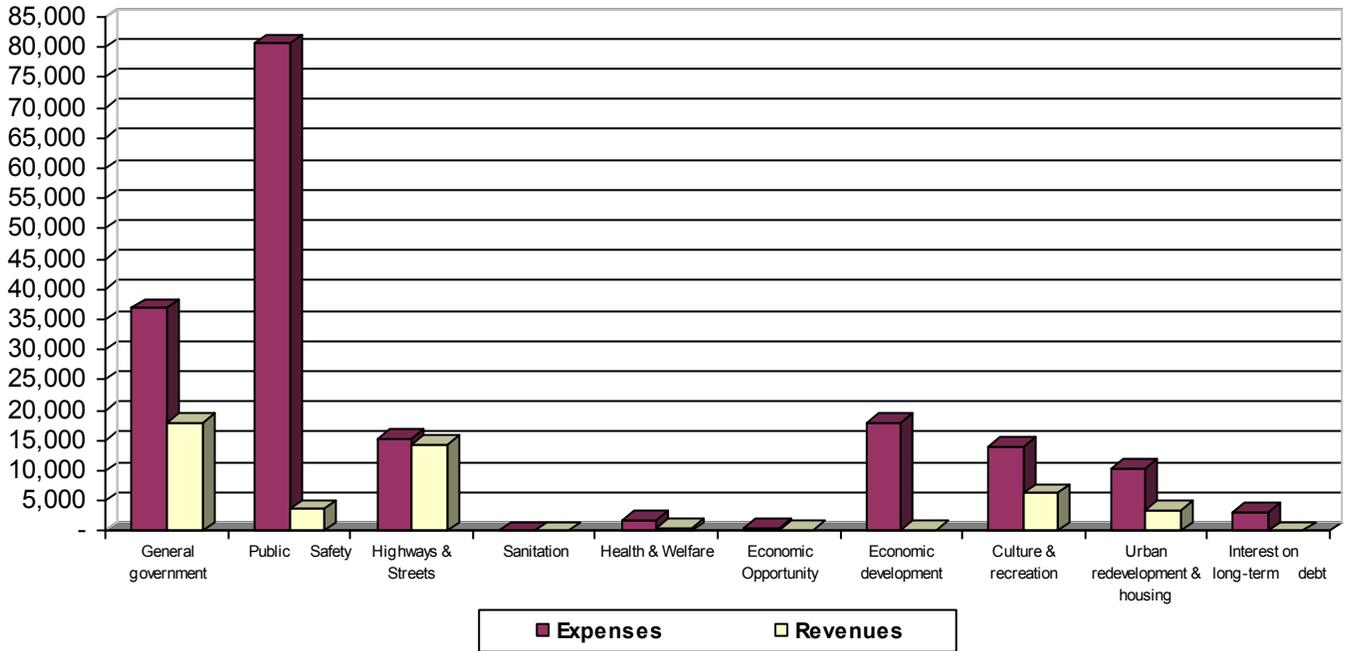
The City's component units showed assets exceeding liabilities by \$25.9 million at the end of 2005. Of the net assets (total assets less total liabilities), \$19.2 million, reflects its investment in capital assets less any debt used to acquire these assets that is still outstanding. These assets are designated as invested in capital assets because they are used to provide the everyday services to the users of the component units, these assets are not liquid and are not available for future spending. The debt associated with these capital assets must be paid from sources other than the capital assets themselves because, as stated before, they cannot be used as a liquid asset. \$6.7 million is designated as unrestricted net assets. These assets may be used by the City's component units for normal operations.

City of Fort Wayne
Changes in Net Assets
(amounts expressed in thousands)

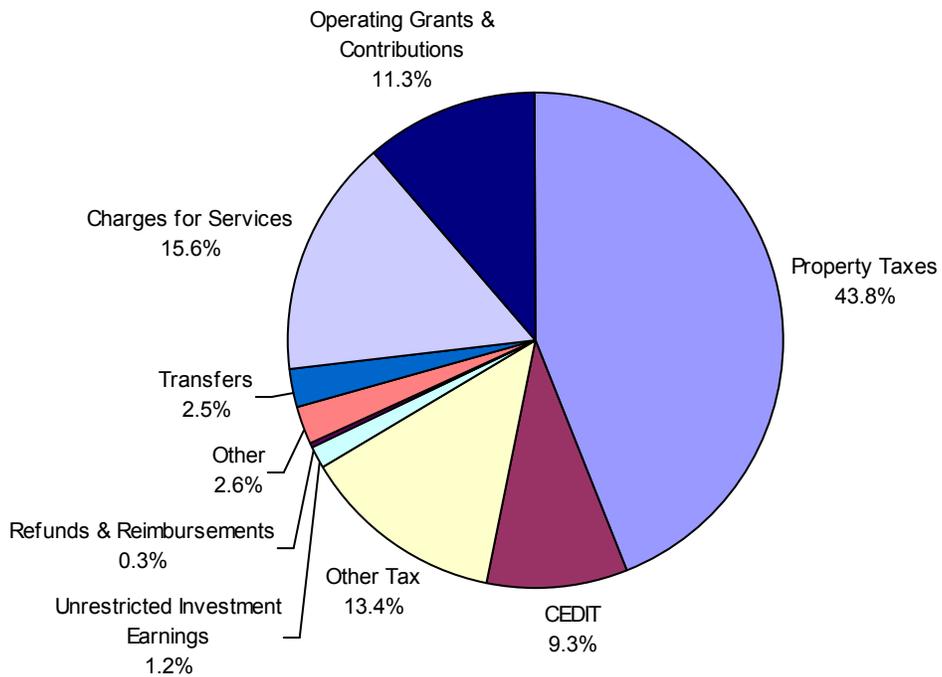
	Governmental activities		Business-type activities		Total		Component Units	
	2005	2004	2005	2004	2005	2004	2005	2004
Revenues-								
Program revenues:								
Charges for services	\$ 27,148	\$ 35,669	\$ 72,222	\$ 67,858	\$ 99,370	\$ 103,527	\$ 1,153	\$ 1,546
Operating grants and contributions	19,727	20,073	-	-	19,727	20,073	690	1,045
Capital grants and contributions	-	-	7,657	4,237	7,657	4,237	1,363	1,969
General revenues:								
Property taxes	76,008	80,344	-	-	76,008	80,344	-	-
CEDIT	16,207	15,830	-	-	16,207	15,830	-	-
Indiana room tax	-	-	-	-	-	-	2,614	2,311
Grant and contributions (not restricted)	-	20,608	-	-	-	20,608	-	-
Unrealized gain	-	-	-	1,505	-	1,505	-	-
Other taxes	23,368	18,222	-	-	23,368	18,222	-	137
Investment earnings	2,058	539	3,746	1,585	5,804	2,124	108	207
Other	5,116	3,918	37	154	5,153	4,072	32	13
Total revenues	169,632	195,203	83,662	75,339	253,294	270,542	5,960	7,228
Expenses:								
General government	36,908	33,415	-	-	36,908	33,415	-	-
Public safety	80,640	80,776	-	-	80,640	80,776	-	-
Highways and streets	15,421	16,276	-	-	15,421	16,276	-	-
Sanitation	3	12	-	-	3	12	-	-
Health and welfare	1,914	1,979	-	-	1,914	1,979	-	-
Economic opportunity	563	539	-	-	563	539	-	-
Economic development	17,909	12,807	-	-	17,909	12,807	-	-
Culture and recreation	14,056	15,209	-	-	14,056	15,209	-	-
Urban redevelopment and housing	10,420	7,725	-	-	10,420	7,725	-	-
Interest on long-term debt	3,275	2,343	-	-	3,275	2,343	-	-
Water	-	-	20,938	20,119	20,938	20,119	-	-
Wastewater	-	-	22,897	21,581	22,897	21,581	-	-
Stormwater	-	-	5,456	5,129	5,456	5,129	-	-
Parking garages	-	-	872	1,066	872	1,066	-	-
Solid waste	-	-	6,434	6,621	6,434	6,621	-	-
Other	-	-	568	907	568	907	-	-
HANDS	-	-	-	-	-	-	850	753
Summit	-	-	-	-	-	-	-	-
UEA	-	-	-	-	-	-	478	569
C&TA	-	-	-	-	-	-	5,324	2,162
RA	-	-	-	-	-	-	-	-
Total expenses	181,109	171,081	57,165	55,423	238,274	226,504	6,652	3,484
Incr(Decr) in net assets before transfers	(11,477)	24,122	26,497	19,916	15,020	44,038	(692)	3,744
Transfers	4,270	3,978	(4,270)	(3,978)	-	-	-	-
Increase(Decrease) in net assets	(7,207)	28,100	22,227	15,938	15,020	44,038	(692)	3,744
Net asset -- January 1st	485,091	456,991	388,845	372,907	873,936	829,898	26,562	22,818
Net asset -- December 31st	\$ 477,884	\$ 485,091	\$ 411,072	\$ 388,845	\$ 888,956	\$ 873,936	\$ 25,870	\$ 26,562

Governmental Activities. Although the City's net assets increased overall, the governmental activities accounted for a \$7.2 million decrease in the total growth in net assets. The increases shown in the expenses of the governmental activities were mainly attributed to the cost-of-living raises given to City employees, the costs of annexing new areas (including additional financing costs), and the inflationary increases standard with governments. Due to the above factors, the net asset number decreased in 2005. The City is prepared for future deficit spending as the additional costs of past and future annexations continue to hit the City budget, until such time that the City begins to receive the corresponding property tax revenues.

Expenses & Program Revenues - Governmental Activities (Expressed in Thousands)

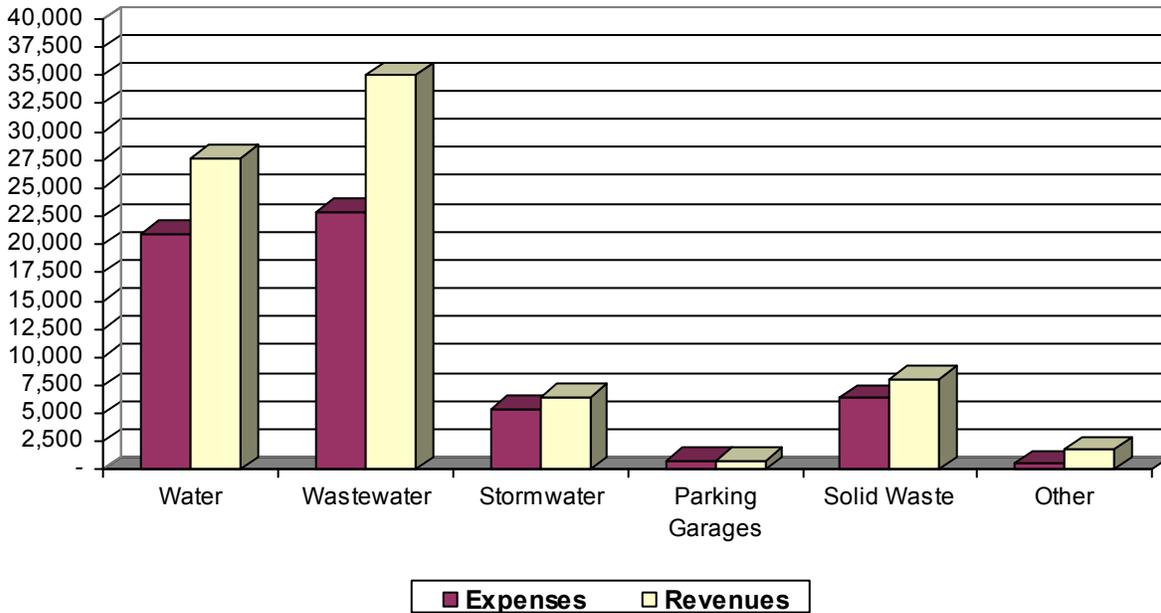


Revenues by Source - Governmental Activities

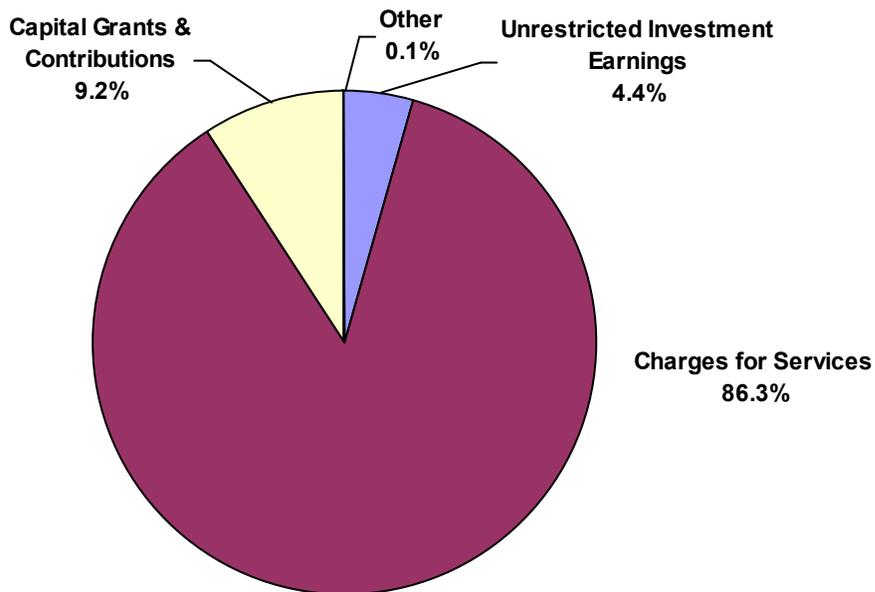


Business-type Activities. The business-type activities of the City increased net assets by \$22.2 million or 148.0 percent of the total increase in net assets of \$15 million. Business-type activities represent 32.5 percent of the Primary Government’s revenues and 24.0 percent of the expenses. The City’s Water and Wastewater Utilities account for 78.4 percent of the business-type activities’ program revenues and 76.7 percent of the expenses.

Expenses & Program Revenues - Business-type Activities
(Expressed in Thousands)



Revenues by Source - Business-type Activities



Financial Analysis of the Government's Funds

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

Governmental funds. The City's fund financial statements use modified accrual accounting providing information on near term inflows, outflows, and balances of available resources. This provides the reader with useful information regarding the City's financial position. The unreserved fund balance of the City's governmental funds gives good insight into its ability to meet current obligations as well as meet the City's ongoing service needs.

At the end of 2005, the City's governmental funds reported combined ending fund balances of \$110.8 million, an increase of \$52.6 million in comparison with the prior year. Of that total about \$92.4 million (or 83.4 percent) is unreserved fund balance. The remaining \$18.4 million (or 16.6 percent) is reserved for prior commitments. The reserved amount is for encumbrances of \$5.3 million, non-current loans receivable of \$.8 million, and assets held for resale of \$12.3 million.

The largest portion of the City's governmental fund totals is made up of the General fund, the City's chief operating fund. At the end of 2005, the General fund had an unreserved fund balance of \$12.3 million and a total fund balance of \$12.7 million. As a measure of the General fund's liquidity, you can compare the total fund balance and unreserved fund balance to the total fund expenditures. The General fund expenditures for fiscal year ended 2005 were \$66.5 million. The total fund balance represents 19.1 percent of General fund expenditures, while the unreserved fund balance is 18.5 percent of that same amount.

The fund balance of the City's general fund increased by \$2.1 million during fiscal year ended 2005, due mainly to a decrease in the unearned revenues (a liability).

The City has five other funds that meet the major fund criteria: the Highways and Streets, CEDIT, Parks, Fire, and Redevelopment. The combined fund balance at the end of 2005 for the other five major funds is \$88.6 million (Highways and Streets \$4.6 million, CEDIT \$25.0 million, Parks \$13.6 million, Fire \$2.8 million, and Redevelopment \$42.6 million) with the non-major governmental funds having a combined fund balance of \$9.5 million. The fund balances of the City's other five major funds increased by \$49.0 million during fiscal year ended 2005. The major reasons for this increase are:

- The CEDIT fund increased \$16.6 million due to the issuance of a \$25 million bond in April, 2005. The proceeds are being used to provide funding for the construction and installation of infrastructure and lighting improvements within the City.
- The Parks fund increased \$9.4 million due to the issuance of a \$10 million bond in October, 2005. The proceeds will finance renovations and improvements to the City's parks and aquatic and recreation centers. Spending on these projects will increase beginning in mid 2006.
- The Redevelopment fund increased \$21.1 million due to the issuance of two \$10 million bonds (in April and May, 2005). The proceeds are being used to provide funding for the construction and installation of infrastructure and lighting improvements within the City.

The fund balances in the non-major funds increased by \$1.5 million.

Proprietary funds. The City's proprietary funds use full accrual accounting to report information in their fund financial statements similar to the way things are reported in the government-wide financial statements.

Net assets of the City's proprietary funds at the end of 2005 were \$411.1 million. Of that total, they had restricted net assets of \$46.8 million, invested in capital assets of \$349.7 million, and unrestricted net assets of \$14.6 million. This is a total increase of about \$22.2 million, and was almost entirely reinvested in additional capital assets. In 2005, Waterworks Revenue Bonds, totaling \$16.7 million, were issued for the purpose of funding certain improvements to the waterworks system of the City. Other details are also covered in the business-type activities section of the government-wide financial statement section of this MD&A.

General Fund Budgetary Highlights

The differences between the original adopted budget and the final amended budget were immaterial; the original budget was increased \$242 thousand (or 0.4 percent). The difference is summarized as follows:

- \$45 thousand increase in general government's appropriation
- \$163 thousand increase in public safety's appropriation
- \$46 thousand increase in highways and street's appropriation
- \$12 thousand decrease in health and welfare's appropriation
- \$1 thousand increase in economic opportunity's appropriation
- \$1 thousand decrease in economic development's appropriation

The actual expenditures were \$2.723 million lower than budgeted, while the revenues of the general fund were \$4.291 million higher than budgeted. For the year, the general fund balance increased by \$2.139 million.

The 2005 final approved budget was \$69.204 million; actual expenditures amounted to \$66.481 million, leaving a \$2.723 million positive variance. The variance is summarized as follows:

- \$997 thousand for General government
- \$1,231 thousand for Public safety
- \$277 thousand for Highways and streets
- \$90 thousand for Health and welfare
- \$60 thousand for Economic opportunity
- \$68 thousand for Economic development

The City is prepared for future deficit spending while the costs of past and future annexations continue to hit the City budget and until it begins to receive the additional tax revenues associated with the annexations. The City departments are meeting the challenge of monitoring and controlling expenses while, at the same time, looking for new ways to increase revenues so as to minimize future tax increases.

Capital Asset and Debt Administration

Capital assets. The City's Primary Government's capital assets as of December 31, 2005, are equal to \$1,010.1 million (net of accumulated depreciation). Capital assets include land, distribution and collection, roads, buildings and improvements, machinery and equipment, construction in progress, and net investment in joint venture. The total increase in the City's capital assets for the current fiscal year was \$32.6 million or 3.3 percent (a .4 percent increase for governmental activities and a 7.3 percent increase for business-type activities).

Governmental activities. Capital assets for the governmental activities total \$631 million with an accumulated depreciation figure of \$64 million for a net book value of \$567 million. The amount includes \$6.7 million in construction in progress reflecting capital projects in various stages of completion. The City chose to report its roads using the modified approach accepted under the new reporting model. This allows the City to make additions and deletions to the overall asset figure without actually depreciating. The conditions of the City's road pavement are measured using a pavement condition index (PCI). The City has adopted the following condition categories. "Very Good" (100-80), "Good" (79-60), "Fair" (59-40), "Poor" (39-20), and "Very Poor" (19-0).

It is the policy of the City to maintain a pavement condition index of good (79-60). In 2004, the City had a pavement condition index rating of "Good" (74). The City has maintained a "Good" (76) rating in 2005. The City maintains there are no material variances between the needed expenditures and the actual expenditures for the maintenance of infrastructure for 2005.

More information regarding the modified approach can be found on pages 109 and 112-113 in the Required Supplementary Information (RSI) section of this report.

Business-type activities. Capital assets for the business-type activities total \$648 million with an accumulated depreciation figure of \$205 million for a net book value of \$443 million. The amount also includes \$40 million in construction in progress reflecting capital projects in various stages of completion.

Major projects include: replacement of the preliminary wastewater treatment facilities, upgrading the secondary facilities at the Water Pollution Control Plant, begin implementing projects to reduce the number of Combined Sewer Overflows (CSO's) and the volume of discharges directly to the rivers, Combined Sewer Capacity improvements to reduce the risk of basement backups, replacement of six miles of water mains per year, increasing finished water storage capacity, and replacement of water meters with updated technology (completed in 2005). During 2005, approximately \$33 million was spent on capital projects.

Primary Government
Capital Assets, net of depreciation
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
Land	\$ 20,372	\$ 19,760	\$ 4,831	\$ 4,177	\$ 25,203	\$ 23,937
Distribution and collection	-	-	358,713	338,291	358,713	338,291
Roads	419,642	419,597	-	-	419,642	419,597
Buildings and improvements	132,640	128,475	125,560	97,047	258,200	225,522
Machinery and equipment	47,730	47,336	119,911	107,117	167,641	154,453
Construction in progress	6,657	5,460	39,542	59,713	46,199	65,173
Net investment in joint venture	3,645	3,645	-	-	3,645	3,645
Less: Accumulated depreciation	(63,880)	(60,000)	(205,248)	(193,142)	(269,128)	(253,142)
Total	\$ 566,806	\$ 564,273	\$ 443,309	\$ 413,203	\$ 1,010,115	\$ 977,476

Additional information regarding the City's capital assets can be found in Note 3 on pages 78-80 of this report.

Long-term debt. At the end of the current fiscal year, the City's Primary Government had total bonded debt outstanding of \$168.7 million. Of this amount \$93.7 million is considered to be general obligation bonds, special obligation bonds, or first mortgage bonds. The City is responsible to pay for this debt with general revenues. The remaining \$75.0 million is revenue bonds that are paid for from the revenues earned by the business-type fund that is responsible for the debt.

City of Fort Wayne
Long-term Debt
(amounts expressed in thousands)

	Governmental activities		Business-type activities		Total	
	2005	2004	2005	2004	2005	2004
General obligation bonds	\$ 7,725	\$ 8,720	\$ -	\$ -	\$ 7,725	\$ 8,720
Special obligation bonds	75,490	25,230	-	-	75,490	25,230
First mortgage bonds	10,490	7,870	-	-	10,490	7,870
Capital leases	12,368	11,887	3,700	-	16,068	11,887
Notes & loans payable	993	1,181	24,066	23,564	25,059	24,745
Mortgages payable	42	42	-	-	42	42
Net pension obligation	94,461	85,388	-	-	94,461	85,388
Compensated absences	7,771	7,781	1,952	1,815	9,723	9,596
Accrued interest payable	-	-	-	-	-	-
Accrued pension cost	-	-	-	-	-	-
Other long-term liabilities	-	-	31	33	31	33
Revenue bonds	-	-	75,045	65,707	75,045	65,707
Total	\$ 209,340	\$ 148,099	\$ 104,794	\$ 91,119	\$ 314,134	\$ 239,218

The City's total debt increased by \$74.9 million during the current fiscal year, including addition \$99.8 million and reductions of \$24.9 million. The majority of this increase was due to the issuance a \$16.7 million revenue bond by the City's Water Utility, and \$55 million in Special Obligation Bonds issued by Community Development (\$45 million) and the Parks Department (\$10 million).

The City of Fort Wayne currently maintains an AA- rating from Standard & Poor's and an Aa2 rating from Moody's for its general obligation debt. The City's Water Utility maintains an A rating from Standard & Poor's and a Aa3 from Moody's for its revenue bonds. The City's Wastewater Utility has a A- rating from Standard & Poor's and a Aa3 rating from Moody's for its revenue bonds.

Additional information on the City's long-term debt can be found in Note 5 on pages 81-89 of this report.

Economic Factors and Next Year's Budgets and Rates

The unemployment rate for the City is currently 5.2 percent, which is down from a rate of 5.8 percent a year ago. This is above both the state average unemployment rate of 4.9 percent and the national average of 4.7 percent.

The City's population has increased due to annexation; therefore, the City will be entitled to a larger percentage of the COIT and CEDIT tax dollars distributed to the county in 2006.

Due to passage of Senate Bill 1 in 2003, the City's ability to raise property taxes is limited. The City does anticipate a property tax rate increase of .0335 (from 1.046 to 1.0795 per \$100 of valuation) for 2006.

Utilities management was granted a 36% stormwater rate increase by the Fort Wayne City Council that went into effect on January 1, 2006, and a 25% water rate increase that must be approved by the Indiana Utility Regulatory Commission (IURC). The IURC is scheduled to meet on July 25, 2006.

These factors along with others were considered when preparing the City's budget for the 2006 fiscal year.

The City is prepared for deficit spending over the next couple of years as the expenditures for the Aboite annexation begin to hit the City budget without benefit of the corresponding property tax income. This will decrease the City's unreserved fund balance until the revenues for the Aboite annexation become available in 2007.

Request for Information

This financial report is designed to provide a general overview of the City's finances. Questions concerning any of the information provided in this report or requests for additional information should be directed to the City's Controllers office, One Main Street, City of Fort Wayne, Indiana, 46802.

BASIC FINANCIAL STATEMENTS



CITY OF FORT WAYNE
STATEMENT OF NET ASSETS
December 31, 2005

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
<u>Assets</u>				
Current assets:				
Cash and cash equivalents-unrestricted	\$ 94,213,889	\$ 17,525,311	\$ 111,739,200	\$ 4,063,328
Investments-unrestricted	4,987,077	-	4,987,077	1,345,162
Receivables (net of allowances for uncollectibles):				
Accounts	-	6,950,824	6,950,824	480,174
Taxes	4,735,732	-	4,735,732	-
Interest	36,385	32,183	68,568	-
Intergovernmental	2,995,570	-	2,995,570	3,585,394
Loans	1,322,312	-	1,322,312	380,313
Miscellaneous	2,013,785	44,196	2,057,981	64,405
Internal balances	(372,255)	372,255	-	-
Inventories	979,793	1,041,418	2,021,211	-
Prepaid expense	215,969	138,016	353,985	-
	<u>111,128,257</u>	<u>26,104,203</u>	<u>137,232,460</u>	<u>9,918,776</u>
Noncurrent assets:				
Cash and cash equivalents-restricted	-	27,320,876	27,320,876	1,453,707
Investments-restricted	-	27,694,020	27,694,020	-
Assessments receivables	1,156,424	110,058	1,266,482	-
Assets held for resale	12,279,071	-	12,279,071	-
Deferred debits	1,701,896	1,534,201	3,236,097	411,351
Net investment in direct financing lease	573,926	-	573,926	32,404,593
Net pension asset	1,142,200	830,977	1,973,177	-
Capital assets:				
Land, roads and construction in progress	446,671,503	44,373,169	491,044,672	991,740
Other capital assets, net of depreciation	120,134,289	398,935,660	519,069,949	46,980,362
	<u>583,659,309</u>	<u>500,798,961</u>	<u>1,084,458,270</u>	<u>82,241,753</u>
	<u>694,787,566</u>	<u>526,903,164</u>	<u>1,221,690,730</u>	<u>92,160,529</u>
<u>Liabilities</u>				
Current liabilities:				
Accounts payable	3,148,297	4,411,179	7,559,476	451,947
Accrued group insurance benefits	1,479,799	-	1,479,799	-
Compensated absences payable	5,861,021	915,277	6,776,298	-
Contracts payable	78,779	-	78,779	378,854
Retainage payable	315,714	-	315,714	52,105
Accrued interest payable	810,530	1,316,876	2,127,406	643,359
Capital leases payable	3,505,822	319,444	3,825,266	210,672
Notes and loans payable	114,046	1,221,262	1,335,308	-
General obligation bonds payable	1,045,000	-	1,045,000	-
Special obligation bonds payable	5,460,000	-	5,460,000	-
First mortgage bonds	1,870,000	-	1,870,000	-
Revenue bonds payable	-	6,665,000	6,665,000	-
Customer deposits	-	1,167,920	1,167,920	20,773
Unearned revenue	668,618	-	668,618	-
Other liabilities	682,946	3,650,026	4,332,972	-
	<u>25,040,572</u>	<u>19,666,984</u>	<u>44,707,556</u>	<u>1,757,710</u>

CITY OF FORT WAYNE
STATEMENT OF NET ASSETS
December 31, 2005

	Primary Government			Component Units
	Governmental Activities	Business-type Activities	Total	
Noncurrent liabilities:				
Compensated absences	1,909,905	1,037,139	2,947,044	-
Capital leases payable	8,861,960	3,380,556	12,242,516	31,333,205
Notes and loans payable	879,147	22,844,970	23,724,117	-
Mortgage payable	42,000	-	42,000	-
General obligation bonds payable (net)	6,676,052	-	6,676,052	-
Special obligation bonds payable (net)	70,386,735	-	70,386,735	-
First mortgage bonds payable (net)	8,646,577	-	8,646,577	-
Revenue bonds payable (net)	-	68,870,771	68,870,771	-
Lease rental revenue bonds payable (net)	-	-	-	33,199,738
Net pension obligation	94,460,737	-	94,460,737	-
Other liabilities	-	30,894	30,894	-
Total noncurrent liabilities	191,863,113	96,164,330	288,027,443	64,532,943
Total liabilities	216,903,685	115,831,314	332,734,999	66,290,653
<u>Net assets</u>				
Invested in capital assets, net of related debt	458,516,651	349,671,981	808,188,632	19,168,719
Restricted for:				
Debt service	-	8,079,607	8,079,607	-
Capital projects	-	10,456,176	10,456,176	-
Community trust	-	28,303,701	28,303,701	-
Unrestricted	19,367,230	14,560,385	33,927,615	6,701,157
Total net assets	\$ 477,883,881	\$ 411,071,850	\$ 888,955,731	\$ 25,869,876

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

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

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Units
	Expenses	Charges for Services	Operating	Capital	Primary Government		Total	
			Grants and Contributions	Grants and Contributions	Governmental Activities	Business-type Activities		
Primary government:								
Governmental activities:								
General government	\$ 36,908,051	\$ 14,782,844	\$ 3,212,517	\$ -	\$ (18,912,690)	\$ -	\$ (18,912,690)	\$ -
Public safety	80,640,428	1,794,739	1,856,841	-	(76,988,848)	-	(76,988,848)	-
Highways and streets	15,420,566	4,731,776	9,641,164	-	(1,047,626)	-	(1,047,626)	-
Sanitation	3,200	-	1,104	-	(2,096)	-	(2,096)	-
Health and welfare	1,913,439	415,067	106,905	-	(1,391,467)	-	(1,391,467)	-
Economic opportunity	563,393	9,500	150,250	-	(403,643)	-	(403,643)	-
Economic development	17,909,374	291,359	5,899	-	(17,612,116)	-	(17,612,116)	-
Culture and recreation	14,055,443	5,039,482	1,297,082	-	(7,718,879)	-	(7,718,879)	-
Urban redevelopment and housing	10,420,374	83,523	3,454,748	-	(6,882,103)	-	(6,882,103)	-
Interest on long-term debt	3,275,178	-	-	-	(3,275,178)	-	(3,275,178)	-
Total governmental activities	181,109,446	27,148,290	19,726,510	-	(134,234,646)	-	(134,234,646)	-
Business-type activities:								
Water	20,937,933	24,840,923	-	2,823,088	-	6,726,078	6,726,078	-
Wastewater	22,897,615	30,797,618	-	4,189,853	-	12,089,856	12,089,856	-
Stormwater	5,455,740	5,842,887	-	644,300	-	1,031,447	1,031,447	-
Parking garages	872,193	814,664	-	-	-	(57,529)	(57,529)	-
Solid waste	6,433,915	8,090,087	-	-	-	1,656,172	1,656,172	-
Other	567,938	1,835,883	-	-	-	1,267,945	1,267,945	-
Total business-type activities	57,165,334	72,222,062	-	7,657,241	-	22,713,969	22,713,969	-
Total primary government	\$ 238,274,780	\$ 99,370,352	\$ 19,726,510	\$ 7,657,241	(134,234,646)	22,713,969	(111,520,677)	-
Component units:								
HANDS	\$ 849,932	\$ -	\$ 689,824	\$ -	\$ -	\$ -	\$ -	\$ (160,108)
Summit	10	-	-	-	-	-	-	(10)
UEA	478,481	198,035	-	-	-	-	-	(280,446)
C&TA	5,323,898	955,154	-	1,363,250	-	-	-	(3,005,494)
RA	-	-	-	-	-	-	-	-
Total component units	\$ 6,652,321	\$ 1,153,189	\$ 689,824	\$ 1,363,250	-	-	-	(3,446,058)
General revenues:								
Property taxes	-	-	-	-	76,008,208	-	76,008,208	-
CEDIT	-	-	-	-	16,206,853	-	16,206,853	-
Indiana room tax income	-	-	-	-	-	-	-	2,613,580
Other tax	-	-	-	-	23,368,053	-	23,368,053	-
Unrestricted investment earnings	-	-	-	-	2,057,818	3,745,919	5,803,737	108,201
Refunds and reimbursements	-	-	-	-	551,582	-	551,582	16,313
Other	-	-	-	-	4,564,806	36,688	4,601,494	15,642
Transfers	-	-	-	-	4,269,840	(4,269,840)	-	-
Total general revenues and transfers	-	-	-	-	127,027,160	(487,233)	126,539,927	2,753,736
Change in net assets	-	-	-	-	(7,207,486)	22,226,736	15,019,250	(692,322)
Net assets - beginning	-	-	-	-	485,091,367	388,845,114	873,936,481	26,562,198
Net assets - ending	-	-	-	-	\$ 477,883,881	\$ 411,071,850	\$ 888,955,731	\$ 25,869,876

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

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CITY OF FORT WAYNE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2005

	General	Highways and Streets	CEDIT	Parks
<u>Assets</u>				
Cash and cash equivalents	\$ 11,621,284	\$ 3,834,845	\$ 24,007,200	\$ 13,573,000
Investments	-	-	2,000,000	-
Receivables (net of allowances for uncollectibles):				
Interest	8,728	-	-	-
Taxes	2,951,685	-	-	399,288
Assessments	-	-	-	-
Intergovernmental	385,610	907,510	23,600	5,045
Loans	383,640	-	107,500	-
Miscellaneous	1,233,277	135,591	4,527	308,878
Interfund receivable - pooled cash	-	-	-	-
Due from other funds	177,999	10,270	-	-
Net investment in direct financing lease	573,926	-	-	-
Assets held for resale	-	-	-	-
Total assets	<u>\$ 17,336,149</u>	<u>\$ 4,888,216</u>	<u>\$ 26,142,827</u>	<u>\$ 14,286,211</u>
 <u>Liabilities and fund balances</u>				
Liabilities:				
Accounts payable	\$ 346,827	\$ 161,915	\$ 804,098	\$ 242,212
Contracts payable	-	-	54,527	-
Retainage payable	-	1,111	228,021	-
Interfund payable	187,553	-	-	-
Interfund payable - pooled cash	-	-	-	-
Advance from other funds	196,087	-	-	-
Due to other funds	175,607	-	15,591	10,270
Accrued interest payable	8,728	-	-	-
Deferred revenue	3,543,949	156,649	23,600	404,333
Unearned revenue	174,659	-	-	-
Total liabilities	<u>4,633,410</u>	<u>319,675</u>	<u>1,125,837</u>	<u>656,815</u>
Fund balances:				
Reserved for:				
Encumbrances	173,959	859,433	1,831,513	823,485
Noncurrent loans receivable	196,087	-	50,000	-
Assets held for resale	-	-	-	-
Unreserved, reported in:				
General fund	12,332,693	-	-	-
Special revenue funds	-	3,709,108	-	12,805,911
Capital projects funds	-	-	23,135,477	-
Total fund balances	<u>12,702,739</u>	<u>4,568,541</u>	<u>25,016,990</u>	<u>13,629,396</u>
Total liabilities and fund balances	<u>\$ 17,336,149</u>	<u>\$ 4,888,216</u>	<u>\$ 26,142,827</u>	<u>\$ 14,286,211</u>

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

Continued on next page

CITY OF FORT WAYNE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2005

	Fire	Redevelopment	Non-major Governmental Funds	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 2,865,295	\$ 30,376,105	\$ 4,545,044	\$ 90,822,773
Investments	-	-	2,987,077	4,987,077
Receivables (net of allowances for uncollectibles):				
Interest	-	-	27,657	36,385
Taxes	1,366,230	18,529	-	4,735,732
Assessments	-	-	1,156,424	1,156,424
Intergovernmental	43	-	1,673,762	2,995,570
Loans	-	-	831,172	1,322,312
Miscellaneous	22,770	107,472	195,500	2,008,015
Interfund receivable - pooled cash	-	-	699,202	699,202
Due from other funds	-	-	-	188,269
Net investment in direct financing lease	-	-	-	573,926
Assets held for resale	-	12,279,071	-	12,279,071
	<u>-</u>	<u>12,279,071</u>	<u>-</u>	<u>12,279,071</u>
 Total assets	 <u>\$ 4,254,338</u>	 <u>\$ 42,781,177</u>	 <u>\$ 12,115,838</u>	 <u>\$ 121,804,756</u>
 <u>Liabilities and fund balances</u>				
Liabilities:				
Accounts payable	\$ 121,984	\$ 53,898	\$ 607,464	\$ 2,338,398
Contracts payable	-	24,252	-	78,779
Retainage payable	-	28,384	58,198	315,714
Interfund payable	-	-	-	187,553
Interfund payable - pooled cash	-	-	699,202	699,202
Advance from other funds	-	-	-	196,087
Due to other funds	-	-	82,325	283,793
Accrued interest payable	-	-	-	8,728
Deferred revenue	1,366,230	18,529	665,531	6,178,821
Unearned revenue	-	-	493,959	668,618
	<u>-</u>	<u>-</u>	<u>493,959</u>	<u>668,618</u>
 Total liabilities	 <u>1,488,214</u>	 <u>125,063</u>	 <u>2,606,679</u>	 <u>10,955,693</u>
Fund balances:				
Reserved for:				
Encumbrances	21,447	1,800	1,562,200	5,273,837
Noncurrent loans receivable	-	-	610,202	856,289
Assets held for resale	-	12,279,071	-	12,279,071
Unreserved, reported in:				
General fund	-	-	-	12,332,693
Special revenue funds	2,744,677	-	1,712,163	20,971,859
Capital projects funds	-	30,375,243	5,624,594	59,135,314
	<u>-</u>	<u>30,375,243</u>	<u>5,624,594</u>	<u>59,135,314</u>
 Total fund balances	 <u>2,766,124</u>	 <u>42,656,114</u>	 <u>9,509,159</u>	 <u>110,849,063</u>
 Total liabilities and fund balances	 <u>\$ 4,254,338</u>	 <u>\$ 42,781,177</u>	 <u>\$ 12,115,838</u>	 <u>\$ 121,804,756</u>

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

Continued from previous page

City of Fort Wayne, Indiana
Reconciliation of the Balance Sheet to the Statement of Net Assets
Governmental Funds
December 31, 2005

Total **fund balances** for governmental funds \$ 110,849,063

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

Capital assets used in governmental activities (excluding internal service fund capital assets) are not financial resources and therefore, are not reported in the funds.

Those assets consist of:

Land	20,344,877	
Roads accounted for using the modified approach	419,642,225	
Construction in progress	6,657,124	
Buildings, net of \$20,583,543 accumulated depreciation	36,717,130	
Improvements other than buildings, net of \$13,632,884 accumulated depreciation	60,823,825	
Machinery and equipment, net of \$28,178,210 accumulated depreciation	19,060,439	
Net investment in joint venture, net of \$792,398 accumulated depreciation	<u>2,852,311</u>	
Total capital assets		566,097,931

Bond issuance costs associated with new debt issued by the City in 2005 were reported as expenditures in the governmental funds when the debt was issued, whereas bond issuance costs are deferred in the statement of net assets. Deferred bond issuance costs are amortized, over the life of the debt issued, as an adjustment to interest expense in the statement of activities.

1,701,896

Some assets are not available to pay for current-period expenditures and therefore, are deferred in the funds.

1,124,147

Net pension asset from the PERF Pension Plan is considered an asset of the general government.

1,142,200

Internal services funds are used by the City to account for the financing of goods or services provided by one department or agency to other City departments or agencies, generally on a cost reimbursement basis. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net assets. Internal service fund net assets are:

1,298,107

City tax collections related to 2005 will be collected beyond the 60 day period used to record revenue in the fund statements. Revenue and a corresponding receivable for this amount are included in the government-wide statements.

4,735,732

State shared revenue appropriated during the State of Indiana's fiscal year ended June 30, 2005 will be collected by the City in calendar year 2006. Revenue and a corresponding receivable for the amount appropriated but not received by December 31, 2005 are included in the government-wide statements.

352,592

Some of the City's revenues will be collected after year-end, but are not available soon enough to pay for the current period's expenditures and therefore, are deferred in the funds.

1,089,362

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and therefore, are not reported in the funds. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net assets. Also, during the year the City issued new debt. The discount or premium received was reported in the governmental funds when the debt was issued, whereas these amounts are deferred and amortized, over the remaining life of the new debt, as an adjustment to interest expense in the statement of activities.

Balances at December 31, 2005 are:

Bonds payable	(93,705,000)	
Bond interest payable	(622,755)	
Unamortized loss on refunding	84,979	
Unamortized discount	124,581	
Unamortized premium	(588,924)	
Leases payable	(12,367,782)	
Lease interest payable	(16,628)	
Loans payable	(993,193)	
Loan interest payable	(162,419)	
Mortgage payable	(42,000)	
Compensated absences payable	<u>(7,757,271)</u>	
Total long-term liabilities		(116,046,412)

Net pension obligations, including the 1925 Police Officers' Pension Plan, the 1937 Firefighters' Pension Plan, and the Sanitary Officers' Pension Plan are not due and payable in the current period and therefore, are not reported in the funds, but are included in the government-wide statements.

(94,460,737)

Total **net assets** of governmental activities \$ 477,883,881

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

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

	General	Highways and Streets	CEDIT	Parks
Revenues:				
Taxes	\$ 54,494,089	\$ 1,837,641	\$ 16,206,853	\$ 7,980,395
Special assessments	-	-	-	-
Licenses and permits	1,797,758	-	-	34,385
Intergovernmental	3,148,125	9,489,390	-	-
Charges for services	3,102,563	3,205,006	-	4,904,494
Fines and forfeits	1,556,484	-	-	-
Other	<u>1,385,812</u>	<u>260,935</u>	<u>889,784</u>	<u>1,575,508</u>
 Total revenues	 <u>65,484,831</u>	 <u>14,792,972</u>	 <u>17,096,637</u>	 <u>14,494,782</u>
Expenditures:				
Current:				
General government	11,041,209	-	-	-
Public safety	46,047,278	-	-	-
Highways and streets	4,965,651	14,325,946	-	-
Sanitation	-	-	-	-
Health and welfare	1,972,650	-	-	-
Economic opportunity	563,393	-	-	-
Economic development	1,891,177	-	-	-
Culture and recreation	-	-	-	15,699,132
Urban redevelopment and housing	-	-	-	-
Debt service:				
Principal	-	-	4,740,000	-
Interest	-	-	1,880,892	-
Bond issuance costs	-	-	442,363	230,805
Capital outlay	<u>-</u>	<u>-</u>	<u>16,444,710</u>	<u>-</u>
 Total expenditures	 <u>66,481,358</u>	 <u>14,325,946</u>	 <u>23,507,965</u>	 <u>15,929,937</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(996,527)</u>	<u>467,026</u>	<u>(6,411,328)</u>	<u>(1,435,155)</u>
Other financing sources (uses):				
Transfers in	3,430,271	664,000	4,251,112	837,940
Transfers out	(295,170)	(133,000)	(6,592,560)	(12,940)
Bonds issued	-	-	25,000,000	10,000,000
Premium on bond issuance	-	-	357,438	-
Capital leases issued	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
 Total other financing sources (uses)	 <u>3,135,101</u>	 <u>531,000</u>	 <u>23,015,990</u>	 <u>10,825,000</u>
Net change in fund balances	2,138,574	998,026	16,604,662	9,389,845
Fund balances - beginning	<u>10,564,165</u>	<u>3,570,515</u>	<u>8,412,328</u>	<u>4,239,551</u>
Fund balances - ending	<u>\$ 12,702,739</u>	<u>\$ 4,568,541</u>	<u>\$ 25,016,990</u>	<u>\$ 13,629,396</u>

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

Continued on next page

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

	Fire	Redevelopment	Non-major Governmental Funds	Total Governmental Funds
Revenues:				
Taxes	\$ 28,514,444	\$ 6,472,987	\$ -	\$ 115,506,409
Special assessments	-	-	884,628	884,628
Licenses and permits	-	-	719,785	2,551,928
Intergovernmental	-	-	8,655,703	21,293,218
Charges for services	12,486	-	364,284	11,588,833
Fines and forfeits	11,696	-	214,259	1,782,439
Other	119,510	2,533,607	1,157,061	7,922,217
Total revenues	<u>28,658,136</u>	<u>9,006,594</u>	<u>11,995,720</u>	<u>161,529,672</u>
Expenditures:				
Current:				
General government	-	-	1,742,212	12,783,421
Public safety	27,731,603	-	2,071,803	75,850,684
Highways and streets	-	-	6,187	19,297,784
Sanitation	-	-	3,200	3,200
Health and welfare	-	-	119,224	2,091,874
Economic opportunity	-	-	-	563,393
Economic development	-	-	1,119,999	3,011,176
Culture and recreation	-	-	-	15,699,132
Urban redevelopment and housing	-	8,673,053	2,870,793	11,543,846
Debt service:				
Principal	-	872,598	1,595,000	7,207,598
Interest	-	477,210	466,903	2,825,005
Bond issuance costs	-	436,176	165,796	1,275,140
Capital outlay	-	-	8,189,358	24,634,068
Total expenditures	<u>27,731,603</u>	<u>10,459,037</u>	<u>18,350,475</u>	<u>176,786,321</u>
Excess (deficiency) of revenues over (under) expenditures	<u>926,533</u>	<u>(1,452,443)</u>	<u>(6,354,755)</u>	<u>(15,256,649)</u>
Other financing sources (uses):				
Transfers in	3,108	4,347,378	4,277,506	17,811,315
Transfers out	-	(1,915,461)	(4,601,651)	(13,550,782)
Bonds issued	-	20,000,000	4,215,000	59,215,000
Premium on bond issuance	-	95,656	-	453,094
Capital leases issued	-	-	3,943,540	3,943,540
Total other financing sources (uses)	<u>3,108</u>	<u>22,527,573</u>	<u>7,834,395</u>	<u>67,872,167</u>
Net change in fund balances	929,641	21,075,130	1,479,640	52,615,518
Fund balances - beginning	<u>1,836,483</u>	<u>21,580,984</u>	<u>8,029,519</u>	<u>58,233,545</u>
Fund balances - ending	<u>\$ 2,766,124</u>	<u>\$ 42,656,114</u>	<u>\$ 9,509,159</u>	<u>\$ 110,849,063</u>

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

Continued from previous page

City of Fort Wayne, Indiana
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities
Governmental Funds
For the Year Ended December 31, 2005

Net change in **fund balances** - total governmental funds \$ 52,615,518

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets, which meet capitalization requirements, is capitalized. The cost of the depreciable assets is allocated over the estimated useful lives and reported as depreciation expense (functionalized).

Land	611,628	
Roads accounted for using the modified approach	45,458	
Construction in progress	1,219,576	
Buildings, net of \$1,518,616 depreciation expense	1,792,083	
Improvements other than buildings, net of \$1,951,151 depreciation expense	(1,249,217)	
Machinery and equipment, net of \$1,698,220 depreciation expense	85,819	
Net investment in joint venture, net of \$83,066 depreciation expense	<u>(83,066)</u>	
Net changes in capital assets		2,422,281

The issuance of long-term debt provides current financial resources to governmental funds, but increases the long-term liabilities on the statement of net assets. Repayment of principal for long-term debt consumes the current financial resources of governmental funds, but reduces long-term liabilities in the statement of net assets. This is the amount by which repayments exceed issuance proceeds. (52,177,562)

Governmental funds report the effect of bond issue costs, deferred loss on refunding, discounts and premiums when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities. 761,676

Some expenses were deferred as assets in the statement of net assets and therefore were not reported in the statement of activities, but were reported as expenditures in the governmental funds. (166,853)

Net pension obligations, including the 1925 Police Officers' Pension Plan, the 1937 Firefighters' Pension Plan and the Sanitary Officers' Pension Plan are considered long-term obligations of the general government, but are not current expenditures. (9,073,216)

Net pension asset from the PERF Pension Plan is considered an asset of the general government, but is not current revenues. 1,142,200

Revenues in the statements of activities that do not provide current financial resources are not reported as revenues in the governmental funds. (2,376,033)

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds. (155,748)

Internal service funds are used by the City to account for the financing of goods and services provided by one department or agency to other City departments or agencies, generally on a cost reimbursement basis. The net revenue (expense) of the internal service funds is reported with governmental activities. (199,749)

Changes in **net assets** of governmental activities \$ (7,207,486)

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

CITY OF FORT WAYNE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
December 31, 2005

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water Utility	Wastewater Utility	Stormwater Utility	Other Non-major Enterprise Funds		Activities - Internal Service Funds
Assets						
Current assets:						
Cash and cash equivalents	\$ 2,347,589	\$ 8,905,010	\$ 1,988,421	\$ 4,284,291	\$ 17,525,311	\$ 3,391,116
Interest receivable	6,775	14,818	1,258	9,332	32,183	-
Accounts receivable (net of allowance for uncollectables)	2,634,229	3,676,846	618,493	21,256	6,950,824	-
Miscellaneous receivable	-	-	-	44,196	44,196	5,770
Interfund receivable	-	-	-	187,553	187,553	-
Due from other funds	190,801	1,232	608	1,098,156	1,290,797	108,044
Inventories	972,295	69,123	-	-	1,041,418	42,512
Prepaid expenses	67,115	66,373	766	3,762	138,016	29,103
Total current assets	6,218,804	12,733,402	2,609,546	5,648,546	27,210,298	3,576,545
Noncurrent assets:						
Restricted cash and cash equivalents	9,020,795	17,699,606	-	600,475	27,320,876	-
Restricted investments	-	-	-	27,694,020	27,694,020	-
Advance to other funds	-	-	-	196,087	196,087	-
Prepaid net pension asset	418,812	330,729	81,436	-	830,977	-
Assessments receivable	-	110,058	-	-	110,058	-
Unamortized issuance cost	605,692	871,664	-	56,845	1,534,201	-
Capital assets:						
Land, improvements to land and construction in progress	18,637,106	21,360,615	3,245,039	1,130,409	44,373,169	27,277
Other capital assets (net of accumulated depreciation)	126,587,997	206,673,677	55,944,502	9,729,484	398,935,660	680,584
Total noncurrent assets	155,270,402	247,046,349	59,270,977	39,407,320	500,995,048	707,861
Total assets	161,489,206	259,779,751	61,880,523	45,055,866	528,205,346	4,284,406
Liabilities						
Current liabilities:						
Accounts payable	1,611,413	1,382,787	253,515	1,163,464	4,411,179	809,899
Due to other funds	553,300	600,624	140,502	7,756	1,302,182	-
Compensated absences - current portion	491,420	333,387	88,255	2,215	915,277	13,655
Accrued group insurance benefits	-	-	-	-	-	1,479,799
Capital lease payable - current portion	-	-	-	319,444	319,444	-
Customer deposits	1,167,920	-	-	-	1,167,920	-
Revenue bonds and loans payable - current portion	2,000,000	5,736,262	-	150,000	7,886,262	-
Accrued interest payable	84,824	1,191,421	-	40,631	1,316,876	-
Other current liabilities	958,185	2,657,349	26,985	7,507	3,650,026	682,946
Total current liabilities	6,867,062	11,901,830	509,257	1,691,017	20,969,166	2,986,299
Noncurrent liabilities:						
Compensated absences payable	662,170	318,546	54,437	1,986	1,037,139	-
Capital lease payable	-	-	-	3,380,556	3,380,556	-
Loans payable	-	20,929,970	-	1,915,000	22,844,970	-
Revenue bonds payable (net of discounts/ premiums)	24,391,400	42,969,371	-	1,510,000	68,870,771	-
Other noncurrent liabilities	-	-	-	30,894	30,894	-
Total noncurrent liabilities	25,053,570	64,217,887	54,437	6,838,436	96,164,330	-
Total liabilities	31,920,632	76,119,717	563,694	8,529,453	117,133,496	2,986,299
Net assets						
Invested in capital assets, net of related debt	125,752,993	160,357,219	59,189,541	4,372,228	349,671,981	707,861
Restricted for:						
Debt service	271,852	7,423,989	-	383,766	8,079,607	-
Capital projects	1,267,425	9,188,751	-	-	10,456,176	-
Community trust	-	-	-	28,303,701	28,303,701	-
Unrestricted	2,276,304	6,690,075	2,127,288	3,466,718	14,560,385	590,246
Total net assets	\$ 129,568,574	\$ 183,660,034	\$ 61,316,829	\$ 36,526,413	\$ 411,071,850	\$ 1,298,107

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

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

	Business-type Activities - Enterprise Funds				Totals	Governmental
	Water Utility	Wastewater Utility	Stormwater Utility	Other Non-major Enterprise Funds		Activities - Internal Service Funds
Operating revenues:						
Charges for goods and services	\$ 24,840,923	\$ 30,797,618	\$ 5,842,887	\$ 8,974,641	\$ 70,456,069	\$ 5,187,008
Leases	-	-	-	1,765,993	1,765,993	-
City contributions	-	-	-	-	-	16,883,701
Employee contributions	-	-	-	-	-	1,945,748
Total operating revenues	<u>24,840,923</u>	<u>30,797,618</u>	<u>5,842,887</u>	<u>10,740,634</u>	<u>72,222,062</u>	<u>24,016,457</u>
Operating expenses:						
Personnel services	6,943,971	4,803,442	1,409,224	183,983	13,340,620	511,448
Contractual services	1,427,615	2,323,045	179,819	6,473,206	10,403,685	3,608,301
Utilities	888,999	1,165,067	-	46,269	2,100,335	23,473
Chemicals	1,521,846	148,758	-	-	1,670,604	-
Administrative services	3,595,368	3,794,651	855,249	58,125	8,303,393	-
Other supplies and services	1,463,019	1,630,031	1,752,747	387,135	5,232,932	1,983,465
Insurance claims and premiums	-	-	-	5,500	5,500	18,151,157
Depreciation	4,528,152	6,810,666	1,258,701	604,179	13,201,698	43,284
Total operating expenses	<u>20,368,970</u>	<u>20,675,660</u>	<u>5,455,740</u>	<u>7,758,397</u>	<u>54,258,767</u>	<u>24,321,128</u>
Operating income (loss)	<u>4,471,953</u>	<u>10,121,958</u>	<u>387,147</u>	<u>2,982,237</u>	<u>17,963,295</u>	<u>(304,671)</u>
Nonoperating revenues (expenses):						
Interest and investment revenue	479,976	945,934	102,132	2,217,877	3,745,919	26,947
Miscellaneous revenue	-	-	-	36,688	36,688	68,668
Interest expense	(464,848)	(2,088,289)	-	(88,200)	(2,641,337)	-
Amortization of debt issuance costs	(104,115)	(133,666)	-	(3,553)	(241,334)	-
Miscellaneous expense	-	-	-	(23,896)	(23,896)	-
Total nonoperating revenue (expenses)	<u>(88,987)</u>	<u>(1,276,021)</u>	<u>102,132</u>	<u>2,138,916</u>	<u>876,040</u>	<u>95,615</u>
Income (loss) before contributions and transfers	4,382,966	8,845,937	489,279	5,121,153	18,839,335	(209,056)
Capital contributions	2,823,088	4,189,853	644,300	-	7,657,241	-
Transfers in	-	-	5,661,012	-	5,661,012	9,307
Transfers out	(966,613)	(7,165,239)	-	(1,799,000)	(9,930,852)	-
Change in net assets	6,239,441	5,870,551	6,794,591	3,322,153	22,226,736	(199,749)
Total net assets - beginning	<u>123,329,133</u>	<u>177,789,483</u>	<u>54,522,238</u>	<u>33,204,260</u>	<u>388,845,114</u>	<u>1,497,856</u>
Total net assets - ending	<u>\$ 129,568,574</u>	<u>\$ 183,660,034</u>	<u>\$ 61,316,829</u>	<u>\$ 36,526,413</u>	<u>\$ 411,071,850</u>	<u>\$ 1,298,107</u>

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

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

	Business-type Activities - Enterprise Funds				Total	Governmental
	Water Utility	Wastewater Utility	Stormwater Utility	Other Non-major Enterprise Funds		Internal Service Funds
Cash flows from operating activities:						
Receipts from customers and users	\$ 24,661,586	\$ 30,233,025	\$ 5,785,377	\$ 9,255,486	\$ 69,935,474	\$ 24,122,170
Receipts from leases	-	-	-	1,731,667	1,731,667	-
Payments to suppliers	(7,431,329)	(9,158,343)	(2,783,940)	(6,297,143)	(25,670,755)	(23,050,003)
Payments to employees	(6,909,274)	(4,795,060)	(1,407,652)	(183,928)	(13,295,914)	(507,791)
Other receipts (payments)	(338,067)	299,372	(93,974)	-	(132,669)	-
Net cash provided by operating activities	9,982,916	16,578,994	1,499,811	4,506,082	32,567,803	564,376
Cash flows from noncapital financing activities:						
Transfer from other funds	-	-	-	-	-	9,307
Transfer to other funds	(966,613)	(7,165,239)	-	(1,799,000)	(9,930,852)	-
Net cash provided (used) by noncapital financing activities	(966,613)	(7,165,239)	-	(1,799,000)	(9,930,852)	9,307
Cash flows from capital and related financing activities:						
Proceeds from capital debt	16,797,779	1,211,592	-	3,700,000	21,709,371	-
Capital contributions	117,564	1,174,320	-	-	1,291,884	28,401
Acquisition and construction of capital assets	(14,229,461)	(9,727,462)	(3,349,880)	(2,851,834)	(30,158,637)	(182,596)
Debt issuance costs	(417,390)	-	-	-	(417,390)	-
Principal paid on capital debt	(2,075,000)	(5,968,499)	-	(140,000)	(8,183,499)	-
Interest paid on capital debt	(940,149)	(6,338,221)	-	(92,129)	(7,370,499)	-
Net cash used by capital and related financing activities	(746,657)	(19,648,270)	(3,349,880)	616,037	(23,128,770)	(154,195)
Cash flows from investing activities:						
Proceeds from sales and maturities of investments	-	-	-	14,765,265	14,765,265	-
Purchase of investments	-	-	-	(18,736,248)	(18,736,248)	-
Interest received	473,201	931,116	100,874	1,299,638	2,804,829	26,947
Net cash provided (used) by investing activities	473,201	931,116	100,874	(2,671,345)	(1,166,154)	26,947
Net increase (decrease) in cash and cash equivalents	8,742,847	(9,303,399)	(1,749,195)	651,774	(1,657,973)	446,435
Cash and cash equivalents, January 1	2,625,537	35,908,015	3,737,616	4,232,994	46,504,162	2,944,681
Cash and cash equivalents, December 31	\$ 11,368,384	\$ 26,604,616	\$ 1,988,421	\$ 4,884,768	\$ 44,846,189	\$ 3,391,116
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 4,471,953	\$ 10,121,958	\$ 387,147	\$ 2,982,237	\$ 17,963,295	\$ (304,671)
Adjustments to reconcile operating income to net cash provided by operating activities:						
Nonoperating revenue	-	-	-	36,688	36,688	68,668
Depreciation expense	4,528,152	6,810,666	1,258,701	604,179	13,201,698	43,284
Allowance for uncollectible accounts	12,717	624,777	(12,416)	-	625,078	-
(Increase) decrease in assets:						
Accounts receivable	(179,337)	(564,593)	(57,510)	218,718	(582,722)	47,093
Due from other funds	-	-	-	(8,889)	(8,889)	(10,049)
Inventories	-	-	-	-	-	(4,823)
Prepaid items	-	-	-	1,099	1,099	(774)
Other assets	(350,784)	(325,405)	(81,558)	-	(757,747)	-
Increase (decrease) in liabilities:						
Accounts payable	1,500,215	(88,409)	5,447	671,995	2,089,248	11,530
Accrued group insurance benefits	-	-	-	-	-	469,155
Compensated absence payable	-	-	-	55	55	3,657
Other current liabilities	-	-	-	-	-	241,306
Total adjustments	5,510,963	6,457,036	1,112,664	1,523,845	14,604,508	869,047
Net cash provided by operating activities	\$ 9,982,916	\$ 16,578,994	\$ 1,499,811	\$ 4,506,082	\$ 32,567,803	\$ 564,376
Noncash investing, capital and financing activities:						
Capital assets included in accounts payable	\$ 1,024,015	\$ 1,020,334	\$ 211,288	\$ -	\$ 2,255,637	\$ -
Capital assets included in contracts payable	-	-	-	125,060	-	-
Contributions of capital assets from government	2,705,523	3,015,533	6,305,312	-	12,026,368	-
Capitalized interest added to capital assets	499,384	1,101,803	-	-	1,601,187	-
Change in fair value of investments	-	-	-	(1,487,409)	(1,487,409)	-

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

CITY OF FORT WAYNE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2005

	Pension Trust Funds	Agency Funds
	<u> </u>	<u> </u>
<u>Assets</u>		
Cash and cash equivalents	\$ 1,162,962	\$ 3,893,405
Investments at fair value:		
Participation in external investment pool	2,381,834	-
Certificates of deposit	-	6,000
Receivables:		
Taxes	265,078	-
Intergovernmental	-	371
Miscellaneous	-	1,182
Loans	47	608,949
Due from other funds	<u>-</u>	<u>319</u>
 Total assets	 <u>3,809,921</u>	 <u>\$ 4,510,226</u>
<u>Liabilities</u>		
Accounts payable	-	\$ 627,524
Accrued payroll and deductions	73,584	3,874,148
Trust payable	-	7,100
Due to other funds	<u>-</u>	<u>1,454</u>
 Total liabilities	 <u>73,584</u>	 <u>\$ 4,510,226</u>
 <u>Net assets</u>		
Held in trust for:		
Employees' pension benefits	<u>\$ 3,736,337</u>	

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

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

	<u>Pension Trust Funds</u>
<u>Additions</u>	
Contributions:	
Employer	\$ 13,917,275
Plan members	72,488
Other	3,154
Net investment income	<u>17,181</u>
 Total additions	 <u>14,010,098</u>
 <u>Deductions</u>	
Benefits and refunds paid to plan members and beneficiaries	15,116,584
Administrative expenses	<u>35,165</u>
 Total deductions	 <u>15,151,749</u>
 Change in net assets	 (1,141,651)
Net assets - beginning	<u>4,877,988</u>
Net assets - ending	<u><u>\$ 3,736,337</u></u>

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

CITY OF FORT WAYNE
 COMBINING STATEMENT OF NET ASSETS
 DISCRETELY PRESENTED COMPONENT UNITS
 December 31, 2005

	<u>HANDS</u>	<u>Summit</u>	<u>UEA</u>	<u>C&TA</u>	<u>RA</u>	<u>Totals</u>
Assets						
Current assets:						
Cash and cash equivalents	\$ -	\$ 88,923	\$ 1,236,600	\$ 2,737,805	\$ -	\$ 4,063,328
Investments	-	-	-	1,345,162	-	1,345,162
Receivables (net of allowances for uncollectibles):						
Accounts	-	-	14,404	465,770	-	480,174
Intergovernmental	83,440	-	-	3,501,954	-	3,585,394
Loans	240,843	-	139,470	-	-	380,313
Miscellaneous	-	-	-	60,000	4,405	64,405
Interfund receivable - pooled cash	-	-	83,440	-	-	83,440
Total current assets	324,283	88,923	1,473,914	8,110,691	4,405	10,002,216
Noncurrent assets:						
Restricted cash and cash equivalents	-	-	-	-	1,453,707	1,453,707
Net investment in direct financing lease (Note 18)	-	-	-	-	32,404,593	32,404,593
Deferred debits	-	-	-	-	411,351	411,351
Capital assets:						
Land, improvements and construction in progress	-	-	-	991,740	-	991,740
Other capital assets, net of depreciation	-	-	869,620	46,110,742	-	46,980,362
Total noncurrent assets	-	-	869,620	47,102,482	34,269,651	82,241,753
Total assets	324,283	88,923	2,343,534	55,213,173	34,274,056	92,243,969
Liabilities						
Current liabilities:						
Accounts payable	-	-	114,068	337,879	-	451,947
Contracts payable	-	-	-	-	378,854	378,854
Retainage payable	-	-	-	-	52,105	52,105
Interfund payable - pooled cash	83,440	-	-	-	-	83,440
Accrued interest payable	-	-	-	-	643,359	643,359
Capital lease payable	-	-	-	210,672	-	210,672
Customer deposits	-	-	-	20,773	-	20,773
Total current liabilities	83,440	-	114,068	569,324	1,074,318	1,841,150
Noncurrent liabilities:						
Capital lease payable	-	-	-	31,333,205	-	31,333,205
Lease rental revenue bonds payable (net of premium) (Note 18)	-	-	-	-	33,199,738	33,199,738
Total noncurrent liabilities	-	-	-	31,333,205	33,199,738	64,532,943
Total liabilities	83,440	-	114,068	31,902,529	34,274,056	66,374,093
Net assets						
Invested in capital assets, net of related debt	-	-	869,620	18,299,099	-	19,168,719
Unrestricted	240,843	88,923	1,359,846	5,011,545	-	6,701,157
Total net assets	\$ 240,843	\$ 88,923	\$ 2,229,466	\$ 23,310,644	\$ -	\$ 25,869,876

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

CITY OF FORT WAYNE
 COMBINING STATEMENT OF ACTIVITIES
 DISCRETELY PRESENTED COMPONENT UNITS
 For The Year Ended December 31, 2005

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets					
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	HANDS	Summit	UEA	C&TA	RA	Totals
Component units:										
HANDS	\$ 849,932	\$ -	\$ 689,824	\$ -	\$ (160,108)	\$ -	\$ -	\$ -	\$ -	\$ (160,108)
Summit	10	-	-	-	-	(10)	-	-	-	(10)
UEA	478,481	198,035	-	-	-	-	(280,446)	-	-	(280,446)
C&TA	5,323,898	955,154	-	1,363,250	-	-	-	(3,005,494)	-	(3,005,494)
RA	-	-	-	-	-	-	-	-	-	-
Total component units	\$ 6,652,321	\$ 1,153,189	\$ 689,824	\$ 1,363,250	(160,108)	(10)	(280,446)	(3,005,494)	-	(3,446,058)
General revenues:										
Indiana room tax income					-	-	-	2,613,580	-	2,613,580
Other tax					-	-	-	-	-	-
Unrestricted investment earnings					-	908	30,498	76,795	-	108,201
Reimbursement					-	-	16,313	-	-	16,313
Miscellaneous					14,450	-	1,192	-	-	15,642
Total general revenues					14,450	908	48,003	2,690,375	-	2,753,736
Change in net assets					(145,658)	898	(232,443)	(315,119)	-	(692,322)
Net assets - beginning					386,501	88,025	2,461,909	23,625,763	-	26,562,198
Net assets - ending					\$ 240,843	\$ 88,923	\$ 2,229,466	\$ 23,310,644	\$ -	\$ 25,869,876

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

NOTES TO THE FINANCIAL STATEMENTS



CITY OF FORT WAYNE, INDIANA
NOTES TO FINANCIAL STATEMENTS
December 31, 2005

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Fort Wayne (government) was established under the laws of the State of Indiana. The primary government is a municipal corporation governed by an elected Mayor and nine-member council and provides the following services: public safety (police and fire), highways and streets, health, welfare and social services, culture and recreation, public improvements, planning and zoning, general administrative services, electric, water, wastewater, stormwater, yard waste and urban redevelopment and housing. The accompanying financial statements present the activities of the primary government and its significant component units. The financial statements of the City of Fort Wayne (City) have been prepared in conformity with accounting principles generally accepted in the United States of America as applicable to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standards-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are described below.

The component units discussed below are included in the primary government's reporting entity because of the significance of their operational or financial relationships with the primary government. Blended component units, although legally separate entities are in substance part of the government's operations and exist solely to provide services for the government; data from these units is combined with data of the primary government. Discretely presented component units are involved in activities of an operational nature independent from the government; their transactions are reported in a separate column in the government-wide financial statements.

Blended Component Unit

The Fort Wayne Municipal Building Corporation is a significant blended component unit of the primary government. The City created it in 1997 for the sole purpose of financing two fire stations, an animal care building and improvements to the City's Board of Works complex. In 2000, the City entered into a second agreement with the Municipal Building Corporation for the purpose of financing a fire station along with purchasing equipment to finish the new station. In 2002, the City entered into a third agreement with the Municipal Building Corporation for the purpose of financing a street and highway transportation building. In 2005, the City entered into a fourth agreement with the Municipal Building Corporation for the purpose of financing two fire stations, #'s 18 and 19, to serve the 2006 annexed areas. The primary government appoints a voting majority of the Municipal Building Corporation's board and a financial benefit/burden relationship exists between the primary government and the Municipal Building Corporation. Although it is legally separate from the primary government, the Fort Wayne Municipal Building Corporation is reported as if it were a part of the primary government because it provides services entirely or almost entirely to the primary government. The Fort Wayne Municipal Building Corporation is reported as the Building Project fund (non-major capital projects fund).

Discretely Presented Component Units

The component units' column in the financial statements includes the financial data of the City's discrete component units.

The *Neighborhood Care, Inc., doing business as HANDS* (HANDS) is a significant discretely presented component unit of the primary government. The primary government appoints the eleven-member board. The primary government is able to impose its will and a financial benefit/burden relationship exists between the primary government and HANDS. HANDS is fiscally dependent on the primary government. It would be misleading to exclude HANDS from the primary government's financial statements because of its relationship with the primary government. HANDS was created by the City to administer the federally funded housing rehabilitation programs.

The *Summit Development Corporation* (Summit), formerly the *Kekionga Development Corporation of Fort Wayne* is a significant discretely presented component unit of the primary government. The primary government appoints all the members of the board. The primary government is able to impose its will and a financial benefit/burden relationship exists between the primary government and Summit. Summit is fiscally dependent on the primary government. It would be misleading to exclude Summit from the primary government's financial statements because of its relationship with the primary government. Summit was created by the City to finance and/or provide economic development services.

The *Fort Wayne Urban Enterprise Association, Inc.* (UEA) is a significant discretely presented component unit of the primary government. Fort Wayne Urban Enterprise Association, Inc. (UEA), is governed by an eleven-member board of which five are appointed by the Mayor, four are appointed by the City Council, and two are appointed by the Governor. The primary government appoints a voting majority of the UEA's board. The primary government is able to impose its will and a financial benefit/burden relationship exists between the primary government and UEA. UEA is fiscally dependent on the primary government. It would be misleading to exclude UEA from the primary government's financial statements because of its relationship with the primary government. The UEA initiates, coordinates, and promotes community development activities. The UEA acts as a liaison between residents, businesses, local governments, and the State for any and all development activity that may effect the enterprise zone.

The *Fort Wayne - Allen County Convention and Tourism Authority* (C&TA) is a significant discretely presented component unit of the primary government. Fort Wayne - Allen County Convention and Tourism Authority (C&TA) is governed by a seven-member board. The County appoints three members, three are appointed by the City, and the appointed members elect the seventh. C&TA's budget is subject to approval by the City Council. Any resolutions for the sale of revenue bonds are subject to review by the Mayor. Any sales of general obligation bonds are subject to approval by the City Council. A financial benefit/burden relationship exists between the primary government and the C&TA. It would be misleading to exclude C&TA from the primary government's financial statements because of its relationship with the primary government. C&TA operates the Grand Wayne Center (convention center) and promotes tourism. A hotel tax subsidizes C&TA's operations.

The *Fort Wayne Redevelopment Authority* (RA) is a significant discretely presented component unit of the primary government. Fort Wayne Redevelopment Authority is governed by a three-member board. The members of the board are appointed by the Mayor and must be residents of the City. The Fort Wayne Redevelopment Authority was established by the Fort Wayne Redevelopment Commission (a department of the City) in September 2000 and created by the City of Fort Wayne Common Council in February 2002. The Authority was organized under IC 36-7-14.5 as a separate body corporate and politic and as an instrumentality of the City, for the purpose of financing economic development improvements to be leased to the Commission. The RA's budget is subject to approval by the Commission. A financial burden/benefit relationship exists between the primary government and the RA. It would be misleading to exclude RA from the primary government's financial statements because of its relationship with the primary government.

The financial statements of the individual component units may be obtained from the Controller, City of Fort Wayne or their respective offices as follows:

Controller, City of Fort Wayne
Room 930 City-County Building
Fort Wayne, IN 46802

Fort Wayne Municipal Building Corporation
c/o Wells Fargo Bank Corporate Trust Department
111 E. Wayne Street
Fort Wayne, IN 46801

Neighborhood Care, Inc.
Room 880 City-County Building
Fort Wayne, IN 46802

Summit Development Corporation
Room 840 City-County Building
Fort Wayne, IN 46802

Fort Wayne Urban Enterprise Association, Inc.
1830 Wayne Trace
Fort Wayne, IN 46803

Fort Wayne-Allen County Convention and Tourism Authority
c/o Grand Wayne Center
120 West Jefferson Boulevard
Fort Wayne, IN 46802

Fort Wayne Redevelopment Authority
Redevelopment Commission
Room 840 City-County Building
Fort Wayne, IN 46802

City-County Building's Plaza Parking Garage Net Investment in Joint Venture

The primary government (City) is a participant in a joint venture agreement with Allen County (County) for the operation of the City-County Building's Plaza Parking Garage (Garage). The City and County each appoint three members of the Garage's Condominium Association (Association). The City and County jointly appoint the seventh member. The Association is a not-for-profit corporation and is responsible for the operation of the Garage.

The City and County each have a 50 percent equity interest in the venture, with each entity having invested approximately \$4.7 million in the project. The City's share of the construction cost was financed primarily from proceeds of a 1995 Tax Incremental Financing bond issue and a \$1.7 million 2001 Parking Garage Revenue bond issue. The City's equity interest was recorded in the City's Capital Assets. The Net Investment in Joint Venture will be increased (decreased) by 50% of the Association's net income (loss) each year. The City's equity interest increased \$72,817 for its share of 2005 net income. Complete separate financial statements for the Association may be obtained from the Controller, City of Fort Wayne, Room 930, One Main Street, Fort Wayne, IN 46802.

Related Organizations

The primary government's officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations does not extend beyond making the appointments. These organizations are called related organizations. The Fort Wayne Housing Authority, Fort Wayne Public Transportation Corporation, Headwaters Park Commission, and the Hospital Authority of Fort Wayne are related organizations of the City of Fort Wayne.

B. Government-Wide and Fund Financial Statements

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

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

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

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

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

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

Property taxes, franchise taxes, licenses and permits, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when the government receives cash.

The government reports the following major governmental funds:

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

The Highways and Streets fund (special revenue) accounts for the financial resources and expenses for construction, operation and maintenance of local and arterial roads and street system. The Motor Vehicle Highway and Local Roads and Streets funds have been combined to form the Highways and Streets fund.

The CEDIT fund (capital projects) accounts for the financial resources and expenses or projects related to the County Economic Development Income Tax (CEDIT). The CEDIT Income Tax, CEDIT Construction, Economic Development Incentive, Economic Development Infrastructure, 2005 CEDIT Bond and CEDIT Bond Construction funds have been combined to form the CEDIT fund.

The Parks fund (special revenue) accounts for the financial resources and expenses for the construction, operation and maintenance of the City's park system. The Park and Recreation General, Park Land and Water Conservation, Park Cumulative Building, Park Trust, Park Nonreverting Capital, Park Nonreverting Operating, and 2005 Park Bond funds have been combined to form the Parks fund.

The Fire fund (special revenue) accounts for the financial resources and operations of the Fire District.

The Redevelopment fund (capital projects) accounts for the financial resources and expenses or projects related to redevelopment. The Redevelopment General, 1991 Tax Incremental Financing, 1992 Tax Incremental Financing-Getz Road, Civic Center Urban Renewal Reserve 1998, Tax Incremental Financing-FW. International Airport, 2002 Infrastructure Bond, Grand Wayne Center Miscellaneous Expenses, Grand Wayne Revenue Pool, 1995 Summit Park TIF Project, 1995 Apple Glen TIF Project, Brownfield Redevelopment, Centennial Industrial Park, Redevelopment District Capital, Grand Wayne Bond Principal and Interest, 2005 Redevelopment Bond, Chapel Ridge TIF Project, Southtown Tax Exempt Bond and Southtown Mall Project funds have been combined to form the Redevelopment fund.

The government reports the following major proprietary funds:

The Water Utility fund accounts for the operation of the government's water distribution system.

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

The Stormwater Utility fund accounts for the operation of the government's management of stormwater runoff.

Additionally, the government reports the following fund types:

The internal service funds (proprietary) account for health, general and auto liability, and worker's compensation insurance and garage services provided to other departments on a cost-reimbursement basis.

The pension trust funds (fiduciary) account for the activities of the 1925 Police Officers' Pension, 1937 Fire Firefighters' Pension and Sanitary Officers' Pension funds which accumulate resources for pension benefit payments.

Agency funds (fiduciary) account for the activities and assets held by the government as an agent for Allocated Expense Clearing, Payroll and Barrett Law Regular Waivered funds.

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's water, wastewater, stormwater function and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

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

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

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

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

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at cost.

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

Open-end mutual funds are reported at fair value.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value.

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

The City has invested \$2,381,834 in an external investment pool administered by the Public Employees' Retirement Fund Board of Trustees in accordance with IC 5-11-10.3-4.7. The fair value of the position in the pool is the same as the value of the pool shares. There is no regulatory oversight of the pool.

2. Interfund Transactions and Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "Interfund receivables/payables" (current portion) or "Advances to/from other funds" (non-current portion). All other outstanding balances between funds are reported as "Due from/to other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "Internal balances."

3. Property Taxes

Property taxes levied are collected by the Treasurer of Allen County and are remitted to the City Controller in June and in December. State statutes (Indiana Code 6-1.1-17-16) require 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 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year-end for governmental funds, net of allowance for uncollectible accounts, are recorded as a receivable with an offset to "Deferred revenue" since the amounts are not considered available within 60 days.

4. Cash and Cash Equivalents

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

5. Inventories and Prepaid Items

All inventories are valued at cost using the first in/first out (FIFO) method except for the Water Utility, which uses the average cost method. Inventories of governmental funds are recorded as expenditures when consumed rather than when purchased.

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

6. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets because they are maintained separately and their use is limited by ordinance or applicable bond covenants.

7. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

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

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Governmental Activities:			
Land	All Capitalized	N/A	N/A
Infrastructure	\$ 5,000	N/A	N/A
Buildings	5,000	Straight-line	40
Improvements other than buildings	5,000	Straight-line	20-25
Machinery and equipment	5,000	Straight-line	5-25
Net investment in joint venture	5,000	Straight-line	40
Business-type Activities:			
(Solid Waste Management and Parking Garages)			
Land	All Capitalized	N/A	N/A
Buildings and improvements	5,000	Straight-line	20-40
Equipment and other	5,000	Straight-line	5-25
Business-type Activities:			
(Utilities and Yard Waste Facility)			
Land	All Capitalized	N/A	N/A
Distribution and collection	500	Group	67
Buildings and improvements	500	Group	20-44
Equipment and other	500	Group	6-67

Infrastructure is reported using the modified approach. Accordingly, depreciation is not reported for this subsystem and all expenditures, except for additions and improvements made for the subsystem, are expensed. Management of the City has determined the condition level at which infrastructure assets are to be maintained. The City makes annual estimates of the amounts that must be expended to preserve and maintain these assets at the predetermined condition levels. The City also performs periodic condition assessments to verify that these condition levels are being maintained. The City of Fort Wayne has included infrastructure acquired prior to the implementation of GASB 34.

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 is 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. In 2005, net interest capitalized for the Water Utility and Wastewater Utility was \$498,526 and \$1,093,963 respectively.

8. Assets Held for Resale

Assets held for resale are valued at lower of cost or market. These assets are held by the City with the intent to sell them in the future.

9. Compensated Absences

City employees are entitled to accumulate earned but unused sick and vacation pay benefits depending on their length of employment or whether or not they belong to a union. Vacation and sick pay is accrued when incurred in the proprietary funds and reported as a fund liability. Vacation and sick pay is accrued for employees of governmental funds in the government-wide statements. The major governmental and proprietary funds are primarily used to liquidate the liability for compensated absences.

Police Officers and Firefighters

Vacation Leave:

Vacation leave policies for police officers and firefighters are set forth in the appropriate union agreements with the City. Vacation leave for police officers ranges from five days per year after six months service to thirty days per year after twenty years service. The range of vacation leave for firefighters is as follows: Forty hour personnel - five days after one year service to thirty-seven days after twenty-five years service; Combat personnel - four days after one year service to sixteen days after twenty-five years service.

Sick Leave:

Police officers do not have an earned sick leave plan but receive pay while they are sick based on regulations set by their department. Firefighters injured or sick shall have leave paid by the City for a period of not more than one year.

Employees Other Than Police Officers and Firefighters

Generally, the employees of the City of Fort Wayne receive the following:

Vacation Leave:

<u>Length of Service</u>	<u>Vacation Leave</u>
6 Months to 1 Year	1 Week
1 Year to 5 Years	2 Weeks
6 Years to 14 Years	3 Weeks
15 Years to 19 Years	4 Weeks
Over 19 Years (hired before 1/1/96)	5 Weeks
Over 19 Years (hired after 1/1/96)	4 Weeks

Unused vacation shall automatically be carried over into the next year; however, amounts of more than one year's carryover shall be paid to the employee.

Sick Leave:

Employees hired before January 1, 2002, earn 2.31 hours of sick leave per week of full employment; employees hired after that date earn 1.54 hours of sick leave per week of full employment. Sick leave may be accumulated. An employee with ten years of service will receive compensation for unused sick leave upon retirement at \$1.00 for each hour up to 520 hours.

All City employees, except one bargaining unit, allow for either 50 percent of the employee's normal straight time hourly rate for each accumulated hour over 520, or an employee may receive credit at the rate of 100 percent of the employee's normal straight time hourly rate for each sick leave hour over 520 to be used for the purchase of group health insurance. The maximum payment per employee cannot exceed \$25,000.

10. Unbilled Revenue

The enterprise and the internal service funds accrue revenue for sales and services performed, but not yet billed, as of the balance sheet date.

11. Deferred/Unearned Revenues

Deferred revenues are those where asset recognition criteria have been met, but for which revenue recognition criteria have not been met. "Deferred revenue" is defined as revenue earned, but not available within a 60 day period (applies to fund statements only). "Unearned revenue" is available, but not earned at year-end (applies to government-wide and fund statements).

12. Long-Term Obligations

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

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

13. Fund Equity

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

Note 2. Deposits and Investments

A. Primary Government

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, 2005, the bank balance held at the Wells Fargo Bank in the amount of \$70,838,232 was collateralized with securities held by the pledging financial institution. The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

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

Investment Type	Fair Value	Investment Maturities (In Years)		Duration
		Less Than 1 Year	1 - 2 Years	
Repurchase Agreements	\$ 68,838,232	\$ 68,838,232	\$ -	-
Government Sponsored Enterprises	2,000,000	-	2,000,000	-
Pension Relief Investment Pool	1,667,284	-	-	3.6
Mutual Funds	27,694,020	27,694,020	-	-

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of 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 fifty percent (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 AAAM, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

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

At the option of the City, an additional distribution in a prior year of police or fire pension relief funds was held for investment in an external investment pool (Pension Relief Fund) by the Public Employees' Retirement Fund of Indiana (PERF). These deferred amounts invested in the Fund are available to participating cities and towns at their request. The Pension Relief Fund is invested in a target of 70 percent fixed income debt instruments and 30 percent domestic stock. The fair value of the City's investment in the Fund is the same as the value of pool shares. Domestic stock fair value as of December 31, 2005, was \$714,550. Responsibility of regulatory oversight for the pool is assumed by the PERF governing board, under the direction by statute to "invest its assets with the care, skill, prudence and diligence that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims." Utilizing external investment managers, the PERF Board diversifies such investments in accordance with prudent investment standards.

The Community Trust, which invests in a variety of securities and mutual funds, is not subject to the requirements of Indiana statutes governing authorized investments.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments that are insured and 1) uncollateralized, 2) collateralized with securities held by the pledging financial institution, or 3) collateralized with securities held by the pledging financial institution's trust department or agent but not in the government's name. At December 31, 2005, the City held investments in the Wells Fargo Bank in the amount of \$70,838,232. Of these investments, \$68,838,232 was held by the counterparty's trust department or agent, but not in the City's name.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years. Interest rate risk of the Pension Relief Fund's fixed income portfolio, using the duration approach, is 3.6.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below.

Standard and Poor's Rating	Morningstar Rating	City of Fort Wayne Investments		
		Government Sponsored Enterprise	External Investment Pool	Mutual Funds
AAA	-	\$ 70,838,232	\$ 1,085,402	\$ -
AA	-	-	71,693	-
A	-	-	311,782	-
BBB	-	-	178,399	-
BB	-	-	11,671	-
Unrated	-	-	8,337	-
-	Low	-	-	1,341,688
-	Below Average	-	-	8,384,389
-	Average	-	-	3,465,439
-	Above Average	-	-	5,399,325
-	High	-	-	6,080,924
-	Not Rated	-	-	3,022,255
Total		<u>\$ 70,838,232</u>	<u>\$ 1,667,284</u>	<u>\$ 27,694,020</u>

Concentration of Credit Risk

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

Foreign Currency Risk

Foreign currency risk relates to adverse affects on the fair value of an investment from changes in exchange rates. The City does not have a formal policy in regards to foreign currency risk. The foreign currency risk derives from the City's investment in a foreign bond mutual fund with a fair value of \$1,364,347 at December 31, 2005.

B. Discretely Presented Component Units

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, 2005, the City's discretely presented component units' deposits with financial institutions of \$6,862,197 were entirely insured by federal depository insurance, with the exception of UEA's deposits in the amount of \$1,056,622. These deposits are collateralized with securities held by the counter party's trust department or agent in the UEA's name.

Note 3. Capital Assets

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

Primary government

	Beginning Balance	Additions	Reductions	Ending Balance
Governmental Activities				
Capital assets not being depreciated:				
Land	\$ 19,760,526	\$ 1,015,446	\$ 403,818	\$ 20,372,154
Roads accounted for using the modified approach	419,596,767	45,458	-	419,642,225
Construction in progress	<u>5,459,858</u>	<u>7,736,548</u>	<u>6,539,282</u>	<u>6,657,124</u>
Total capital assets not being depreciated	<u>444,817,151</u>	<u>8,797,452</u>	<u>6,943,100</u>	<u>446,671,503</u>
Capital assets being depreciated:				
Buildings	54,720,297	3,551,596	88,825	58,183,068
Improvements other than buildings	73,754,775	701,934	-	74,456,709
Machinery and equipment	47,335,970	5,062,321	4,668,737	47,729,554
Net investment in joint venture	<u>3,644,709</u>	<u>-</u>	<u>-</u>	<u>3,644,709</u>
Total capital assets being depreciated:	<u>179,455,751</u>	<u>9,315,851</u>	<u>4,757,562</u>	<u>184,014,040</u>
Less accumulated depreciation for:				
Buildings	19,495,906	1,539,310	11,271	21,023,945
Improvements other than buildings	11,681,733	1,951,151	-	13,632,884
Machinery and equipment	28,113,330	1,767,564	1,450,370	28,430,524
Net investment in joint venture	<u>709,332</u>	<u>83,066</u>	<u>-</u>	<u>792,398</u>
Total accumulated depreciation	<u>60,000,301</u>	<u>5,341,091</u>	<u>1,461,641</u>	<u>63,879,751</u>
Total capital assets being depreciated, net	<u>119,455,450</u>	<u>3,974,760</u>	<u>3,295,921</u>	<u>120,134,289</u>
Total governmental activities capital assets, net	<u>\$ 564,272,601</u>	<u>\$ 12,772,212</u>	<u>\$ 10,239,021</u>	<u>\$ 566,805,792</u>

Primary government (continued)

	Beginning Balance	Additions	Reductions	Ending Balance
<u>Business-type activities:</u>				
Capital assets not being depreciated:				
Land	\$ 4,176,536	\$ 654,779	\$ -	\$ 4,831,315
Construction in progress	59,713,132	30,458,569	50,629,847	39,541,854
Total capital assets not being depreciated	63,889,668	31,113,348	50,629,847	44,373,169
Capital assets being depreciated:				
Distribution and collection	338,290,570	20,520,171	97,350	358,713,391
Buildings and improvements	97,047,118	28,512,653	-	125,559,771
Equipment and machinery	107,117,129	14,189,332	1,395,771	119,910,690
Total capital assets being depreciated	542,454,817	63,222,156	1,493,121	604,183,852
Less accumulated depreciation for:				
Distribution and collection	90,560,820	5,087,631	97,350	95,551,101
Buildings and improvements	43,667,204	2,604,772	-	46,271,976
Equipment and machinery	58,913,767	5,509,295	997,947	63,425,115
Total accumulated depreciation	193,141,791	13,201,698	1,095,297	205,248,192
Total capital assets being depreciated, net	349,313,026	50,020,458	397,824	398,935,660
Total business-type activities capital assets, net	<u>\$ 413,202,694</u>	<u>\$ 81,133,806</u>	<u>\$ 51,027,671</u>	<u>\$ 443,308,829</u>
	Beginning Balance	Additions	Reductions	Ending Balance
<u>Discretely presented component units:</u>				
Capital assets not being depreciated:				
Land	\$ 975,000	\$ -	\$ -	\$ 975,000
Construction in progress	27,089,423	11,993,581	39,066,264	16,740
Total capital assets not being depreciated	28,064,423	11,993,581	39,066,264	991,740
Capital assets being depreciated:				
Buildings and improvements	11,261,003	38,506,387	-	49,767,390
Equipment and other	2,312,849	872,667	-	3,185,516
Total capital assets being depreciated	13,573,852	39,379,054	-	52,952,906
Less accumulated depreciation for:				
Buildings and improvements	2,528,509	1,050,007	-	3,578,516
Equipment and machinery	2,224,824	169,204	-	2,394,028
Total accumulated depreciation	4,753,333	1,219,211	-	5,972,544
Total capital assets being depreciated, net	8,820,519	38,159,843	-	46,980,362
Total discretely presented component units capital assets, net	<u>\$ 36,884,942</u>	<u>\$ 50,153,424</u>	<u>\$ 39,066,264</u>	<u>\$ 47,972,102</u>

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

Governmental activities:	
General government	\$ 472,485
Public safety	1,009,386
Highways and streets	1,504,151
Health and welfare	66,622
Urban redevelopment and housing	358,259
Culture and recreation	1,840,150
Internal Service Funds*	90,038
	<hr/>
Total depreciation expense - governmental activities	<u>\$ 5,341,091</u>
Business-type activities:	
Water	\$ 4,528,152
Wastewater	6,810,666
Stormwater	1,258,701
Parking garages	395,662
Solid waste	-
Other	208,517
	<hr/>
Total depreciation expense - business-type activities	<u>\$ 13,201,698</u>

*Capital assets held by the primary government's internal service funds are charged to the various functions based on their usage of the assets.

Note 4. Short-Term Liabilities

Bond Anticipation Notes

The City of Fort Wayne acting on behalf of the Redevelopment District of the City of Fort Wayne, authorized the issuance and sale of bond anticipation notes for \$1,000,000. The bond anticipation notes were issued in the expectation of the sale and issuance of bonds to be used for property acquisition and redevelopment for the Tillman Anthony Urban Renewal Area.

Short-term debt activity for the year ended December 13, 2005, was as follows:

	<u>Beginning Balance</u>	<u>Issued</u>	<u>Repayments</u>	<u>Ending Balance</u>
Bond Anticipation Notes	\$ 7,000,000	\$ 1,000,000	\$ 8,000,000	\$ -

Note 5. Long-term Debt

A. Changes in Long-term Debt

During the year ended December 31, 2005, the following changes occurred in liabilities reported on the Statement of Net Assets:

Primary government:

	Balance, 1/1/2005	Additions	Reductions	Balance, 12/31/2005	Current Portion
Governmental Activities:					
General obligation bonds	\$ 8,720,000	\$ -	\$ 995,000	\$ 7,725,000	\$ 1,045,000
Special obligation bonds	25,230,000	55,000,000	4,740,000	75,490,000	5,460,000
Compensated absences	7,780,912	4,343,296	4,353,282	7,770,926	5,861,021
First mortgage bonds	7,870,000	4,215,000	1,595,000	10,490,000	1,870,000
Capital leases	11,887,122	3,943,540	3,462,880	12,367,782	3,505,822
Notes and loans payable	1,181,291	-	188,098	993,193	114,046
Mortgages payable	42,000	-	-	42,000	-
Net pension obligation	85,387,521	9,073,216	-	94,460,737	-
Totals	\$ 148,098,846	\$ 76,575,052	\$ 15,334,260	\$ 209,339,638	\$ 17,855,889
Business-type Activities:					
Revenue bonds	\$ 65,707,500	\$ 16,700,000	\$ 7,362,500	\$ 75,045,000	\$ 6,665,000
Compensated absences	1,815,072	1,523,977	1,386,634	1,952,415	915,277
Capital leases	-	3,700,000	-	3,700,000	319,444
Notes and loans payable	23,563,558	1,323,674	821,000	24,066,232	1,221,262
Other long-term liabilities	32,818	-	1,924	30,894	-
Totals	\$ 91,118,948	\$ 23,247,651	\$ 9,572,058	\$ 104,794,541	\$ 9,120,983

Discretely presented component units:

Lease rental revenue					
bonds payable	\$ 31,985,000	\$ -	\$ -	\$ 31,985,000	\$ -
Capital leases	31,423,298	149,880	29,301	31,543,877	210,672
Totals	\$ 63,408,298	\$ 149,880	\$ 29,301	\$ 63,528,877	\$ 210,672

B. Description of Bond Issues

Primary government:

<u>Governmental Activities:</u>	Balance, 12/31/2005	Current Portion	Premium (Discount)	Net Noncurrent
General Obligation Bonds:				
\$8,580,000 1998 Redevelopment District Refunding and Improvement Bonds due in installments of \$270,000 to \$1,020,000 plus interest through February 1, 2010; interest at 4.50 percent to 6.45 percent.	\$ 4,055,000	\$ 860,000	\$ (3,948)	\$ 3,191,052
\$4,500,000 1999 Park District Improvement Bonds due in installments of \$185,000 to \$360,000 plus interest through July 1, 2019; interest at 5.60 percent to 6.05 percent.	3,670,000	185,000	-	3,485,000
Total General Obligation Bonds	\$ 7,725,000	\$ 1,045,000	\$ (3,948)	\$ 6,676,052

Special Obligation Bonds:	Balance, 12/31/2005	Current Portion	Premium (Discount)	Net Noncurrent
\$14,810,000 1999 Economic Development Income Tax Revenue Bonds due in installments of \$1,300,000 to \$1,310,000 plus interest through December 1, 2006; interest at 4.25 percent.	\$ 2,610,000	\$ 2,610,000	\$ (1,819)	\$ (1,819)
\$16,500,000 2001 Economic Development Income Tax Revenue Bonds Due in installments of \$960,000 to \$1,170,000 plus interest through December 1, 2010; interest at 4.0 percent to 4.25 percent.	10,630,000	1,940,000	(45,353)	8,644,647
\$10,225,000 2002 Infrastructure Bonds due in installments of \$450,000 to \$595,000 plus interest through December 1, 2012; interest at 3.5 percent to 4.25 percent.	7,250,000	910,000	(49,187)	6,290,813
\$25,000,000 2005 Economic Development Income Tax Revenue Bonds due In installments of \$1,025,000 to \$1,510,000 plus interest through December 1, 2016; interest at 4.0 percent to 4.25 percent.	25,000,000	-	357,438	25,357,438
\$3,310,000 Redevelopment District Revenue Bonds, Series 2005 A-1 due in installments of \$90,000 to \$155,000 through June 1, 2021; interest at 4.0 percent to 5.0 percent.	3,310,000	-	52,010	3,362,010
\$6,690,000 Redevelopment District Revenue Bonds, Series 2005 A-2 due in installments of \$170,000 to \$330,000 through June 1, 2021; interest at 4.4 percent to 5.24 percent.	6,690,000	-	-	6,690,000
\$10,000,000 Redevelopment District Revenue Bonds, Series 2005 B due in installments of \$425,000 to \$595,000 through December 1, 2016; interest at 3.5 percent to 4.125 percent.	10,000,000	-	43,646	10,043,646
\$10,000,000 2005 Park District Improvement Bonds due in installments of \$1,105,000 to \$1,415,000 plus interest through July 15, 2015; interest at 3.0 percent to 3.75 percent.	10,000,000	-	-	10,000,000
Total Special Obligation Bonds	\$ 75,490,000	\$ 5,460,000	\$ 356,735	\$ 70,386,735

First Mortgage Bonds:	Balance, 12/31/2005	Current Portion	Premium (Discount) (Deferral of on refunding)	Net Noncurrent
\$2,400,000 2000A First Mortgage Bonds due in installments of \$265,000 to \$325,000 plus interest through January 15, 2010; interest at 4.75	\$ 1,460,000	\$ 265,000	\$ (6,162)	\$ 1,188,838
\$1,035,000 2002 First Mortgage Bonds due in installments of \$95,000 to \$125,000 plus interest through January 1, 2012; interest at 3.65 percent to 4.7 percent.	760,000	95,000	(18,112)	646,888
\$6,555,000 2003 First Mortgage Refunding Bonds due in installments of \$1,300,000 to \$1,400,000 plus interest through January 15, 2008; interest at 3.0 percent to 4.0 percent.	4,055,000	1,300,000	50,851	2,805,851
\$4,215,000 2005 First Mortgage Refunding Bonds due in installments of \$105,000 to \$185,000 plus interest through December 15, 2020; interest at 3.0 percent to 4.5 percent.	<u>4,215,000</u>	<u>210,000</u>	<u>-</u>	<u>4,005,000</u>
Total First Mortgage Bonds	<u>\$ 10,490,000</u>	<u>\$ 1,870,000</u>	<u>\$ 26,577</u>	<u>\$ 8,646,577</u>

<u>Business-type Activities:</u>	<u>Balance,</u>	<u>Current</u>	<u>Premium</u>	<u>Net</u>
Revenue Bonds:	<u>12/31/2005</u>	<u>Portion</u>	<u>(Discount)</u>	<u>Noncurrent</u>
\$1,000,000 1979 Parking Garage Revenue bonds due in installments of \$85,000 plus interest through January 1, 2006; interest at 7.25 percent.	\$ 85,000	\$ 85,000	\$ -	\$ -
\$7,100,000 1997 Water Works Revenue Bonds, interest rates range from 4.5 percent to 4.75 percent and mature serially in amounts ranging from \$520,000 to \$680,000, redeemable at 100 percent beginning in 2004.	3,575,000	520,000	(19,369)	3,035,631
\$10,640,000 1998 Sewage Works Junior Revenue Bonds, Series A due in installments of \$720,000 to \$975,000 plus interest through August 1, 2012; interest at 4.25 percent to 5.0	5,890,000	720,000	(5,949)	5,164,051
\$16,760,000 1998 Sewage Works Junior Revenue Bonds, Series B due in installments of \$1,185,000 to \$1,535,000 plus interest through August 1, 2012; interest at 4.0 percent to 4.5 percent.	9,450,000	1,185,000	(5,725)	8,259,275
\$1,700,000 2001 Parking Garage Revenue Bonds due in installments of \$65,000 to \$140,000 plus interest through January 15, 2021; interest at 4.21 percent to 5.59 percent.	1,575,000	65,000	-	1,510,000
\$5,220,000 2002 Water Works Refunding Revenue Bonds due in an installment of \$1,150,000 plus interest through 2006; interest at 3.0 percent.	1,150,000	1,150,000	5,258	5,258
\$19,080,000 2002 Sewage Works Junior Refunding Revenue Bonds, Series B due in installments of \$1,585,000 to \$1,100,000 plus interest through 2017; interest at 3.5 percent to 5.5 percent.	15,955,000	1,585,000	363,348	14,733,348
\$5,750,000 2002 Sewage Works Junior Revenue Bonds, Series C due in installments of \$325,000 to \$500,000 plus interest through 2017; interest at 1.3 percent to 4.55 percent.	4,820,000	325,000	-	4,495,000
\$5,800,000 2003 Water Works Revenue Bond due in installments of \$330,000 to \$505,000 plus interest through 2017; interest at 2.0 percent to 4.25 percent.	4,865,000	330,000	28,391	4,563,391
\$12,350,000 2003 Sewage Works Junior Revenue bonds in installments of \$700,000 to \$1,045,000 plus interest through 2018; interest at 2.0 percent to 3.80 percent.	10,980,000	700,000	37,697	10,317,697
\$16,700,000 2005 Water Works Revenue Bond in installments of \$595,000 to \$2,345,000 plus interest through 2019; interest at 2.7 percent to 4.4 percent.	16,700,000	-	87,120	16,787,120
Total Revenue Bonds	\$ 75,045,000	\$ 6,665,000	\$ 490,771	\$ 68,870,771

Discretely presented component units:

Lease Rental Revenue Bonds:	Balance, 12/31/2005	Current Portion	Premium (Discount)	Net Noncurrent
\$31,985,000 Lease Rental Revenue Bonds due in installments of \$735,000 to \$2,170,000 plus interest through February 1, 2028; interest at 2.5 percent to 5 percent.	\$ 31,985,000	\$ -	\$ 1,214,738	\$ 33,199,738

The general obligation bonds are backed by the full faith and credit of the City of Fort Wayne. Included in general obligation bonds section above are Redevelopment District Refunding Bonds. These bonds are obligation of the redevelopment district whose boundaries and taxing district are within the City.

The special obligation bonds and first mortgage bonds are not backed by the full faith and credit of the City of Fort Wayne. The 2002, 2005 Series B, and 2005 Infrastructure Bonds, and in addition, the 1999, 2001, 2005 Economic Development Income Tax Revenue Bonds, special obligation bonds, are secured by a pledge of the City's Economic Development Income Tax revenues. The 2000A, 2002, 2003 and 2005 First Mortgage Bonds are secured by the pledge of the mortgaged property. The special obligation bond section also includes the 2005 Series A-1 and A-2 redevelopment district revenue bonds that are an obligation of the redevelopment district whose boundaries and taxing district are within the City.

The general obligation, special obligation, and first mortgage bonds are payable from Governmental Funds. The revenue bonds are payable from Proprietary (Enterprise) Funds.

The lease rental revenue bonds are payable from the Redevelopment Authority, a discretely presented component unit of the City.

C. Debt Service Requirement to Maturity - Bonds

Annual debt service requirements to maturity on the bonds are as follows:

Primary government:

Governmental Activities:

Year Ended December 31	General Obligation			Special Obligation		
	Principal	Interest	Totals	Principal	Interest	Totals
2006	\$ 1,045,000	\$ 382,443	\$ 1,427,443	\$ 5,460,000	\$ 2,945,331	\$ 8,405,331
2007	1,125,000	327,466	1,452,466	6,165,000	2,814,392	8,979,392
2008	1,180,000	272,709	1,452,709	7,785,000	2,561,259	10,346,259
2009	1,235,000	215,332	1,450,332	8,095,000	2,255,155	10,350,155
2010	495,000	173,300	668,300	8,430,000	1,931,707	10,361,707
2011-2015	1,315,000	631,715	1,946,715	30,655,000	5,568,585	36,223,585
2016-2020	1,330,000	204,990	1,534,990	8,415,000	856,825	9,271,825
2021	-	-	-	485,000	12,037	497,037
Total	\$ 7,725,000	\$ 2,207,955	\$ 9,932,955	\$ 75,490,000	\$ 18,945,291	\$ 94,435,291

Business-type Activities:

Year Ended December 31	First Mortgage			Revenue		
	Principal	Interest	Totals	Principal	Interest	Totals
2006	\$ 1,870,000	\$ 376,066	\$ 2,246,066	\$ 6,665,000	\$ 3,098,047	\$ 9,763,047
2007	1,950,000	306,584	2,256,584	6,255,000	2,841,972	9,096,972
2008	2,020,000	238,108	2,258,108	6,525,000	2,589,220	9,114,220
2009	645,000	188,191	833,191	6,790,000	2,331,598	9,121,598
2010	685,000	159,395	844,395	6,490,000	2,059,475	8,549,475
2011-2015	1,625,000	545,249	2,170,249	26,510,000	6,504,164	33,014,164
2016-2020	1,695,000	215,382	1,910,382	15,670,000	1,521,211	17,191,211
2021	-	-	-	140,000	3,913	143,913
Total	\$ 10,490,000	\$ 2,028,975	\$ 12,518,975	\$ 75,045,000	\$ 20,949,600	\$ 95,994,600

Discretely presented component units:

Year Ended December 31	Lease Rental Revenue		
	Principal	Interest	Totals
2006	\$ -	\$ 1,550,263	\$ 1,550,263
2007	735,000	1,541,075	2,276,075
2008	845,000	1,520,270	2,365,270
2009	580,000	1,499,950	2,079,950
2010	1,325,000	1,458,125	2,783,125
2011-2015	6,310,000	6,301,250	12,611,250
2016-2020	7,215,000	4,681,125	11,896,125
2021-2025	8,775,000	2,669,625	11,444,625
2026-2028	6,200,000	475,250	6,675,250
Total	\$ 31,985,000	\$ 21,696,933	\$ 53,681,933

The City is in compliance with all significant limitations and restrictions contained in the various bond indentu

The Water Utility and Wastewater Utility bonds carry a pledge of all the revenues of the utilities and, upon default, the holders of the bonds are entitled to all the rights, remedies, and privileges required to compel collection of sufficient revenues to provide for all payments of principal and interest.

D. Capital Leases Payable

Primary government:

The City has entered into the following capital leases:

Governmental Activities:

Year	Description	Carrying Value
2001	Machinery and Equipment	\$ 1,892,744
2002	Equipment	3,950,000
2002	Street Maintenance Equipment	1,176,000
2003	Equipment	2,700,000
2003	Street Maintenance Equipment	200,000
2004	Equipment	2,100,000
2004	Fire Trucks	2,725,000
2004	Street Maintenance Equipment	850,000
2005	Equipment	2,943,540
2005	Street Maintenance Equipment	1,000,000
Totals		<u>\$ 19,537,284</u>

Business-type Activities:

Year	Description	Carrying Value
2005	Solid Waste Containers	<u>\$ 3,700,000</u>

Discretely presented component units:

In 2003, the Fort Wayne-Allen County Convention and Tourism Authority entered into a \$33,455,248 capital lease for expansion of the Grand Wayne Center.

The following is a schedule of minimum future lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2005:

Year Ended December 31	Primary Government		Discretely Presented Component Units
	Governmental Activities	Business-type Activities	
2006	\$ 3,865,036	\$ 435,237	\$ 1,950,800
2007	3,270,005	435,237	2,363,800
2008	2,731,773	435,237	2,265,300
2009	2,081,588	435,237	2,485,300
2010	883,921	435,237	2,965,800
2011-2015	441,846	2,176,185	12,614,000
2016-2020	-	-	12,240,000
2021-2025	-	-	11,757,000
2026-2030	-	-	5,788,907
Total minimum lease payments	13,274,169	4,352,370	54,430,907
Less amount representing interest	906,387	652,370	22,887,030
Present value of net minimum lease payments	<u>\$ 12,367,782</u>	<u>\$ 3,700,000</u>	<u>\$ 31,543,877</u>

E. Notes and Loans Payable

<u>Governmental Activities:</u>	<u>Balance, 12-31-05</u>
The City borrowed \$500,000 in 1999. The payments are due in installments of \$28,615 to \$30,454 plus interest at 2.5 percent through February 15, 2008. This loan is payable from the Redevelopment Fund.	\$ 148,193
The City borrowed \$1,140,000 in 1999. Payments are due in installments of \$55,000 to \$105,000 plus interest 4.3 to 5.2 percent through August 1, 2016. This loan is payable from the Community Development Block Grant Fund (non-major special revenue fund).	<u>845,000</u>
Total	<u>\$ 993,193</u>

Business-type Activities:

<p>During 2002 and 2005 the City entered into a finance assistance agreement with the State of Indiana's Wastewater Revolving Loan program that allows for a maximum of \$23,500,000 and \$40,000,000 in 2002 and 2005, respectively, for improvements to the wastewater treatment facility. At December 31, 2005, \$23,393,970 and \$367,262 had been drawn down against the 2002 and 2005 agreements, respectively, resulting in unissued loan principal of \$39,738,768. The City anticipates drawing down the total 2002 amount by the end of 2006 and the 2005 amount by 2009. Payments are due in installments of \$854,000 to \$1,663,000 plus interest at 4.0 percent through 2023 for the 2002 agreement. Payments are due in installments of \$1,475,000 to \$2,635,000 plus interest at 3.1 percent through 2025 for the 2005 agreement. The following debt service requirements to maturity reflect the anticipated loan payments after the loans have been drawn down 100%.</p>	\$ 22,151,232
<p>On July 15, 2004 the City purchased for \$1,915,000 the 50% interest in Phase II of the Civic Parking Garage owned by the Fort Wayne Public Transportation Corporation. The City financed the purchase with a seven-year non-interest bearing loan. Payments are due in annual installments of \$273,571 from 2007 through 2013.</p>	<u>1,915,000</u>
Total	<u>\$ 24,066,232</u>

Annual debt service requirements to maturity for the notes and loans as of December 31, 2005, are as follows:

Year Ended December 31	Governmental Activities			Business-type Activities		
	Principal	Interest	Totals	(Anticipated) Principal	(Anticipated) Interest	Totals
2006	\$ 114,047	\$ 40,059	\$ 154,106	\$ 2,329,000	\$ 1,491,123	\$ 3,820,123
2007	120,532	37,249	157,781	2,681,572	2,035,715	4,717,287
2008	88,614	33,972	122,586	2,761,572	1,953,075	4,714,647
2009	65,000	31,508	96,508	2,848,571	1,867,640	4,716,211
2010	70,000	29,025	99,025	2,937,571	1,779,175	4,716,746
2011-2015	430,000	93,448	523,448	15,574,714	7,457,060	23,031,774
2016-2020	105,000	5,450	110,450	17,478,000	4,732,870	22,210,870
2021-2025	-	-	-	17,194,000	1,565,410	18,759,410
Unissued	-	-	-	(39,738,768)	-	(39,738,768)
Total	<u>\$ 993,193</u>	<u>\$ 270,711</u>	<u>\$ 1,263,904</u>	<u>\$ 24,066,232</u>	<u>\$ 22,882,068</u>	<u>\$ 46,948,300</u>

F. Mortgages Payable

As a result of the bankruptcy of the Midtowne Crossing project developer, a commercial unit is now owned by the City. The related mortgage is a debt of the City per an agreement with the bank. No payment will be made on this mortgage until the unit is sold. At the time of the sale, all proceeds will be turned over to the bank in settlement of the mortgage.

Note 6. Operating Leases

The City leases office space for various City Departments. These leases are considered for accounting purposes to be operating leases.

The City has a lease agreement with Allen County for space in the City-County Building. Rent is figured as a percentage of the total City-County building maintenance and operations cost based on the square footage occupied. The lease provides for annual adjustments based on the change in the consumer price index. The City's cost of this lease for 2005 amounted to \$1,117,062. Of the \$1,117,062 the City Utilities portion for leasing the City-County Building was \$260,812.

The City has a lease with TK Enterprises commencing June 1, 1999 and terminating May 31, 2009 for \$68,782 annually. The lease is for space at 303 E. Washington for the Neighborhood Code Enforcement offices.

The City has a lease with the McMillen Foundation, commencing October 1, 2004 and terminating September 30, 2009 for \$200,000 annually. The lease is for the entire building at 1320 E. Creighton Avenue, which houses the Police Operations Center. The City may renew the lease for two five-year successive periods with 360 days notice. The renewal provides for an annual rental payment of \$200,000

Note 7. Deficit Fund Balances – Deficit Net Assets

The following funds have deficit fund balances at December 31, 2005:

Primary government:

Governmental funds - Deficit fund balances:

Non-major Special Revenue funds:

Omnibus Crime	\$ 1,701
Community Development Block Grants	273,799
Emergency Shelter Grant	<u>12,414</u>

Total Non-major Special Revenue funds \$ 287,914

Non-major Capital Projects funds:

Civic Center Urban Renewal 1995	<u>115</u>
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Total Deficit Fund Balances \$ 288,029

The following fund has deficit net assets at December 31, 2005:

Primary Government:

Internal Service funds - Deficit net assets:

Group Health Insurance	<u><u>\$ 484,035</u></u>
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The deficit fund balances listed above will be eliminated in 2006 by a decrease in expenditures and an increase in revenues.

Note 8. Interfund Balances and Activity

A. Due To/From Other Funds

The composition of due to/from other funds as of December 31, 2005, is as follows:

Due To	Due From								Total
	General	Highways and Streets	Water	Wastewater	Stormwater	Non-major Enterprise	Internal Service	Agency	
Governmental:									
General	\$ -	\$ -	\$ 174,652	\$ 770	\$ 174	\$ 11	\$ -	\$ -	\$ 175,607
Park	-	10,270	-	-	-	-	-	-	10,270
CEDIT	-	-	15,591	-	-	-	-	-	15,591
Non-major Governmental	82,325	-	-	-	-	-	-	-	82,325
Proprietary:									
Water	24,006	-	-	-	-	475,497	53,646	151	553,300
Wastewater	62,852	-	-	-	-	501,852	35,781	139	600,624
Stormwater	8,779	-	-	-	-	113,109	18,587	27	140,502
Non-major Enterprise	37	-	-	-	-	7,687	30	2	7,756
Fiduciary:									
Agency	-	-	558	462	434	-	-	-	1,454
Totals	\$ 177,999	\$ 10,270	\$ 190,801	\$ 1,232	\$ 608	\$ 1,098,156	\$ 108,044	\$ 319	\$ 1,587,429

Due to/from other funds resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system and (3) payments between funds are made.

B. Interfund Receivables/Payables

The following are reported in the fund financial statements:

Receivable Fund

Payable Fund

Proprietary:

Governmental:

Other Non-major Enterprise

\$ 187,553

General

\$ 187,553

The interfund receivable and payable reflect the remaining current portion of a 1992 \$2.2 million dollar loan between the Community Trust and the General Fund. Specifics of the loan and long-term portion are reflected in the following advances to and advances from note disclosure.

C. Interfund Receivables/Payables – Pooled Cash

The following are reported in the fund financial statements:

Receivable Fund

Payable Fund

Non-major Governmental:

Non-major Governmental:

Other Non-major Special Revenue

\$ 699,087

Other Non-major Special Revenue

\$ 699,087

Other Non-major Capital Projects

115

Other Non-major Capital Projects

115

\$ 699,202

\$ 699,202

Discretely Presented Component Units:

Discretely Presented Component Units:

UEA

\$ 83,440

HANDS

\$ 83,440

The interfund receivable/payable – pooled cash reflects when one fund with positive cash covers another fund with negative cash within the same fund type.

D. Advances To/From Other Funds:

The following are reported in the fund financial statements:

Receivable Fund

Payable Fund

Proprietary:

Governmental:

Other Non-major Enterprise \$ 196,087 General \$ 196,087

The Community Trust Account loaned the City's General Fund \$2.2 million on July 23, 1992. The City is to repay the loan at the interest rate of 4.55 percent per year in equal annual installments through July 1, 2007. The City General Fund subsequently loaned Allen County \$2.2 million to cover a portion of the costs of construction of minor league baseball stadium on the property owned by Allen County and the Allen County War Memorial Coliseum. The County is to repay the City the loan at the interest rate of 4.55 percent per year in equal annual installments through July 1, 2007.

E. Interfund Transfers:

Interfund transfers for the year ended December 31, 2005 in the fund financial statements were as follows:

Transfer From	Transfer To									
	General	Highways and Streets	CEDIT	Parks	Fire	Redevelopment	Non-major Governmental	Stormwater	Non-major Internal Service	Total
Governmental:										
General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 295,170	\$ -	\$ -	\$ 295,170
Highways and Streets	-	-	133,000	-	-	-	-	-	-	133,000
CEDIT	723,263	-	1,831,880	825,000	-	1,296,917	1,915,500	-	-	6,592,560
Parks	-	-	-	12,940	-	-	-	-	-	12,940
Redevelopment	-	-	-	-	-	1,915,461	-	-	-	1,915,461
Non-major Governmental	236,168	-	2,286,232	-	3,108	-	2,066,836	-	9,307	4,601,651
Proprietary:										
Water Utility	966,613	-	-	-	-	-	-	-	-	966,613
Wastewater Utility	1,504,227	-	-	-	-	-	-	5,661,012	-	7,165,239
Non-major Enterprise	-	664,000	-	-	-	1,135,000	-	-	-	1,799,000
Total	\$ 3,430,271	\$ 664,000	\$ 4,251,112	\$ 837,940	\$ 3,108	\$ 4,347,378	\$ 4,277,506	\$ 5,661,012	\$ 9,307	\$ 23,481,634

Transfers are used to (1) move revenues from the fund that statute or budget requires to collect them to the fund that statute or budget requires to expend them, (2) move receipts restricted to debt service from the funds collecting the receipts to the debt service fund as debt payments become due, (3) use unrestricted revenues from the general fund to finance various programs accounted for in other funds in accordance with statute or budgetary authorizations and (4) transfer of Stormwater Utility assets from the Wastewater Utility.

Note 9. Risk Management

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters. The City assumes some of these risks as described below and carries commercial insurance from independent third parties for excess risk. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years.

A. General and Auto Liability

Beginning July 15, 1989, the City established the General and Auto Liability Insurance fund. The City is currently retaining three risks in this internal service fund: general, auto, and police professional liability, while continuing to buy premium insurance for a number of other risks.

The City is assuming the risk in these three areas up to the Indiana governmental tort liability limit of \$300,000 per occurrence and \$5,000,000 per aggregate. Funding levels are determined by a formula based on actuarially recommended minimums by type of risk. Interfund premiums are billed on a cost allocation basis most appropriate to type of risk involved, and are treated as interfund services provided and used. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2005, the total of these liabilities was \$573,933. This liability is the City's best estimate based on available information. An analysis of claims activities is presented below:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2004	\$ 395,408	\$ 50,747	\$ 111,232	\$ 334,923
2005	334,923	751,221	512,211	573,933

B. Group Health Insurance

The City's Group Health Insurance fund, an internal service fund, services the risk of loss related to employee health claims. An excess policy covers individual claims in excess of \$250,000 per year. In addition, the insurance company assumes the risk when total monthly claims exceed an amount based upon an aggregate monthly factor that averaged \$1,705,860 in 2005.

Premiums are paid into the Group Health Insurance fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based primarily upon the insured funds' number of employees, and are reported as interfund services provided and used. Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2005, the total of these liabilities was \$1,479,799. This liability is the City's best estimate based on available information. An analysis of claims activities is presented below.

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2004	\$ 1,405,900	\$ 13,435,241	\$ 13,830,497	\$ 1,010,644
2005	1,010,644	16,132,032	15,662,877	1,479,799

C. Worker's Compensation Insurance

The City's Worker's Compensation fund, an internal service fund, began on July 14, 1991, servicing the risk of loss related to employee on-the-job injury. The risk of loss related to Police Officers and Firefighters is assumed separately from the worker's compensation fund, as defined under the Indiana Police and Fire Pension Fund laws.

Indiana worker's compensation laws require the City to compensate an employee with partial temporary disabilities at a rate of 66 2/3% of the difference between the employee's average weekly wages before and after the accident. An excess policy covers individual claims in excess of \$225,000 per employee per injury.

Premiums are paid into the Worker's Compensation Fund by all insured funds and are available to pay claims, claim reserves, and administrative costs of the program. Actuarially recommended interfund premiums are based primarily upon the insured funds' number of employees and the risk involved in their jobs, and are reported as interfund services provided and used.

Claim expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported.

At December 31, 2005, the total of these liabilities was \$109,013. This liability is the City's best estimate based on available information. An analysis of claims activities is presented below:

	Beginning Balance	Claims and Changes in Estimates	Claim Payments	Ending Balance
2004	\$ 185,019	\$ 173,188	\$ 251,490	\$ 106,717
2005	106,717	239,434	237,138	109,013

Note 10. Segment Information

	Civic Center Parking Garage	2001 Parking Garage Addition	
<u>Types of Good or Services Provided:</u>	Used to account for revenues and expenses in connection with operating the Civic Center Parking Garage.	Used to account for revenues and expenses in connection with the joint City and County parking facility addition.	
<u>Condensed Statement of Net Assets</u>			<u>Totals</u>
Assets:			
Current assets	\$ 173,472	\$ -	\$ 173,472
Restricted assets	88,081	295,685	383,766
Unamortized bond issuance costs	-	56,845	56,845
Capital assets	5,501,565	1,471,424	6,972,989
Total assets	<u>5,763,118</u>	<u>1,823,954</u>	<u>7,587,072</u>
Liabilities:			
Current liabilities	88,081	102,550	190,631
Noncurrent liabilities	1,915,000	1,510,000	3,425,000
Total liabilities	<u>2,003,081</u>	<u>1,612,550</u>	<u>3,615,631</u>
Net assets:			
Invested in capital assets, net of related debt	3,498,484	(141,126)	3,357,358
Restricted	88,081	295,685	383,766
Unrestricted	173,472	56,845	230,317
Total net assets	<u>\$ 3,760,037</u>	<u>\$ 211,404</u>	<u>\$ 3,971,441</u>
<u>Condensed Statement of Revenues, Expenses and Changes in Net Assets</u>			
Charges for goods and services	\$ 561,754	\$ 148,248	\$ 710,002
Leases	34,326	-	34,326
Depreciation expense	(342,289)	(40,873)	(383,162)
Other operating expenses	(293,944)	-	(293,944)
Operating income	(40,153)	107,375	67,222
Nonoperating revenues (expenses):			
Investment earnings	-	6,764	6,764
Interest expense	(6,162)	(82,038)	(88,200)
Amortization of bond issuance costs	-	(3,553)	(3,553)
Change in net assets	(46,315)	28,548	(17,767)
Total net assets - beginning	<u>3,806,352</u>	<u>182,856</u>	<u>3,989,208</u>
Total net assets - ending	<u>\$ 3,760,037</u>	<u>\$ 211,404</u>	<u>\$ 3,971,441</u>
<u>Condensed Statement of Cash Flows</u>			
Net cash provided (used) by:			
Operating activities	\$ 271,630	\$ 148,248	\$ 419,878
Capital and related financing activities	(376,181)	(148,248)	(524,429)
Investing activities	-	6,764	6,764
Net increase (decrease) in cash and cash equivalents	(104,551)	6,764	(97,787)
Cash and cash equivalents, January 1	<u>319,296</u>	<u>288,921</u>	<u>608,217</u>
Cash and cash equivalents, December 31	<u>\$ 214,745</u>	<u>\$ 295,685</u>	<u>\$ 510,430</u>

Note 11. Post Employment Health Care Benefits

In addition to providing pension benefits, the City, as authorized by IC 5-10-8, also provides health care benefits for 201 retired police officers and firefighters based upon union agreements. Police officers and firefighters who retire with 20 years of service are eligible for 100 percent City paid health insurance under the "\$500 Deductible" plan. Other plans are available at a cost to the retired officers and firefighters. The City also provides health care benefits for 70 retirees from other departments throughout the City. Post Employment Health Care Benefits are available to employees who have retired with 20 years of service. Employees who have sick time benefits that exceed 520 hours may convert that benefit to pay for health insurance premiums (see Note 1.D.9). These and similar benefits for active employees are provided under a self-funded plan administered by a Third Party Administrator (TPA). Costs are based on claims paid during the year plus administrative costs charged by the TPA. The City recognizes the cost of providing these benefits by recording expenditures when paid in the appropriate governmental funds. During the year the cost of providing retirement health care was approximately \$3,035,872.

Note 12. Conduit Debt

From time to time, the City of Fort Wayne has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City of Fort Wayne, the State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2005, there were 24 series of Industrial Revenue Bonds outstanding. The aggregate principal amount payable for 17 series issued after July 1, 1985 was \$69,865,181. The aggregate principal amount payable for the 7 series issued prior to July 1, 1985, could not be determined; however, their original issue amounts totaled \$33,552,000.

Note 13. Restricted Assets

The City has restricted assets for the following Proprietary (Enterprise) fund accounts:

Sinking Fund Account

The Sewage Works Junior Revenue Bonds of 1998, Series A and Series B, require monthly deposits into a sinking fund account of net revenues of the Wastewater Utility in an amount equal to at least 1/12 of the following calendar year's principal and interest payments. In addition, a 10 percent surplus of monthly deposits is required. An amount equal to the maximum annual principal and interest requirements is also required to be paid into this account, nominally titled the Sewage Works Reserve Account.

The Sewage Works Junior Revenue Refunding Bonds of 2002 A, B, C, 2003 and 2005 Series require monthly deposits into a sinking fund account of Wastewater Utility net revenues in an amount equal to at least 1/12 of the following year's principal and interest payments. In addition, a 10 percent surplus of monthly deposits is required. Surety bonds purchased by the Utilities cover the Sewer Works Reserve Account requirements.

Monthly deposits into a sinking fund account of Water Utility net revenues are required to be in an amount equal to at least 1/6 of the next semi-annual interest payment and 1/12 of the next annual principal payment. Upon meeting certain minimum balance requirements, transfers may be made to unrestricted cash accounts. Surety bonds purchased by the Utilities cover the Waterworks Reserve Account requirements.

The Parking Garage Revenue Bonds of 1979 require monthly deposits in an amount equal to 10 percent of the next principal payment and 20 percent of the next interest payment deposited to this account.

The 2001 Parking Garage Revenue Bonds require quarterly distributions in an amount equal to 1/4th of each year's debt service payment.

Construction Account

Bond issue proceeds used in the construction of capital assets.

Replacement Account

This account, required by the EPA, exists to provide resources to maintain capacity and performance of the Wastewater Utility.

Depreciation Account

The Water Utility is required to maintain a Depreciation Fund in an amount not less than \$1,000,000. However, in the event moneys are withdrawn from the Depreciation Fund leaving a balance of less than \$1,000,000, the deficiency shall be restored within eighteen months.

Customer Deposits Account

Customer deposits are refundable amounts received from Water Utility customers to insure against nonpayment of billings or water main damages.

Connection Fees Account

Resources from specific area connection fees to be used for future development costs in those areas are accumulated in this account.

Tank Painting Account

Resources for elevated tank painting maintenance are accumulated in this account.

Community Trust

See Note 15.

Restricted assets at year-end consisted of the following:

Asset Type / Account	Enterprise Funds			Totals
	Water Utility	Wastewater Utility	Other Non-major Enterprise	
Cash and cash equivalents				
Sinking account	\$ 271,852	\$ 7,423,989	\$ 383,766	\$ 8,079,607
Construction account	6,313,598	1,086,866	-	7,400,464
Replacement account	-	6,657,609	-	6,657,609
Depreciation	1,000,000	-	-	1,000,000
Customer deposits account	1,167,920	-	-	1,167,920
Connection fees account	-	2,531,142	-	2,531,142
Tank painting account	267,425	-	-	267,425
Community trust	-	-	216,709	216,709
Totals	<u>9,020,795</u>	<u>17,699,606</u>	<u>600,475</u>	<u>27,320,876</u>
Investments				
Community trust	-	-	27,694,020	27,694,020
Total Restricted assets	<u>\$ 9,020,795</u>	<u>\$ 17,699,606</u>	<u>\$ 28,294,495</u>	<u>\$ 55,014,896</u>

Note 14. Lease of Electric Utility

Effective March 1, 1975, the City of Fort Wayne leased its Electric Utility to a private electric utility for a term of thirty-five years with an option for another fifteen years. Rental payments are due and payable in equal monthly installments in advance on the first day of each month. Rental payments made at any time within thirty days after the due date are not delinquent. The following table shows rental income on the non-cancelable lease for the term of the lease:

Annual Amount	Five-Year Period	Five-Year Totals	Received	Future Rentals
\$ 1,440,000	03-01-1975 to 02-29-1980	\$ 7,200,000	\$ 7,200,000	\$ -
1,490,000	03-01-1980 to 02-28-1985	7,450,000	7,450,000	-
1,540,000	03-01-1985 to 02-28-1990	7,700,000	7,700,000	-
1,590,000	03-01-1990 to 02-28-1995	7,950,000	7,950,000	-
1,640,000	03-01-1995 to 02-28-2000	8,200,000	8,200,000	-
1,690,000	03-01-2000 to 02-28-2005	8,450,000	8,450,000	-
1,740,000	03-01-2005 to 02-28-2010	8,700,000	1,450,000	7,250,000
	Totals	<u>\$ 55,650,000</u>	<u>\$ 48,400,000</u>	<u>\$ 7,250,000</u>

Note 15. City of Fort Wayne Community Trust

City Council established the Community Trust Fund in 1975 to account for a portion of the proceeds received from a private utility leasing the assets of the Electric Utility. The trust receives \$270,000 annually from rents received in addition to income earned on the investments of the trust funds. The trust fund is to enable the City to reclaim its Electric Utility by reimbursing the private utility for additions and extensions upon default of its obligations under the lease or upon termination of the lease. Under the provisions of the ordinance, the corpus of the trust is to be free from invasion as long as the lease is in force. However, as long as certain provisions are met, including approval by the citizens of Fort Wayne, the City Council has the ability to amend this ordinance and permit invasion of the trust corpus.

Note 16. Net Investment in Direct Financing Lease

In 1996, the City began leasing a building to the Three Rivers Ambulance Authority (TRAA). The lease is classified as a direct financing lease. The lease provides for monthly payments of \$5,829 to the City through maturity in 2016. Upon completion of the lease term, TRAA shall have the option to renew the lease for consecutive one year terms with annual payments of \$1.

The following is a schedule of the future minimum lease payments and the net investment in the direct financing lease:

Year	Amount
2006	\$ 69,947
2007	69,947
2008	69,947
2009	69,947
2010-2014	349,735
2015-2016	<u>110,755</u>
Total Minimum Lease Payments	\$ 740,278
Less: Unearned Interest Income	<u>(166,352)</u>
Net Investment in Direct Financing Lease	<u>\$ 573,926</u>

Note 17. Deferred Revenue – Unearned Revenue

The City reports the following deferred or unearned revenue balances in the governmental funds as of December 31, 2005:

	Taxes	Direct Financing Lease	Assessments	Inter-governmental	Total
<u>Deferred revenue:</u>					
General	\$ 2,970,023	\$ 573,926	\$ -	\$ -	\$ 3,543,949
CEDIT	23,600	-	-	-	23,600
Parks	399,288	-	-	5,045	404,333
Fire	1,366,230	-	-	-	1,366,230
Redevelopment	18,529	-	-	-	18,529
Highways and Streets	7,505	-	-	149,144	156,649
Other Non-major Governmental	67,239	-	515,436	82,856	665,531
Total	\$ 4,852,414	\$ 573,926	\$ 515,436	\$ 237,045	\$ 6,178,821
<u>Unearned revenue:</u>					
General	\$ -	\$ -	\$ -	\$ 174,659	\$ 174,659
Other Non-major Governmental	-	-	-	493,959	493,959
Total	\$ -	\$ -	\$ -	\$ 668,618	\$ 668,618

Note 18. Redevelopment Authority – Grand Wayne Center Expansion Project

The Redevelopment Authority (RA) was established by the Fort Wayne Redevelopment Commission (a department of the City of Fort Wayne). The Mayor appoints the board members of the RA. The financial transactions of the Redevelopment Commission are accounted for in a major fund titled Redevelopment Fund on the financial statements. The Redevelopment Authority (a discretely presented component unit of the City of Fort Wayne) was established to account for the financing and expansion of the Grand Wayne Center (GWC). The GWC is a convention center owned and managed by the Fort Wayne-Allen County Convention and Tourism Authority (C&TA) (a discretely presented component unit of the City of Fort Wayne). The City of Fort Wayne does not directly benefit from the expansion, but the expansion is an integral part of the revitalization of City of Fort Wayne’s downtown.

The C&TA titled the GWC to the Redevelopment Authority so the lease rental revenue bonds sold by the RA would have a secured interest. For legal reasons, the Redevelopment Commission leases the GWC from the RA. The Redevelopment Commission subleases the GWC to the C&TA. The C&TA makes lease payments to the Redevelopment Commission. The Redevelopment Commission makes lease payments to the Redevelopment Authority. The Redevelopment Authority will use these payments to retire the lease rental revenue bonds they issued to finance the renovation and expansion.

The C&TA will report on their financial statements a Capital lease payable, which is the net present value of the lease payable at December 31, 2005. The Redevelopment Authority will report on their financial statements, Lease rental revenue bonds payable, which is the net amount of the lease rental revenue bonds and bond premium due at December 31, 2005.

The C&TA exclusively will manage and maintain the GWC. When the lease rental bonds are retired in 2028 or sooner, the RA will transfer title of the GWC to the C&TA.

Note 19. Commitments and Contingencies

Amounts received or receivable from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time although the City expects such amounts, if any, to be immaterial.

The City is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the City.

The City is committed to providing various infrastructure improvements to recently annexed areas. In 2005, Fire Stations #18 and #19 were completed. These improvements and additional improvements are being done through a combination of assessments under the Barrett Law and Utilities' funds, and will be provided on a cost-sharing basis with affected homeowners.

The Utilities have been informed by the United States Environmental Protection Agency (EPA) that the combined storm and sanitary sewer system does not comply with federal regulations and have been ordered to develop a corrective plan for approval by the EPA. In July 2001, the City submitted the final draft of its long-term control plan. If approved, the plan will require an expenditure of an estimated \$216 million over the next 20 years in wastewater projects. Failure to submit an acceptable plan can result in fines, penalties or other damages. At this time, the Utilities cannot conclude whether the assertion of fines or penalties by the EPA is probable or remote, nor can they conclude the amount of damages, if assessed, nor to the possible costs of the agreed corrective action.

Note 20. Subsequent Events

In February 2006, the City of Fort Wayne entered into a \$1,220,000 Capital Lease. The lease proceeds will be used to purchase computers and office equipment for several City departments.

The City of Fort Wayne closed on a \$17,000,000 Stormwater Revenue Bonds issue effective February 23, 2006. The Bonds sold for a premium of \$91,271. The proceeds from the bonds will be used to pay issuance costs and address flooding along Spy Run Creek, St. Mary's River and Fairfield Ditch and provide design and construction solutions to 10 or more large scale drainage problems located throughout the City. The bonds are payable in increasing denominations from August 1, 2007 at \$845,000 through August 1, 2021 at \$1,500,000. Interest rates range from 3.75% to 4.00% over the life of the Bonds. The Bonds maturing on or after August 1, 2017 are redeemable at the option of the City on August 1, 2016 or any date thereafter at par.

In March 2006, the City of Fort Wayne entered into a \$2,425,000 Capital Lease. The lease proceeds will be used to purchase vehicles and vehicle equipment for several City departments.

In March 2006, the City of Fort Wayne entered into a Capital Lease with the Fort Wayne Municipal Building Corporation for the Public Safety Academy. The lease principal is estimated not to exceed \$21,000,000. The lease term will not exceed fifteen years beginning on the date the Project is completed and ready for use. The lease rental payables shall not exceed \$2,400,000 per year and will be payable semiannually on each June 1 and December 1, being on the later of: the date that the Project is completed; or June 2008. The source of the lease rental payables are CEDIT revenues, Light Lease revenues, CRED revenues, Ivy Tech Lease revenues, TIF revenues, and other revenues.

Note 21. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

The City of Fort Wayne contributes to the Public Employees' Retirement Fund (PERF), a defined benefits pension plan. The Public Employees' Retirement Fund (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 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 three percent 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. 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 Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note. The negative Net Pension Obligation (NPO) is considered an asset of the City and is reflected as such in the Statement of Net Assets. The amount is separated between governmental and business-type activities.

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 financial statements included in this note are prepared using the economic resources measurement focus and the accrual basis of accounting, with the exception that plan liabilities for benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Separate GAAP-basis audited financial statements are not issued for this plan.

Funding Policy and Annual Pension Cost

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

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 financial statements included in this note are prepared using the economic resources measurement focus and the accrual basis of accounting, with the exception that plan liabilities for benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Separate GAAP-basis audited financial statements are not issued for this plan.

Funding Policy and Annual Pension Cost

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

d. Sanitary Officers' Pension Plan

Plan Description

The City contributes to the Sanitary Officers' Pension Plan which is a single-employer defined benefit pension plan. The plan includes all sanitary officers hired before April 1, 1982. The plan is administered by the local pension board. The City contributes to the plan because of a mandate by the Allen County Circuit Court, Cause No. CC-73-519. The plan members are employees of Allen County. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The financial statements included in this note are prepared using the economic resources measurement focus and the accrual basis of accounting, with the exception that plan liabilities for benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Separate GAAP-basis audited financial statements are not issued for this plan.

Funding Policy and Annual Pension Cost

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

e. Tables of Required Information

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Annual required contribution	\$ 2,215,504	\$ 14,441,900	\$ 12,786,000	\$ 569,939
Interest on NPO	(132,109)	3,087,700	2,425,300	16,849
Adjustment to annual required contribution	150,549	(5,394,200)	(4,237,100)	63,581
Annual pension cost	2,233,944	12,135,400	10,974,200	650,369
Contributions made	2,384,926	7,536,900	6,653,400	496,453
Increase in NPO	(150,982)	4,598,500	4,320,800	153,916
NPO, beginning of year	(1,822,195)	45,743,000	35,931,000	3,713,521
NPO, end of year	\$ (1,973,177)	\$ 50,341,500	\$ 40,251,800	\$ 3,867,437

The negative Net Pension Obligation (Net Pension Asset) reported in the Statement of Net Assets is \$1,973,177 (\$1,142,200 Governmental activities, \$830,977 Business-type activities). The Net Pension Obligation reported in the Statement of Net Assets is \$94,460,737 (1925 Police Officers' Pension, \$50,341,500; 1937 Firefighters' Pension, \$40,251,800; Sanitary Officers' Pension, \$3,867,437).

Contribution rates:	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
City	5%	1149%	2296%	411%
Plan members	3%	6%	6%	3%

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Actuarial valuation date	07/01/05	01/01/05	01/01/05	01/01/06
Actuarial cost method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization method	Level Percentage of Projected Payroll, Closed	Level Percentage of Projected Payroll, Closed	Level Percentage of Projected Payroll, Closed	Level Percentage of Projected Payroll, Closed
Amortization period	40 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 Smoothed Market	4 year Smoothed Market	4 year Smoothed Market

Actuarial assumptions:	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Investment rate of return	7.25%	6%	6%	6%
Projected future salary increases:				
Total	5%	4%	4%	8%
Attributed to inflation	4%	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%	0%
Attributed to post-retirement benefit	0%	0%	0%	4%
Cost-of-living adjustments	1%	2.75% / 4% *	2.75% / 4% *	0%

* 2.75% converted members; 4% non-converted members

Three Year Trend Information

PERF

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
6/30/2003	\$ 2,195,731	96%	\$ (1,317,012)
6/30/2004	1,832,414	128%	(1,822,195)
6/30/2005	2,233,944	107%	(1,973,177)

1925 Police Officers' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2002	\$ 16,615,614	43%	\$ 41,062,000
12/31/2003	11,970,000	61%	45,743,000
12/31/2004	12,135,400	62%	50,341,500

1937 Firefighters' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2002	\$ 14,489,936	45%	\$ 33,241,000
12/31/2003	9,194,000	71%	35,931,000
12/31/2004	10,974,200	61%	40,251,800

Sanitary Officers' Pension Plan

Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12/31/2003	\$ 971,535	52%	\$ 3,713,521
12/31/2004	570,847	87%	3,785,417
12/31/2005	650,369	76%	3,867,437

Plan Membership

Group	1925 Police Officers' Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
Retirees and beneficiaries currently receiving benefits	346	306	19
Active employees - vested	39	25	3
Active employees - nonvested	0	0	0

f. Financial Statements for Defined Benefit Plans

Statements of Fiduciary Net Assets:

	1925 Police Officers Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
<u>Assets</u>			
Cash and cash equivalents	\$ 792,460	\$ 168,946	\$ 201,556
Investments at fair value:			
Participation in external investment pool	1,281,532	1,100,302	-
Receivables:			
Taxes	<u>139,960</u>	<u>102,855</u>	<u>22,310</u>
Total assets	<u>2,213,952</u>	<u>1,372,103</u>	<u>223,866</u>
<u>Liabilities</u>			
Accrued payroll and deductions	<u>36,646</u>	<u>34,654</u>	<u>2,284</u>
<u>Net assets</u>			
Held in trust for:			
Employees' pension benefits	<u>\$ 2,177,306</u>	<u>\$ 1,337,449</u>	<u>\$ 221,582</u>

Statements of Changes in Fiduciary Net Assets:

	1925 Police Officers Pension	1937 Firefighters' Pension	Sanitary Officers' Pension
<u>Additions</u>			
Contributions:			
Employer	\$ 7,373,867	\$ 6,046,955	\$ 496,453
Plan members	45,293	23,656	3,539
Other	2,282	872	-
Net investment income	<u>8,494</u>	<u>6,846</u>	<u>1,841</u>
Total additions	<u>7,429,936</u>	<u>6,078,329</u>	<u>501,833</u>
<u>Deductions</u>			
Benefits and refunds paid to plan members and beneficiaries	7,660,895	7,045,121	410,568
Administrative expenses	<u>15,124</u>	<u>17,556</u>	<u>2,485</u>
Total deductions	<u>7,676,019</u>	<u>7,062,677</u>	<u>413,053</u>
Change in net assets	(246,083)	(984,348)	88,780
Net assets - beginning	<u>2,423,389</u>	<u>2,321,797</u>	<u>132,802</u>
Net assets - ending	<u>\$ 2,177,306</u>	<u>\$ 1,337,449</u>	<u>\$ 221,582</u>

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 fifty-five with twenty years of service. An employee with twenty years of service may leave service, but will not receive benefits until reaching age fifty-five. 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 percent 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 percent 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, 2005, 2004, and 2003 were \$6,815,004, \$6,458,384, and \$6,085,404, respectively, which were equal to the required contributions for each year.

REQUIRED SUPPLEMENTARY INFORMATION



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

	General Fund			
	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final		
Revenues:				
Taxes	\$ 51,198,179	\$ 51,198,179	\$ 54,494,089	\$ 3,295,910
Licenses and permits	1,727,920	1,727,920	1,797,758	69,838
Intergovernmental	2,894,567	2,894,567	3,148,125	253,558
Charges for services	3,650,679	3,650,679	3,102,563	(548,116)
Fines and forfeits	749,966	749,966	1,556,484	806,518
Other	971,754	971,754	1,385,812	414,058
Total revenues	61,193,065	61,193,065	65,484,831	4,291,766
Expenditures:				
Current:				
General government	11,992,801	12,037,750	11,041,209	996,541
Public safety	47,115,279	47,278,511	46,047,278	1,231,233
Highways and streets	5,196,822	5,242,834	4,965,651	277,183
Health and welfare	2,074,122	2,062,337	1,972,650	89,687
Economic opportunity	622,149	623,449	563,393	60,056
Economic development	1,961,016	1,959,247	1,891,177	68,070
Total expenditures	68,962,189	69,204,128	66,481,358	2,722,770
Other financing sources (uses):				
Operating transfers in	2,629,622	2,629,622	3,430,271	800,649
Operating transfers out	(295,170)	(295,170)	(295,170)	-
Total other financing sources	2,334,452	2,334,452	3,135,101	800,649
Net change in fund balance	(5,434,672)	(5,676,611)	2,138,574	7,815,185
Fund balance - beginning	10,564,165	10,564,165	10,564,165	-
Fund balance - ending	\$ 5,129,493	\$ 4,887,554	\$ 12,702,739	\$ 7,815,185

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY COMPARISON SCHEDULES
 MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Highways and Streets				Parks				Fire			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final			Original	Final		
Revenues:												
Taxes	\$ 1,853,777	\$ 1,853,777	\$ 1,837,641	\$ (16,136)	\$ 8,018,484	\$ 8,018,484	\$ 7,980,395	\$ (38,089)	\$ 28,914,095	\$ 28,914,095	\$ 28,514,444	\$ (399,651)
Licenses and permits	-	-	-	-	14,000	14,000	34,385	20,385	-	-	-	-
Intergovernmental	8,026,231	8,026,231	9,489,390	1,463,159	-	-	-	-	-	-	-	-
Charges for services	3,460,636	3,460,636	3,205,006	(255,630)	5,368,207	5,368,207	4,904,494	(463,713)	-	-	12,486	12,486
Fines and forfeits	-	-	-	-	-	-	-	-	500	500	11,696	11,196
Other	37,860	37,860	260,935	223,075	1,469,457	1,469,457	1,575,508	106,051	200,975	200,975	119,510	(81,465)
Total revenues	13,378,504	13,378,504	14,792,972	1,414,468	14,870,148	14,870,148	14,494,782	(375,366)	29,115,570	29,115,570	28,658,136	(457,434)
Expenditures:												
Current:												
Public safety:												
Personal services	-	-	-	-	-	-	-	-	27,683,560	27,625,560	26,033,310	1,592,250
Supplies	-	-	-	-	-	-	-	-	603,822	629,404	609,759	19,645
Other services and charges	-	-	-	-	-	-	-	-	924,995	940,754	872,942	67,812
Capital outlay	-	-	-	-	-	-	-	-	276,082	271,294	215,592	55,702
Highways and streets:												
Personal services	7,980,896	7,987,241	7,908,982	78,259	-	-	-	-	-	-	-	-
Supplies	2,096,502	2,344,047	2,251,636	92,411	-	-	-	-	-	-	-	-
Other services and charges	3,228,815	2,896,445	2,919,829	(23,384)	-	-	-	-	-	-	-	-
Capital outlay	291,146	1,587,858	1,245,499	342,359	-	-	-	-	-	-	-	-
Culture and recreation:												
Personal services	-	-	-	-	8,667,869	8,618,694	8,454,289	164,405	-	-	-	-
Supplies	-	-	-	-	1,820,664	1,886,225	1,573,660	312,565	-	-	-	-
Other services and charges	-	-	-	-	4,637,037	4,579,029	4,563,759	15,270	-	-	-	-
Capital outlay	-	-	-	-	1,279,135	1,095,003	1,107,424	(12,421)	-	-	-	-
Debt service:												
Bond issuance costs	-	-	-	-	230,805	230,805	230,805	-	-	-	-	-
Total expenditures	13,597,359	14,815,591	14,325,946	489,645	16,635,510	16,409,756	15,929,937	479,819	29,488,459	29,467,012	27,731,603	1,735,409
Other financing sources (uses):												
Operating transfers in	664,000	664,000	664,000	-	837,940	837,940	837,940	-	3,108	3,108	3,108	-
Operating transfers out	(133,000)	(133,000)	(133,000)	-	(12,940)	(12,940)	(12,940)	-	-	-	-	-
Bonds issued	-	-	-	-	10,000,000	10,000,000	10,000,000	-	-	-	-	-
Total other financing sources	531,000	531,000	531,000	-	10,825,000	10,825,000	10,825,000	-	3,108	3,108	3,108	-
Net change in fund balances	312,145	(906,087)	998,026	1,904,113	9,059,638	9,285,392	9,389,845	104,453	(369,781)	(348,334)	929,641	1,277,975
Fund balances - beginning	3,570,515	3,570,515	3,570,515	-	4,239,551	4,239,551	4,239,551	-	1,836,483	1,836,483	1,836,483	-
Fund balances - ending	\$ 3,882,660	\$ 2,664,428	\$ 4,568,541	\$ 1,904,113	\$ 13,299,189	\$ 13,524,943	\$ 13,629,396	\$ 104,453	\$ 1,466,702	\$ 1,488,149	\$ 2,766,124	\$ 1,277,975

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE
 REQUIRED SUPPLEMENTARY INFORMATION
 INFRASTRUCTURE – MODIFIED REPORTING

Comparison of Needed-to-Actual Maintenance/Preservation:

Roads	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Arterial					
Needed	\$ 1,317,770	\$ 684,069	\$ 3,633,337	\$ 6,858,502	N/A
Actual	1,278,949	700,128	3,563,575	7,634,647	N/A
Collector					
Needed	172,913	63,114	731,323	210,935	N/A
Actual	198,784	63,114	524,084	146,895	N/A
Residential					
Needed	2,366,088	2,440,135	6,757,534	4,888,170	N/A
Actual	2,670,703	2,388,097	5,883,572	5,945,313	N/A

Condition Rating:

Average Pavement Condition Index (PCI)

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total system	76	74	73	69	67

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07/01/03	43,176,722	44,231,973	(1,055,251)	98%	38,021,759	(3%)
07/01/04	43,920,812	47,948,698	(4,027,886)	92%	41,000,931	(10%)
07/01/05	45,806,122	53,496,046	(7,689,924)	86%	41,709,021	(18%)

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01/01/00	284,721	127,979,700	(127,694,979)	0%	2,136,300	(5,977%)
01/01/01	1,699,371	132,369,100	(130,669,729)	1%	1,859,800	(7,026%)
01/01/02	5,503,965	127,661,900	(122,157,935)	4%	1,635,400	(7,470%)
01/01/03	3,937,791	122,111,000	(118,173,209)	3%	2,324,000	(5,085%)
01/01/04	2,401,594	122,193,000	(119,791,406)	2%	1,528,000	(7,840%)
01/01/05	2,423,389	117,028,600	(114,605,211)	2%	1,257,300	(9,115%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01/01/00	353,446	110,838,200	(110,484,754)	0%	1,483,000	(7,450%)
01/01/01	750,868	112,144,900	(111,394,032)	1%	1,072,600	(10,385%)
01/01/02	4,848,516	110,820,900	(105,972,384)	4%	914,400	(11,589%)
01/01/03	3,923,831	94,791,000	(90,867,169)	4%	1,610,000	(5,644%)
01/01/04	2,481,278	109,884,000	(107,402,722)	2%	942,000	(11,402%)
01/01/05	2,321,797	101,112,400	(98,790,603)	2%	556,800	(17,743%)

Sanitary Officers' Pension

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)
01/01/01	187,515	7,755,934	(7,568,419)	2%	197,855	(3,920%)
01/01/02	108,987	7,967,195	(7,858,208)	1%	204,430	(3,844%)
01/01/03	291,158	8,007,386	(7,716,228)	4%	126,741	(6,088%)
01/01/04	54,697	8,122,631	(8,067,934)	1%	130,965	(6,160%)
01/01/05	132,802	7,478,337	(7,345,535)	2%	134,715	(5,453%)
01/01/06	221,582	7,490,795	(7,269,213)	3%	138,577	(5,246%)

The notes to RSI are an integral part of RSI.

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

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12/31/99	12,555,600	23%	21%
12/31/00	13,001,000	37%	23%
12/31/01	13,788,400	25%	53%
12/31/02	13,737,000	40%	12%
12/31/03	13,823,000	41%	12%
12/31/04	14,441,900	49%	3%

1937 Firefighters' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
		City	State
12/31/99	10,972,500	23%	25%
12/31/00	11,165,400	33%	24%
12/31/01	11,564,300	33%	57%
12/31/02	11,809,000	47%	9%
12/31/03	10,694,000	47%	14%
12/31/04	12,786,000	49%	3%

Sanitary Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
		City
12/31/00	837,716	49%
12/31/01	875,476	47%
12/31/02	892,263	20%
12/31/03	947,674	53%
12/31/04	562,303	89%
12/31/05	569,939	87%

The notes to RSI are an integral part of RSI.

CITY OF FORT WAYNE, INDIANA
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
December 31, 2005

Note 1. Budgets and Budgetary Accounting

A. The City follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedules:

1. The Mayor submits to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them.
2. Prior to adoption, the City advertises the budget and the City Council holds public hearings to obtain taxpayer comments.
3. In September of each year the budget is approved by the City Council through passage of an ordinance.
4. Copies of the budget ordinance and advertisements are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval from the Indiana Department of Local Government Finance. The budget ordinance as approved by the Indiana Department of Local Government Finance becomes the City's expenditures budget. The City's maximum tax levy is restricted by Indiana Law, with certain adjustments and exceptions. If the advertised budget exceeds the spending and tax limits of the state control laws, an excess levy can be granted by the Indiana Department of Local Government Finance, upon appeal by the City.
5. The legal level of budgetary control (the level at which expenditures may not exceed appropriations without the governing body's approval) is by object classification for all funds except for the General Fund, which is by object classification within each department. The City's management cannot transfer budgeted appropriations between object classifications of a budget, without approval of the City Council. Any revisions that alter the total appropriations for any fund or any department of the General Fund must be approved by the City Council and, in some instances, by the Indiana Department of Local Government Finance.
6. Formal budgetary integration is required by State statute and is employed as a management control device. An annual budget was legally adopted for the following funds:

Major Funds:

General Fund

Special Revenue Funds:

Highways and Streets, Parks, Fire

Capital Projects Funds:

CEDIT, Redevelopment

Non-Major Funds:

Special Revenue Funds:

Parking Meter, Law Enforcement Training, Cable Television,
Unsafe Building, Domestic Violence, Rainy Day

Capital Projects Funds:

Cumulative Capital Improvement

Debt Service Fund:

City Bond Redemption

1. The City's budgetary process is based upon GAAP. Appropriations lapse with the expiration of the budgetary period unless encumbered by a purchase order or contract. Encumbered appropriations are carried over and added to the subsequent year's budget.
2. Budgeted amounts are as originally adopted, or as amended by the City Council and approved by the Indiana Department of Local Government Finance in the regular legal manner. Net decreases to the original appropriations totaled \$482,724 in 2005.

B. Expenditures in Excess of Appropriations

For the year ended December 31, 2005, expenditures exceeded budgeted appropriations at the legal level of control (object classification for all funds except the General Fund, which is by object classification within each department) in the following funds, by the amounts below:

<u>Fund</u>	<u>Department</u>	<u>Object</u>	<u>Excess</u>
General	Weights and Measures	Other Services and Charges	\$ 436
Highways and Streets		Other Services and Charges	23,384
Unsafe Building		Other Services and Charges	13,936
Unsafe Building		Capital Outlay	228,206

Excess of expenditures over appropriations in the above object classifications resulted from failure to obtain approval from the City Council to increase the object classifications. Available fund balances and/or sufficient balances in other object classifications within the fund and department funded the over-expenditures.

Note 2. Infrastructure Assets – Modified Approach

The condition of the City's road pavement is measured using a pavement condition index (PCI). This pavement condition index is only one field of a larger database that takes into account many distress factors found in pavement surfaces. The PCI uses a measurement scale that is based upon a condition index ranging from less than 0 or "Very Poor" condition pavement to 100 for "Very Good" condition pavement.

Those condition categories are "Very Good" (100-80), "Good" (79-60), "Fair" (59-40), "Poor" (39-20), and "Very Poor" (19-0). It is the City's policy to maintain road pavement infrastructure at a condition category of "Good". Condition reports using a weighted average are compiled on an annual basis to determine the total system's status. The City field assesses one third (1/3) of the total miles each year to keep the information current.

Factors that significantly affect trends in the road maintenance schedule include:

1. Extreme winter weather conditions that result in excessive "freeze-thaw" activity.
2. Extreme summer weather conditions that result in excessive heat. Under extreme heat, asphalt can become soft and buckle. Concrete suffers from a condition known as "blow ups". The ground under the concrete roads and the roads themselves begin to expand during exceptionally high temperatures. The concrete can find no other way to expand than to "blow up", or shoot into the air.
3. Conflicts with utilities. Utility work that results in the disruption of a road surface will weaken the original integrity of the structure. More repairs may become necessary once a road's initial structure has been altered.
4. Extreme loading. Each road is rated for a certain percentage of traffic coming from trucks. When the percentage exceeds the rating, damage to the road will occur.
5. The presence of water. Excessive water levels from winter thaw, high rains, water pipe breaks, or higher than usual water tables can cause rapid deterioration of roads.

SUPPLEMENTARY INFORMATION



Major Governmental Funds

General Fund – the general operating fund of the City. Tax revenues and other receipts that are not allocated by law or contractual agreement to another fund are accounted for in this fund. The general operating expenditures of the City are paid from the General Fund.

Those departments by function that are included in the General Fund are:

General Government:

Mayor
Controller
City Clerk and Council
Board of Works
Law
Internal Audit
Data Processing/ACS
Property Management
Human Resources
Payroll
Purchasing

Public Safety:

Weights and Measures
Neighborhood Code Enforcement
Police Merit Commission
Police
Communications

Highways and Streets:

Street Lighting
City Engineer
Flood Control
Traffic Engineering Administration
Right of Way
Transportation Engineering Services

Health and Welfare:

Animal Control

Economic Opportunity:

Metropolitan Human Relations

Economic Development:

Community Development

Special Revenue Funds – used to account for revenues derived for a specific purpose. The title of the fund is descriptive of the activities involved.

Highways and Streets – funds set aside from state gasoline tax distributions and local wheel taxes for the specific purpose of constructing and maintaining local streets and alleys.

Parks – to account for the operation of the City park system.

Fire – to account for the operation of the Fire District.

Capital Projects Funds – are used to account for financial resources to be used for the acquisition or construction of major capital facilities, other than those financed by proprietary funds.

CEDIT – to account for revenues received from the County Economic Development Income Tax (CEDIT) and for construction of projects funded by these revenues.

Redevelopment – to account for the redevelopment functions of the City.

CITY OF FORT WAYNE, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
 GENERAL FUND
 For The Year Ended December 31, 2005

Function and Department	Original Budget	Final Budget	Actual	Variance- Positive (Negative)
General government:				
Mayor				
Personal services	\$ 782,509	\$ 839,867	\$ 795,112	\$ 44,755
Supplies	11,454	11,454	8,964	2,490
Other services and charges	97,372	97,372	80,886	16,486
Capital outlay	2,500	2,500	511	1,989
Controller				
Personal services	747,267	755,805	752,616	3,189
Supplies	8,225	8,225	7,730	495
Other services and charges	269,578	257,299	214,766	42,533
Capital outlay	2,490	4,690	755	3,935
City Clerk and Council				
Personal services	766,826	768,762	766,575	2,187
Supplies	15,500	15,500	6,527	8,973
Other services and charges	59,122	53,186	46,311	6,875
Board of Works				
Personal services	465,196	470,831	466,384	4,447
Supplies	3,660	3,660	2,200	1,460
Other services and charges	2,130,039	2,124,404	2,085,974	38,430
Capital outlay	400	400	-	400
Law				
Personal services	314,332	314,574	314,134	440
Supplies	1,754	2,414	2,242	172
Other services and charges	164,022	163,120	132,474	30,646
Capital outlay	1,300	1,300	945	355
Internal Audit				
Personal services	188,381	188,381	185,838	2,543
Supplies	297	297	242	55
Other services and charges	8,340	8,340	4,424	3,916
Capital outlay	1,000	1,000	335	665
Data Processing / ACS				
Personal services	153,563	153,563	124,525	29,038
Supplies	54,382	54,382	32,572	21,810
Other services and charges	2,300,936	2,294,465	2,180,318	114,147
Capital outlay	704,831	676,294	197,857	478,437
Property Management				
Personal services	112,969	112,936	112,870	66
Supplies	2,772	2,772	736	2,036
Other services and charges	1,074,021	1,126,320	1,122,889	3,431
Capital outlay	19,000	21,300	21,300	-

(Continued)

CITY OF FORT WAYNE, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
 GENERAL FUND
 For The Year Ended December 31, 2005
 (Continued)

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
General government:				
Human Resources				
Personal services	546,112	545,502	502,572	42,930
Supplies	7,915	7,650	4,129	3,521
Other services and charges	146,951	120,124	93,603	26,521
Capital outlay	8,100	8,100	3,016	5,084
Payroll				
Personal services	226,631	231,828	226,940	4,888
Supplies	1,959	1,959	1,933	26
Other services and charges	8,064	4,143	3,307	836
Capital outlay	300	300	203	97
Purchasing				
Personal services	386,625	387,016	385,788	1,228
Supplies	23,915	24,019	16,593	7,426
Other services and charges	171,091	170,596	133,890	36,706
Capital outlay	1,100	1,100	223	877
Total General government	<u>11,992,801</u>	<u>12,037,750</u>	<u>11,041,209</u>	<u>996,541</u>
Public safety:				
Weights and Measures				
Personal services	111,171	114,576	112,713	1,863
Supplies	5,125	5,125	4,950	175
Other services and charges	9,100	9,100	9,538	(438)
Capital outlay	1,200	1,200	1,130	70
Neighborhood Code Enforcement				
Personal services	944,138	988,007	917,850	70,157
Supplies	19,880	28,280	27,179	1,101
Other services and charges	471,652	590,127	584,899	5,228
Capital outlay	8,107	8,107	3,478	4,629
Police Merit Commission				
Personal services	5,000	5,000	4,100	900
Supplies	200	200	63	137
Other services and charges	22,300	22,300	16,151	6,149
Police				
Personal services	35,264,035	34,687,683	34,214,468	473,215
Supplies	909,864	1,236,720	1,082,405	154,315
Other services and charges	3,775,082	4,024,578	3,943,704	80,874
Capital outlay	162,487	153,839	136,133	17,706
Communications				
Personal services	4,843,639	4,843,639	4,524,489	319,150
Supplies	76,578	85,317	78,905	6,412
Other services and charges	359,686	348,678	271,270	77,408
Capital outlay	126,035	126,035	113,853	12,182
Total Public safety	<u>47,115,279</u>	<u>47,278,511</u>	<u>46,047,278</u>	<u>1,231,233</u>

CITY OF FORT WAYNE, INDIANA
SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
GENERAL FUND
For The Year Ended December 31, 2005
(Continued)

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Highways and streets:				
Street Lighting				
Personal services	693,165	695,921	695,691	230
Supplies	419,702	412,013	249,314	162,699
Other services and charges	1,635,060	1,639,993	1,634,129	5,864
Capital outlay	1,000	1,000	-	1,000
City Engineer				
Personal services	248,583	255,272	254,543	729
Supplies	1,515	1,332	1,117	215
Other services and charges	17,830	16,324	8,546	7,778
Capital outlay	5,000	3,000	2,782	218
Flood Control				
Personal services	153,543	153,417	153,217	200
Supplies	7,560	7,461	6,404	1,057
Other services and charges	121,967	160,055	156,991	3,064
Traffic Engineering Administration				
Personal services	469,363	469,363	469,363	-
Right of Way				
Personal services	303,624	307,508	307,446	62
Supplies	3,110	3,825	3,349	476
Other services and charges	6,102	6,652	6,529	123
Transportation Engineering Services				
Personal services	972,274	972,274	903,768	68,506
Supplies	56,134	55,938	39,864	16,074
Other services and charges	81,290	81,486	72,598	8,888
Total Highways and streets	5,196,822	5,242,834	4,965,651	277,183
Health and welfare:				
Animal Control				
Personal services	1,671,276	1,658,904	1,592,124	66,780
Supplies	80,114	89,486	77,871	11,615
Other services and charges	320,932	312,147	301,290	10,857
Capital outlay	1,800	1,800	1,365	435
Total Health and welfare	2,074,122	2,062,337	1,972,650	89,687

(Continued)

CITY OF FORT WAYNE, INDIANA
 SCHEDULE OF EXPENDITURES - BUDGET AND ACTUAL -
 GENERAL FUND
 For The Year Ended December 31, 2005
 (Continued)

<u>Function and Department</u>	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance- Positive (Negative)</u>
Economic opportunity:				
Metropolitan Human Relations				
Personal services	558,528	520,971	483,911	37,060
Supplies	5,450	10,542	10,061	481
Other services and charges	50,849	76,814	54,898	21,916
Capital outlay	7,322	15,122	14,523	599
Total Economic opportunity	<u>622,149</u>	<u>623,449</u>	<u>563,393</u>	<u>60,056</u>
Economic development:				
Community Development				
Personal services	1,726,476	1,726,476	1,689,053	37,423
Supplies	19,400	19,492	18,602	890
Other services and charges	187,183	187,091	160,730	26,361
Capital outlay	27,957	26,188	22,792	3,396
Total Economic development	<u>1,961,016</u>	<u>1,959,247</u>	<u>1,891,177</u>	<u>68,070</u>
Total General Fund	<u>\$ 68,962,189</u>	<u>\$ 69,204,128</u>	<u>\$ 66,481,358</u>	<u>\$ 2,722,770</u>

CITY OF FORT WAYNE
 BUDGETARY COMPARISON SCHEDULES
 OTHER BUDGETED MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Redevelopment				CEDIT			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 6,476,650	\$ 6,476,650	\$ 6,472,987	\$ (3,663)	\$ 16,206,853	\$ 16,206,853	\$ 16,206,853	\$ -
Other	2,531,393	2,531,393	2,533,607	2,214	728,029	728,029	889,784	161,755
Total revenues	<u>9,008,043</u>	<u>9,008,043</u>	<u>9,006,594</u>	<u>(1,449)</u>	<u>16,934,882</u>	<u>16,934,882</u>	<u>17,096,637</u>	<u>161,755</u>
Expenditures:								
Urban redevelopment and housing:								
Personal Services	454,196	454,196	451,312	2,884	-	-	-	-
Supplies	300	300	297	3	-	-	-	-
Other Services and Charges	8,381,422	8,379,622	8,167,981	211,641	-	-	-	-
Capital Outlay	372,070	372,070	53,463	318,607	-	-	-	-
Debt Service:								
Principal	872,598	872,598	872,598	-	4,740,000	4,740,000	4,740,000	-
Interest	477,210	477,210	477,210	-	1,880,892	1,880,892	1,880,892	-
Bond issuance costs	436,176	436,176	436,176	-	442,363	442,363	442,363	-
Capital Outlay	-	-	-	-	18,104,647	16,762,131	16,444,710	317,421
Total expenditures	<u>10,993,972</u>	<u>10,992,172</u>	<u>10,459,037</u>	<u>533,135</u>	<u>25,167,902</u>	<u>23,825,386</u>	<u>23,507,965</u>	<u>317,421</u>
Other financing sources (uses):								
Transfers in	4,347,378	4,347,378	4,347,378	-	4,251,112	4,251,112	4,251,112	-
Transfers out	(1,915,461)	(1,915,461)	(1,915,461)	-	(6,592,560)	(6,592,560)	(6,592,560)	-
Bonds issued	20,000,000	20,000,000	20,000,000	-	25,000,000	25,000,000	25,000,000	-
Premium on bond issuance	95,656	95,656	95,656	-	357,438	357,438	357,438	-
Total other financing sources	<u>22,527,573</u>	<u>22,527,573</u>	<u>22,527,573</u>	<u>-</u>	<u>23,015,990</u>	<u>23,015,990</u>	<u>23,015,990</u>	<u>-</u>
Net change in fund balances	20,541,644	20,543,444	21,075,130	531,686	14,782,970	16,125,486	16,604,662	479,176
Fund balances - beginning	<u>21,580,984</u>	<u>21,580,984</u>	<u>21,580,984</u>	<u>-</u>	<u>8,412,328</u>	<u>8,412,328</u>	<u>8,412,328</u>	<u>-</u>
Fund balances - ending	<u>\$ 42,122,628</u>	<u>\$ 42,124,428</u>	<u>\$ 42,656,114</u>	<u>\$ 531,686</u>	<u>\$ 23,195,298</u>	<u>\$ 24,537,814</u>	<u>\$ 25,016,990</u>	<u>\$ 479,176</u>

Non-major Governmental Funds

Special Revenue Funds – used to account for revenues derived for a specific purpose. The title of the fund is descriptive of the activities involved. The City maintains the following non-major special revenue funds:

Parking Meter – to account for revenues and expenses in connection with operating City parking meters.

Law Enforcement Training – to account for fees used for the continuing education and training of law enforcement officers.

Omnibus Crime – to account for all State grants related to victims assistance or criminal justice.

Cable Television – to account for a portion of the cable television franchise fee revenue restricted to expenditures for local cable access programming grants.

Community Development Block Grants – to account for funds granted to the City by the U.S. Department of Housing and Urban Development under the Community Development Block Grant entitlement programs.

Reimbursable State Grants – to account for funds granted to the City various State community development and social service programs.

Unsafe Building – to account for funds used to remove unsafe and severely deteriorated buildings from residential neighborhoods throughout the City.

DED International Trade – to account for revenues and expenditures related to international trade.

HOME – to account for funds granted to the City under the U.S. Department of Housing and Urban Development HOME program which are to be used to rehabilitate single and multi-family housing units.

Federal Revolving – to account for various federal funds received for specific purposes.

Urban Development Action Grant – to account for funds granted to the City by the U.S. Department of Housing and Urban Development for specific categorical grants promoting economic and housing development.

Urban Enterprise Association – to account for funds that provide one-third of the Urban Enterprise Association (UEA) administrator's wage and benefit package and all the UEA secretaries' wages and benefit packages, as well as staff support by the City and UEA through a contractual arrangement.

Emergency Shelter Grant – to account for funds granted to the City under the U.S. Department of Housing and Urban Development Emergency Shelter Program which are to be used to provide emergency shelter and other services for displaced families and individuals.

Central City Housing – to account for funds which are to be used for home rehabilitation in Southeast Fort Wayne.

General Donation – to account for donations, restricted by donors, for purposes normally related to General Fund expenditures.

Domestic Violence – to account for taxes received and appropriated by the City Council for the prevention and education of domestic violence, rape, and sexual harassment.

Animal Care Donation – to account for donations, restricted by donors, for animal care and other humane expenditures.

Animal Control Special Project – to account for all revenues, generated by fund raising activities, and expenditures for specific animal care needs.

Barrett Law Surplus – to account for excess revenues and expenditures related to the City's Barrett Law process.

Rainy Day Fund – to account for transfers of unused and unencumbered CREDIT Funds.

Non-major Governmental Funds (continued)

Debt Service Funds – used to account for the accumulation of resources for and the payment of general long-term debt principal and interest. The City maintains the following non-major debt service fund:

City Bond Redemption – to account for the accumulation of resources for and payment of general obligation bond issues of the City. In 1998, the City began funding the general obligation debt from the CEDIT Income Tax Fund and transferring it to the City Bond Redemption Fund for payment.

** This is the only debt service fund that the city maintains that is not part of another major fund; therefore combining statements are not necessary.

Capital Projects Funds – used to account for financial resources to be used for the acquisition or construction of capital projects. The City maintains the following non-major capital projects funds:

Equipment Purchase – to account for proceeds of leases to be used for the acquisition of equipment.

Civic Center Urban Renewal 1995 – to account for bond proceeds and expenditures for the purpose of paying expenses incurred in connection with the project, acquisition, and redevelopment of the property in the area.

Cumulative Capital Improvement – to account for cigarette tax distributions.

TIF Allocation – to account for revenue and disbursements established for the 1991 Tax Incremental Financing fund.

2001 Safety Bond – to account for the bond proceeds received from the Safety Bond of 2001 used for the construction of three fire stations and the Communications 800MHz project.

Building Project – to account for the proceeds of bonds secured by a lease for the construction of five fire stations, an animal care building, a transportation sub-station and improvements to the City's Board of Works complex.

Barrett Law Revolving Improvement – to account for all financial resources related to projects constructed wholly or in part from Redevelopment District proceeds (except tax increment bonds), General Obligation Bonds, and any participating federal and state grants, including any required City local matching funds.

CITY OF FORT WAYNE
 COMBINING BALANCE SHEET
 NON-MAJOR GOVERNMENTAL FUNDS
 December 31, 2005

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Totals
<u>Assets</u>				
Cash and cash equivalents	\$ 2,211,885	\$ -	\$ 2,333,159	\$ 4,545,044
Investments	129,000	-	2,858,077	2,987,077
Receivables (net of allowances for uncollectibles):				
Interest	21,421	-	6,236	27,657
Assessments	-	-	1,156,424	1,156,424
Intergovernmental	1,606,523	-	67,239	1,673,762
Loans	831,172	-	-	831,172
Miscellaneous	195,500	-	-	195,500
Interfund receivable - pooled cash	699,087	-	115	699,202
Total assets	\$ 5,694,588	\$ -	\$ 6,421,250	\$ 12,115,838
<u>Liabilities and fund balances</u>				
<u>Liabilities:</u>				
Accounts payable	\$ 491,612	\$ -	\$ 115,852	\$ 607,464
Retainage payable	-	-	58,198	58,198
Due to other funds	82,325	-	-	82,325
Interfund payable - pooled cash	699,087	-	115	699,202
Deferred revenue	82,856	-	582,675	665,531
Unearned revenue	493,959	-	-	493,959
Total liabilities	1,849,839	-	756,840	2,606,679
<u>Fund balances:</u>				
Reserved for:				
Encumbrances	1,522,384	-	39,816	1,562,200
Noncurrent loans receivable	610,202	-	-	610,202
Unreserved, reported in:				
Special revenue funds	1,712,163	-	-	1,712,163
Capital projects funds	-	-	5,624,594	5,624,594
Total fund balances	3,844,749	-	5,664,410	9,509,159
Total liabilities and fund balances	\$ 5,694,588	\$ -	\$ 6,421,250	\$ 12,115,838

CITY OF FORT WAYNE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Non-major Special Revenue Funds	Non-major Debt Service Fund	Non-major Capital Projects Funds	Totals
Revenues:				
Special assessments	\$ -	\$ -	\$ 884,628	\$ 884,628
Licenses and permits	719,785	-	-	719,785
Intergovernmental	7,740,548	-	915,155	8,655,703
Charges for services	364,284	-	-	364,284
Fines and forfeits	214,259	-	-	214,259
Other	1,012,454	-	144,607	1,157,061
Total revenues	10,051,330	-	1,944,390	11,995,720
Expenditures:				
Current:				
General government	1,742,212	-	-	1,742,212
Public safety	2,071,803	-	-	2,071,803
Highways and streets	6,187	-	-	6,187
Sanitation	3,200	-	-	3,200
Health and welfare	119,224	-	-	119,224
Economic development	1,119,999	-	-	1,119,999
Urban redevelopment and housing	2,870,793	-	-	2,870,793
Debt service:				
Principal	-	-	1,595,000	1,595,000
Interest	-	-	466,903	466,903
Bond issuance costs	-	-	165,796	165,796
Capital outlay	-	-	8,189,358	8,189,358
Total expenditures	7,933,418	-	10,417,057	18,350,475
Excess (deficiency) of revenues over (under) expenditures	2,117,912	-	(8,472,667)	(6,354,755)
Other financing sources (uses):				
Transfers in	579,506	1,782,500	1,915,500	4,277,506
Transfers out	(1,483,673)	(1,782,500)	(1,335,478)	(4,601,651)
Bonds issued	-	-	4,215,000	4,215,000
Capital leases issued	-	-	3,943,540	3,943,540
Total other financing sources (uses)	(904,167)	-	8,738,562	7,834,395
Net change in fund balances	1,213,745	-	265,895	1,479,640
Fund balances - beginning	2,631,004	-	5,398,515	8,029,519
Fund balances - ending	<u>\$ 3,844,749</u>	<u>\$ -</u>	<u>\$ 5,664,410</u>	<u>\$ 9,509,159</u>

CITY OF FORT WAYNE
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 December 31, 2005

	Parking Meter	Law Enforcement Training	Omnibus Crime	Cable Television	Community Development Block Grants	Reimbursable State Grants	Unsafe Building	DED International Trade	HOME	Federal Revolving
<u>Assets</u>										
Cash and cash equivalents	\$ 4,347	\$ 283,111	\$ -	\$ 200,678	\$ -	\$ 123,228	\$ 107,994	\$ 16,974	\$ 112,842	\$ -
Investments	-	-	-	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):										
Interest	-	-	-	-	-	-	-	-	-	-
Intergovernmental	-	3,039	16,932	-	587,573	15,295	2,300	-	2,020	934,227
Loans	-	-	-	-	-	-	-	-	764,772	-
Miscellaneous	1,793	100	-	145,329	-	-	2,583	-	-	5
Interfund receivable - pooled cash	-	-	-	-	-	-	-	-	699,087	-
Total assets	\$ 6,140	\$ 286,250	\$ 16,932	\$ 346,007	\$ 587,573	\$ 138,523	\$ 112,877	\$ 16,974	\$ 1,578,721	\$ 934,232
<u>Liabilities and fund balances</u>										
Liabilities:										
Accounts payable	\$ -	\$ 1,850	\$ -	\$ 166,448	\$ 209,511	\$ 2,370	\$ 22,588	\$ -	\$ -	\$ 36,798
Due to other funds	-	-	-	-	-	-	-	-	-	-
Interfund payable - pooled cash	-	-	16,932	-	587,573	-	-	-	-	24,398
Deferred revenue	-	-	1,701	-	64,288	15,295	-	-	-	550
Unearned revenue	-	-	-	-	-	90,828	-	-	-	403,131
Total liabilities	-	1,850	18,633	166,448	861,372	108,493	22,588	-	-	464,877
Fund balances:										
Reserved for:										
Encumbrances	40,365	10,000	-	874	579,326	-	252,969	-	184,416	163,896
Noncurrent loans receivable	-	-	-	-	-	-	-	-	560,402	-
Unreserved, reported in:										
Special revenue funds	(34,225)	274,400	(1,701)	178,685	(853,125)	30,030	(162,680)	16,974	833,903	305,459
Total fund balances	6,140	284,400	(1,701)	179,559	(273,799)	30,030	90,289	16,974	1,578,721	469,355
Total liabilities and fund balances	\$ 6,140	\$ 286,250	\$ 16,932	\$ 346,007	\$ 587,573	\$ 138,523	\$ 112,877	\$ 16,974	\$ 1,578,721	\$ 934,232

CITY OF FORT WAYNE
 COMBINING BALANCE SHEET
 NON-MAJOR SPECIAL REVENUE FUNDS
 December 31, 2005

	Urban Development Action Grant	Urban Enterprise Association	Emergency Shelter Grant	Central City Housing	General Donation	Domestic Violence	Animal Care Donation	Animal Control Special Project	Barrett Law Surplus	Rainy Day Fund	Totals
<u>Assets</u>											
Cash and cash equivalents	\$ 397,384	\$ -	\$ -	\$ 27,023	\$ 317,027	\$ 1,334	\$ 405,476	\$ 127,107	\$ 87,360	\$ -	\$ 2,211,885
Investments	-	-	-	-	-	-	-	-	129,000	-	129,000
Receivables (net of allowances for uncollectibles):											
Interest	-	-	-	-	-	-	-	-	21,421	-	21,421
Intergovernmental	-	-	40,535	-	4,602	-	-	-	-	-	1,606,523
Loans	66,400	-	-	-	-	-	-	-	-	-	831,172
Miscellaneous	-	45,042	-	-	648	-	-	-	-	-	195,500
Interfund receivable - pooled cash	-	-	-	-	-	-	-	-	-	-	699,087
Total assets	\$ 463,784	\$ 45,042	\$ 40,535	\$ 27,023	\$ 322,277	\$ 1,334	\$ 405,476	\$ 127,107	\$ 237,781	\$ -	\$ 5,694,588
<u>Liabilities and fund balances</u>											
Liabilities:											
Accounts payable	\$ 3,219	\$ -	\$ 27,807	\$ -	\$ 18,323	\$ 107	\$ -	\$ 2,591	\$ -	\$ -	\$ 491,612
Due to other funds	-	-	-	-	-	-	-	-	82,325	-	82,325
Interfund payable - pooled cash	-	45,042	25,142	-	-	-	-	-	-	-	699,087
Deferred revenue	-	-	-	-	1,022	-	-	-	-	-	82,856
Unearned revenue	-	-	-	-	-	-	-	-	-	-	493,959
Total liabilities	3,219	45,042	52,949	-	19,345	107	-	2,591	82,325	-	1,849,839
Fund balances:											
Reserved for:											
Encumbrances	251,056	-	17,091	-	22,391	-	-	-	-	-	1,522,384
Noncurrent loans receivable	49,800	-	-	-	-	-	-	-	-	-	610,202
Unreserved, reported in:											
Special revenue funds	159,709	-	(29,505)	27,023	280,541	1,227	405,476	124,516	155,456	-	1,712,163
Total fund balances	460,565	-	(12,414)	27,023	302,932	1,227	405,476	124,516	155,456	-	3,844,749
Total liabilities and fund balances	\$ 463,784	\$ 45,042	\$ 40,535	\$ 27,023	\$ 322,277	\$ 1,334	\$ 405,476	\$ 127,107	\$ 237,781	\$ -	\$ 5,694,588

CITY OF FORT WAYNE
 COMBINING BALANCE SHEET
 NON-MAJOR CAPITAL PROJECTS FUNDS
 December 31, 2005

	Equipment Purchase	Civic Center Urban Renewal 1995	Cumulative Capital Improvement	TIF Allocation	2001 Safety Bond	Building Project	Barrett Law Revolving Improvement	Totals
<u>Assets</u>								
Cash and cash equivalents	\$ 1,061,681	\$ -	\$ 983,399	\$ 2,728	\$ 17,353	\$ -	\$ 267,998	\$ 2,333,159
Investments	-	-	-	-	-	1,858,077	1,000,000	2,858,077
Receivables (net of allowances for uncollectibles):								
Interest	-	-	-	-	-	6,236	-	6,236
Assessments	-	-	-	-	-	-	1,156,424	1,156,424
Intergovernmental	-	-	67,239	-	-	-	-	67,239
Interfund receivable - pooled cash	-	-	115	-	-	-	-	115
Total assets	\$ 1,061,681	\$ -	\$ 1,050,753	\$ 2,728	\$ 17,353	\$ 1,864,313	\$ 2,424,422	\$ 6,421,250
<u>Liabilities and fund balances</u>								
Liabilities:								
Accounts payable	\$ 79,740	\$ -	\$ 31,235	\$ -	\$ 350	\$ 4,527	\$ -	\$ 115,852
Retainage payable	-	-	-	-	-	-	58,198	58,198
Interfund payable - pooled cash	-	115	-	-	-	-	-	115
Deferred revenue	-	-	67,239	-	-	-	515,436	582,675
Total liabilities	79,740	115	98,474	-	350	4,527	573,634	756,840
Fund balances:								
Reserved for:								
Encumbrances	-	-	39,816	-	-	-	-	39,816
Unreserved, reported in:								
Capital projects funds	981,941	(115)	912,463	2,728	17,003	1,859,786	1,850,788	5,624,594
Total fund balances	981,941	(115)	952,279	2,728	17,003	1,859,786	1,850,788	5,664,410
Total liabilities and fund balances	\$ 1,061,681	\$ -	\$ 1,050,753	\$ 2,728	\$ 17,353	\$ 1,864,313	\$ 2,424,422	\$ 6,421,250

CITY OF FORT WAYNE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Parking Meter	Law Enforcement Training	Omnibus Crime	Cable Television	Community Development Block Grants	Reimbursable State Grants	Unsafe Building	DED International Trade	HOME	Federal Revolving
Revenues:										
Licenses and permits	\$ -	\$ 22,435	\$ -	\$ 697,350	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	59,651	-	4,383,315	496,041	245,500	-	326,010	1,916,159
Charges for services	212,732	137,045	-	-	679	-	-	-	1,567	-
Fines and forfeits	-	36,349	-	-	-	-	112,213	-	-	65,443
Other	2,267	76	-	50,000	5,529	-	-	17,573	2,650	220,930
Total revenues	214,999	195,905	59,651	747,350	4,389,523	496,041	357,713	17,573	330,227	2,202,532
Expenditures:										
Current:										
General government	431,752	-	-	804,152	-	-	-	-	-	359,034
Public safety	-	160,666	64,564	-	-	457,359	421,171	-	-	957,467
Highways and streets	-	-	-	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	4,972	-	26,071	-	795,280
Urban redevelopment and housing	-	-	-	-	2,355,592	-	-	-	105,757	164,145
Total expenditures	431,752	160,666	64,564	804,152	2,355,592	462,331	421,171	26,071	105,757	2,275,926
Excess (deficiency) of revenues over (under) expenditures	(216,753)	35,239	(4,913)	(56,802)	2,033,931	33,710	(63,458)	(8,498)	224,470	(73,394)
Other financing sources (uses):										
Transfers in	225,000	-	7,883	-	-	14,958	-	-	-	324,665
Transfers out	-	(483)	-	(45,000)	(161,000)	(998)	-	-	-	(1,792)
Total other financing sources (uses)	225,000	(483)	7,883	(45,000)	(161,000)	13,960	-	-	-	322,873
Net change in fund balances	8,247	34,756	2,970	(101,802)	1,872,931	47,670	(63,458)	(8,498)	224,470	249,479
Fund balances - beginning	(2,107)	249,644	(4,671)	281,361	(2,146,730)	(17,640)	153,747	25,472	1,354,251	219,876
Fund balances - ending	\$ 6,140	\$ 284,400	\$ (1,701)	\$ 179,559	\$ (273,799)	\$ 30,030	\$ 90,289	\$ 16,974	\$ 1,578,721	\$ 469,355

CITY OF FORT WAYNE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
 NON-MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2005

	Urban Development Action Grant	Urban Enterprise Association	Emergency Shelter Grant	Central City Housing	General Donation	Domestic Violence	Animal Care Donation	Animal Control Special Project	Barrett Law Surplus	Rainy Day Fund	Totals
Revenues:											
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 719,785
Intergovernmental	-	-	197,019	-	116,853	-	-	-	-	-	7,740,548
Charges for services	5,899	-	-	-	6,362	-	-	-	-	-	364,284
Fines and forfeits	-	-	-	-	254	-	-	-	-	-	214,259
Other	22,105	292,324	-	-	172,331	-	33,192	116,709	76,768	-	1,012,454
Total revenues	28,004	292,324	197,019	-	295,800	-	33,192	116,709	76,768	-	10,051,330
Expenditures:											
Current:											
General government	-	-	-	-	58,615	-	-	-	88,659	-	1,742,212
Public safety	-	-	-	-	2,641	7,935	-	-	-	-	2,071,803
Highways and streets	-	-	-	-	6,187	-	-	-	-	-	6,187
Sanitation	-	-	-	-	3,200	-	-	-	-	-	3,200
Health and welfare	-	-	-	-	-	-	7,973	111,251	-	-	119,224
Economic development	-	292,316	-	-	1,360	-	-	-	-	-	1,119,999
Urban redevelopment and housing	-	-	103,231	25,215	116,853	-	-	-	-	-	2,870,793
Total expenditures	-	292,316	103,231	25,215	188,856	7,935	7,973	111,251	88,659	-	7,933,418
Excess (deficiency) of revenues over (under) expenditures	28,004	8	93,788	(25,215)	106,944	(7,935)	25,219	5,458	(11,891)	-	2,117,912
Other financing sources (uses):											
Transfers in	-	-	-	-	1,000	-	-	6,000	-	-	579,506
Transfers out	-	-	-	-	(245,324)	-	(63,782)	-	-	(965,294)	(1,483,673)
Total other financing sources (uses)	-	-	-	-	(244,324)	-	(63,782)	6,000	-	(965,294)	(904,167)
Net change in fund balances	28,004	8	93,788	(25,215)	(137,380)	(7,935)	(38,563)	11,458	(11,891)	(965,294)	1,213,745
Fund balances - beginning	432,561	(8)	(106,202)	52,238	440,312	9,162	444,039	113,058	167,347	965,294	2,631,004
Fund balances - ending	\$ 460,565	\$ -	\$ (12,414)	\$ 27,023	\$ 302,932	\$ 1,227	\$ 405,476	\$ 124,516	\$ 155,456	\$ -	\$ 3,844,749

CITY OF FORT WAYNE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND OTHER CHANGES IN FUND BALANCES
 NON-MAJOR CAPITAL PROJECTS FUNDS
 For The Year Ended December 31, 2005

	Equipment Purchase	Civic Center Urban Renewal 1995	Cumulative Capital Improvement	TIF Allocation	2001 Safety Bond	Building Project	Barrett Law Revolving Improvement	Totals
Revenues:								
Special assessments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 884,628	\$ 884,628
Intergovernmental	-	-	915,155	-	-	-	-	915,155
Other	59,843	-	25,201	-	-	59,563	-	144,607
Total revenues	59,843	-	940,356	-	-	59,563	884,628	1,944,390
Expenditures:								
Debt service:								
Principal	-	-	-	-	-	1,595,000	-	1,595,000
Interest	-	-	-	-	-	466,903	-	466,903
Bond issuance costs	-	-	-	-	-	165,796	-	165,796
Capital outlay	4,606,242	-	1,028,130	-	1,236	1,710,194	843,556	8,189,358
Total expenditures	4,606,242	-	1,028,130	-	1,236	3,937,893	843,556	10,417,057
Excess (deficiency) of revenues over (under) expenditures	(4,546,399)	-	(87,774)	-	(1,236)	(3,878,330)	41,072	(8,472,667)
Other financing sources (uses):								
Transfers in	-	-	-	-	-	1,915,500	-	1,915,500
Transfers out	-	-	(12,415)	-	(2,125)	(1,320,938)	-	(1,335,478)
Bond issued	-	-	-	-	-	4,215,000	-	4,215,000
Capital leases issued	3,943,540	-	-	-	-	-	-	3,943,540
Total other financing sources (uses)	3,943,540	-	(12,415)	-	(2,125)	4,809,562	-	8,738,562
Net change in fund balances	(602,859)	-	(100,189)	-	(3,361)	931,232	41,072	265,895
Fund balances - beginning	1,584,800	(115)	1,052,468	2,728	20,364	928,554	1,809,716	5,398,515
Fund balances - ending	\$ 981,941	\$ (115)	\$ 952,279	\$ 2,728	\$ 17,003	\$ 1,859,786	\$ 1,850,788	\$ 5,664,410

CITY OF FORT WAYNE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NON-MAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Parking Meter				Law Enforcement Training			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Licenses and permits	\$ -	\$ -	\$ -	\$ -	\$ 24,090	\$ 24,090	\$ 22,435	\$ (1,655)
Charges for services	169,200	169,200	212,732	43,532	92,500	92,500	137,045	44,545
Fines and forfeits	-	-	-	-	33,151	33,151	36,349	3,198
Other	-	-	2,267	2,267	259	259	76	(183)
Total revenues	169,200	169,200	214,999	45,799	150,000	150,000	195,905	45,905
Expenditures:								
General government:								
Personal services	394,891	391,458	370,198	21,260	-	-	-	-
Supplies	14,300	14,800	14,193	607	-	-	-	-
Other services and charges	29,149	34,139	30,815	3,324	-	-	-	-
Capital outlay	49,712	16,547	16,546	1	-	-	-	-
Public safety:								
Other services and charges	-	-	-	-	187,377	177,377	154,631	22,746
Capital outlay	-	-	-	-	10,000	10,000	6,035	3,965
Total expenditures	488,052	456,944	431,752	25,192	197,377	187,377	160,666	26,711
Other financing sources (uses):								
Transfers in	225,000	225,000	225,000	-	-	-	-	-
Transfers out	-	-	-	-	(483)	(483)	(483)	-
Total other financing sources (uses)	225,000	225,000	225,000	-	(483)	(483)	(483)	-
Net change in fund balances	(93,852)	(62,744)	8,247	70,991	(47,860)	(37,860)	34,756	72,616
Fund balances - beginning	(2,107)	(2,107)	(2,107)	-	249,644	249,644	249,644	-
Fund balances - ending	\$ (95,959)	\$ (64,851)	\$ 6,140	\$ 70,991	\$ 201,784	\$ 211,784	\$ 284,400	\$ 72,616

CITY OF FORT WAYNE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NON-MAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Cable Television				Rainy Day Fund			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Licenses and permits	\$ 669,600	\$ 669,600	\$ 697,350	\$ 27,750	\$ -	\$ -	\$ -	\$ -
Other	50,000	50,000	50,000	-	-	-	-	-
Total revenues	<u>719,600</u>	<u>719,600</u>	<u>747,350</u>	<u>27,750</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
General government:								
Supplies	300	807	155	652	-	-	-	-
Other services and charges	728,991	816,284	803,697	12,587	-	-	-	-
Capital outlay	1,500	1,500	300	1,200	-	-	-	-
Total expenditures	<u>730,791</u>	<u>818,591</u>	<u>804,152</u>	<u>14,439</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other financing uses:								
Transfers out	<u>(45,000)</u>	<u>(45,000)</u>	<u>(45,000)</u>	<u>-</u>	<u>(965,294)</u>	<u>(965,294)</u>	<u>(965,294)</u>	<u>-</u>
Net change in fund balances	(56,191)	(143,991)	(101,802)	42,189	(965,294)	(965,294)	(965,294)	-
Fund balances - beginning	<u>281,361</u>	<u>281,361</u>	<u>281,361</u>	<u>-</u>	<u>965,294</u>	<u>965,294</u>	<u>965,294</u>	<u>-</u>
Fund balances - ending	<u>\$ 225,170</u>	<u>\$ 137,370</u>	<u>\$ 179,559</u>	<u>\$ 42,189</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF FORT WAYNE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NON-MAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	Unsafe Building				Domestic Violence			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ 245,500	\$ 245,500	\$ 245,500	\$ -	\$ -	\$ -	\$ -	\$ -
Fines and forfeits	90,000	90,000	112,213	22,213	-	-	-	-
Total revenues	<u>335,500</u>	<u>335,500</u>	<u>357,713</u>	<u>22,213</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Expenditures:								
Public safety:								
Supplies	-	-	-	-	150	150	-	150
Other services and charges	30,539	17,266	31,196	(13,930)	8,342	8,342	7,935	407
Capital outlay	401,468	161,772	389,975	(228,203)	-	-	-	-
Total expenditures	<u>432,007</u>	<u>179,038</u>	<u>421,171</u>	<u>(242,133)</u>	<u>8,492</u>	<u>8,492</u>	<u>7,935</u>	<u>557</u>
Net change in fund balances	(96,507)	156,462	(63,458)	(219,920)	(8,492)	(8,492)	(7,935)	557
Fund balances - beginning	<u>153,747</u>	<u>153,747</u>	<u>153,747</u>	<u>-</u>	<u>9,162</u>	<u>9,162</u>	<u>9,162</u>	<u>-</u>
Fund balances - ending	<u>\$ 57,240</u>	<u>\$ 310,209</u>	<u>\$ 90,289</u>	<u>\$ (219,920)</u>	<u>\$ 670</u>	<u>\$ 670</u>	<u>\$ 1,227</u>	<u>\$ 557</u>

CITY OF FORT WAYNE
 BUDGETARY COMPARISON SCHEDULES
 OTHER NON-MAJOR BUDGETED GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2005

	City Bond Redemption				Cumulative Capital Improvement			
	Budgeted Amounts		Actual	Variance Positive (Negative)	Budgeted Amounts		Actual	Variance Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Intergovernmental	\$ -	\$ -	\$ -	\$ -	\$ 829,027	\$ 829,027	\$ 915,155	\$ 86,128
Other	-	-	-	-	18	18	25,201	25,183
Total revenues	-	-	-	-	829,045	829,045	940,356	111,311
Expenditures:								
Capital outlay	-	-	-	-	1,411,580	1,378,139	1,028,130	350,009
Other financing sources (uses):								
Transfers in	1,782,500	1,782,500	1,782,500	-	-	-	-	-
Transfers out	(1,782,500)	(1,782,500)	(1,782,500)	-	(12,415)	(12,415)	(12,415)	-
Total other financing uses	-	-	-	-	(12,415)	(12,415)	(12,415)	-
Net change in fund balances	-	-	-	-	(594,950)	(561,509)	(100,189)	461,320
Fund balances - beginning	-	-	-	-	1,052,468	1,052,468	1,052,468	-
Fund balances - ending	\$ -	\$ -	\$ -	\$ -	\$ 457,518	\$ 490,959	\$ 952,279	\$ 461,320

Non-major Proprietary Funds

Enterprise Funds – used to account for the financing of services to the general public where all or most of the costs involved are financed by user charges for such services. The City maintains the following non-major enterprise funds:

Solid Waste Management – to account for the cost of collecting, disposing, and recycling of solid waste.

Civic Center Parking Garage – to account for revenues and expenses in connection with operating the Civic Center Parking Garage.

Midtowne Parking Garage – to account for operating revenues and expenses for the operation of the Midtowne Crossing Garage.

2001 Parking Garage Addition – to account for revenues and expenses in connection with the joint City and County parking facility addition.

Electric Utility – to account for lease payments from a private electric utility through the year 2010.

Yardwaste Facility – to account for the activities of the yard waste facility.

Internal Service Funds – used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the City, or to other governments, on a cost-reimbursement basis. The City maintains the following non-major internal service funds.

Group Health Insurance – to account for revenues and expenditures related to the employee medical insurance plan.

General and Auto Liability Insurance – to account for financial requirements to self-insure for general liability and automobile liability.

Worker's Compensation – to account for financial requirements to self-insure for worker's compensation liability.

Garage – to account for services rendered to maintain the City fleet of vehicles and equipment.

CITY OF FORT WAYNE
 COMBINING STATEMENT OF NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 December 31, 2005

	Solid Waste Management	Civic Center Parking Garage	Midtowne Parking Garage	2001 Parking Garage Addition	Electric Utility	Yardwaste Facility	Totals
Assets							
Current assets:							
Cash and cash equivalents	\$ 2,881,352	\$ 126,664	\$ 4,979	\$ -	\$ 1,150,011	\$ 121,285	\$ 4,284,291
Interest receivable	-	-	-	-	9,332	-	9,332
Accounts receivable (net of allowance for uncollectibles)	-	-	-	-	1,655	19,601	21,256
Miscellaneous receivable	1,150	43,046	-	-	-	-	44,196
Interfund receivable	-	-	-	-	187,553	-	187,553
Due from other funds	1,098,145	-	-	-	6	5	1,098,156
Prepaid expenses	-	3,762	-	-	-	-	3,762
Total current assets	3,980,647	173,472	4,979	-	1,348,557	140,891	5,648,546
Noncurrent assets:							
Restricted cash and cash equivalents	-	88,081	-	295,685	216,709	-	600,475
Restricted investments	-	-	-	-	27,694,020	-	27,694,020
Advance to other funds	-	-	-	-	196,087	-	196,087
Unamortized issuance cost	-	-	-	56,845	-	-	56,845
Capital assets:							
Land, improvements to land and construction in progress	-	997,802	-	-	132,607	-	1,130,409
Other capital assets (net of accumulated depreciation)	2,559,534	4,503,763	312,500	1,471,424	830,259	52,004	9,729,484
Total noncurrent assets	2,559,534	5,589,646	312,500	1,823,954	29,069,682	52,004	39,407,320
Total assets	6,540,181	5,763,118	317,479	1,823,954	30,418,239	192,895	45,055,866
Liabilities							
Current liabilities:							
Accounts payable	1,162,597	-	-	-	264	603	1,163,464
Due to other funds	-	-	-	-	4,432	3,324	7,756
Compensated absences - current portion	369	-	-	-	1,055	791	2,215
Capital lease payable - current portion	319,444	-	-	-	-	-	319,444
Revenue bonds payable - current portion	-	85,000	-	65,000	-	-	150,000
Accrued interest payable	-	3,081	-	37,550	-	-	40,631
Other current liabilities	-	-	-	-	7,266	241	7,507
Total current liabilities	1,482,410	88,081	-	102,550	13,017	4,959	1,691,017
Noncurrent liabilities:							
Compensated absences payable	-	-	-	-	1,135	851	1,986
Capital lease payable	3,380,556	-	-	-	-	-	3,380,556
Loans payable	-	1,915,000	-	-	-	-	1,915,000
Revenue bonds payable (net of discount)	-	-	-	1,510,000	-	-	1,510,000
Other noncurrent liabilities	-	-	-	-	30,894	-	30,894
Total noncurrent liabilities	3,380,556	1,915,000	-	1,510,000	32,029	851	6,838,436
Total liabilities	4,862,966	2,003,081	-	1,612,550	45,046	5,810	8,529,453
Net assets							
Invested in capital assets, net of related debt	-	3,498,484	-	(141,126)	962,866	52,004	4,372,228
Restricted for:							
Debt service	-	88,081	-	295,685	-	-	383,766
Community trust	-	-	-	-	28,303,701	-	28,303,701
Unrestricted	1,677,215	173,472	317,479	56,845	1,106,626	135,081	3,466,718
Total net assets	\$ 1,677,215	\$ 3,760,037	\$ 317,479	\$ 211,404	\$ 30,373,193	\$ 187,085	\$ 36,526,413

CITY OF FORT WAYNE
 COMBINING STATEMENT OF NET ASSETS
 INTERNAL SERVICE FUNDS
 December 31, 2005

	<u>Group Health Insurance</u>	<u>General and Auto Liability Insurance</u>	<u>Worker's Compensation</u>	<u>Garage</u>	<u>Totals</u>
<u>Assets</u>					
Current assets:					
Cash and cash equivalents	\$ 1,332,936	\$ 956,247	\$ 654,460	\$ 447,473	\$ 3,391,116
Miscellaneous receivable	56	-	38	5,676	5,770
Due from other funds	-	-	-	108,044	108,044
Inventories	-	-	-	42,512	42,512
Prepaid expenses	-	28,328	-	775	29,103
	<u>1,332,992</u>	<u>984,575</u>	<u>654,498</u>	<u>604,480</u>	<u>3,576,545</u>
Total current assets					
Noncurrent assets:					
Capital assets:					
Land, improvements to land and construction in progress	-	-	-	27,277	27,277
Other capital assets (net of accumulated depreciation)	-	-	-	680,584	680,584
	<u>-</u>	<u>-</u>	<u>-</u>	<u>680,584</u>	<u>680,584</u>
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>707,861</u>	<u>707,861</u>
Total assets	<u>1,332,992</u>	<u>984,575</u>	<u>654,498</u>	<u>1,312,341</u>	<u>4,284,406</u>
<u>Liabilities</u>					
Current liabilities:					
Accounts payable	337,228	48,591	3,523	420,557	809,899
Compensated absences - current portion	-	1,142	3,252	9,261	13,655
Accrued group insurance benefits	1,479,799	-	-	-	1,479,799
Other current liabilities	-	573,933	109,013	-	682,946
	<u>-</u>	<u>573,933</u>	<u>109,013</u>	<u>-</u>	<u>682,946</u>
Total liabilities	<u>1,817,027</u>	<u>623,666</u>	<u>115,788</u>	<u>429,818</u>	<u>2,986,299</u>
<u>Net assets</u>					
Invested in capital assets, net of related debt	-	-	-	707,861	707,861
Unrestricted	(484,035)	360,909	538,710	174,662	590,246
	<u>(484,035)</u>	<u>360,909</u>	<u>538,710</u>	<u>882,523</u>	<u>1,298,107</u>
Total net assets	<u>\$ (484,035)</u>	<u>\$ 360,909</u>	<u>\$ 538,710</u>	<u>\$ 882,523</u>	<u>\$ 1,298,107</u>

CITY OF FORT WAYNE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 NON-MAJOR ENTERPRISE FUNDS
 For The Year Ended December 31, 2005

	Solid Waste Management	Civic Center Parking Garage	Midtowne Parking Garage	2001 Parking Garage Addition	Electric Utility	Yardwaste Facility	Totals
Operating Revenues:							
Charges for goods and services	\$ 8,090,087	\$ 561,754	\$ 70,336	\$ 148,248	\$ 820	\$ 103,396	\$ 8,974,641
Leases	-	34,326	-	-	1,731,667	-	1,765,993
Total operating revenues	<u>8,090,087</u>	<u>596,080</u>	<u>70,336</u>	<u>148,248</u>	<u>1,732,487</u>	<u>103,396</u>	<u>10,740,634</u>
Operating expenses:							
Personnel services	122,595	-	-	-	-	61,388	183,983
Contractual services	6,244,085	220,714	-	-	-	8,407	6,473,206
Utilities	1,113	45,156	-	-	-	-	46,269
Administrative services	-	-	-	-	33,214	24,911	58,125
Other supplies and services	65,922	22,774	90,834	-	195,776	11,829	387,135
Insurance claims and premiums	200	5,300	-	-	-	-	5,500
Depreciation	-	342,289	12,500	40,873	201,890	6,627	604,179
Total operating expenses	<u>6,433,915</u>	<u>636,233</u>	<u>103,334</u>	<u>40,873</u>	<u>430,880</u>	<u>113,162</u>	<u>7,758,397</u>
Operating income (loss)	<u>1,656,172</u>	<u>(40,153)</u>	<u>(32,998)</u>	<u>107,375</u>	<u>1,301,607</u>	<u>(9,766)</u>	<u>2,982,237</u>
Nonoperating revenues (expenses):							
Interest and investment revenue	37,718	-	-	6,764	2,173,395	-	2,217,877
Miscellaneous revenue	36,688	-	-	-	-	-	36,688
Interest expense	-	(6,162)	-	(82,038)	-	-	(88,200)
Amortization of debt issuance costs	-	-	-	(3,553)	-	-	(3,553)
Miscellaneous expense	-	-	-	-	(23,896)	-	(23,896)
Total nonoperating revenue (expenses)	<u>74,406</u>	<u>(6,162)</u>	<u>-</u>	<u>(78,827)</u>	<u>2,149,499</u>	<u>-</u>	<u>2,138,916</u>
Income (loss) before contributions and transfers	1,730,578	(46,315)	(32,998)	28,548	3,451,106	(9,766)	5,121,153
Transfers out	(664,000)	-	-	-	(1,135,000)	-	(1,799,000)
Change in net assets	1,066,578	(46,315)	(32,998)	28,548	2,316,106	(9,766)	3,322,153
Total net assets - beginning	<u>610,637</u>	<u>3,806,352</u>	<u>350,477</u>	<u>182,856</u>	<u>28,057,087</u>	<u>196,851</u>	<u>33,204,260</u>
Total net assets - ending	<u>\$ 1,677,215</u>	<u>\$ 3,760,037</u>	<u>\$ 317,479</u>	<u>\$ 211,404</u>	<u>\$ 30,373,193</u>	<u>\$ 187,085</u>	<u>\$ 36,526,413</u>

CITY OF FORT WAYNE
 COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2005

	Group Health Insurance	General and Auto Liability Insurance	Worker's Compensation	Garage	Totals
Operating Revenues:					
Charges for goods and services	\$ -	\$ -	\$ -	\$ 5,187,008	\$ 5,187,008
City contributions	14,911,844	1,379,962	591,895	-	16,883,701
Employee contributions	1,945,748	-	-	-	1,945,748
Total operating revenues	<u>16,857,592</u>	<u>1,379,962</u>	<u>591,895</u>	<u>5,187,008</u>	<u>24,016,457</u>
Operating expenses:					
Personnel services	115,345	127,423	90,867	177,813	511,448
Contractual services	5,674	727,882	136,337	2,738,408	3,608,301
Utilities	834	922	408	21,309	23,473
Other supplies and services	5,533	6,331	6,501	1,965,100	1,983,465
Insurance claims and premiums	17,260,551	648,295	239,589	2,722	18,151,157
Depreciation	-	-	-	43,284	43,284
Total operating expenses	<u>17,387,937</u>	<u>1,510,853</u>	<u>473,702</u>	<u>4,948,636</u>	<u>24,321,128</u>
Operating income (loss)	<u>(530,345)</u>	<u>(130,891)</u>	<u>118,193</u>	<u>238,372</u>	<u>(304,671)</u>
Nonoperating revenues:					
Interest and investment revenue	-	26,873	74	-	26,947
Miscellaneous revenue	2,143	39,875	7,264	19,386	68,668
Total nonoperating revenue	<u>2,143</u>	<u>66,748</u>	<u>7,338</u>	<u>19,386</u>	<u>95,615</u>
Income (loss) before contributions and transfers	<u>(528,202)</u>	<u>(64,143)</u>	<u>125,531</u>	<u>257,758</u>	<u>(209,056)</u>
Transfers in	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,307</u>	<u>9,307</u>
Change in net assets	<u>(528,202)</u>	<u>(64,143)</u>	<u>125,531</u>	<u>267,065</u>	<u>(199,749)</u>
Total net assets - beginning	<u>44,167</u>	<u>425,052</u>	<u>413,179</u>	<u>615,458</u>	<u>1,497,856</u>
Total net assets - ending	<u>\$ (484,035)</u>	<u>\$ 360,909</u>	<u>\$ 538,710</u>	<u>\$ 882,523</u>	<u>\$ 1,298,107</u>

CITY OF FORT WAYNE
 COMBINING STATEMENT OF CASH FLOWS
 NON-MAJOR ENTERPRISE FUNDS
 For The Year Ended December 31, 2005

	Solid Waste Management	Civic Center Parking Garage	Midtowne Parking Garage	2001 Parking Garage Addition	Electric Utility	Yardwaste Facility	Totals
Cash flows from operating activities:							
Receipts from customers and users	\$ 8,116,737	\$ 564,476	\$ 77,056	\$ 148,248	\$ 242,400	\$ 106,569	\$ 9,255,486
Receipts from leases	-	-	-	-	1,731,667	-	1,731,667
Payments to suppliers	(5,639,602)	(292,846)	(90,834)	-	(230,736)	(43,125)	(6,297,143)
Payments to employees	(122,540)	-	-	-	-	(61,388)	(183,928)
Net cash provided (used) by operating activities	<u>2,354,595</u>	<u>271,630</u>	<u>(13,778)</u>	<u>148,248</u>	<u>1,743,331</u>	<u>2,056</u>	<u>4,506,082</u>
Cash flows from noncapital financing activities:							
Transfer to other funds	(664,000)	-	-	-	(1,135,000)	-	(1,799,000)
Cash flows from capital and related financing activities:							
Proceeds from capital debt	3,700,000	-	-	-	-	-	3,700,000
Acquisition and construction of capital assets	(2,559,534)	(292,300)	-	-	-	-	(2,851,834)
Principal paid on capital debt	-	(75,000)	-	(65,000)	-	-	(140,000)
Interest paid on capital debt	-	(8,881)	-	(83,248)	-	-	(92,129)
Net cash provided/(used) by capital and related financing activities	<u>1,140,466</u>	<u>(376,181)</u>	<u>-</u>	<u>(148,248)</u>	<u>-</u>	<u>-</u>	<u>616,037</u>
Cash flows from investing activities:							
Proceeds from sales and maturities of investments	-	-	-	-	14,765,265	-	14,765,265
Purchase of investments	-	-	-	-	(18,736,248)	-	(18,736,248)
Interest received	37,718	-	-	6,764	1,255,156	-	1,299,638
Net cash provided (used) by investing activities	<u>37,718</u>	<u>-</u>	<u>-</u>	<u>6,764</u>	<u>(2,715,827)</u>	<u>-</u>	<u>(2,671,345)</u>
Net increase (decrease) in cash and cash equivalents	2,868,779	(104,551)	(13,778)	6,764	(2,107,496)	2,056	651,774
Cash and cash equivalents, January 1	<u>12,573</u>	<u>319,296</u>	<u>18,757</u>	<u>288,921</u>	<u>3,474,216</u>	<u>119,229</u>	<u>4,232,994</u>
Cash and cash equivalents, December 31	<u>\$ 2,881,352</u>	<u>\$ 214,745</u>	<u>\$ 4,979</u>	<u>\$ 295,685</u>	<u>\$ 1,366,720</u>	<u>\$ 121,285</u>	<u>\$ 4,884,768</u>
Reconciliation of operating income to net cash provided (used) by operating activities:							
Operating income	\$ 1,656,172	\$ (40,153)	\$ (32,998)	\$ 107,375	\$ 1,301,607	\$ (9,766)	\$ 2,982,237
Adjustments to reconcile operating income to net cash provided (used) by operating activities:							
Nonoperating revenue	36,688	-	-	-	-	-	36,688
Depreciation expense	-	342,289	12,500	40,873	201,890	6,627	604,179
(Increase) decrease in assets:							
Miscellaneous receivable	(1,150)	(31,605)	6,720	-	241,580	3,173	218,718
Due from other funds	(8,889)	-	-	-	-	-	(8,889)
Prepaid items	-	1,099	-	-	-	-	1,099
Increase (decrease) in liabilities:							
Accounts payable	671,719	-	-	-	(1,746)	2,022	671,995
Compensated absences payable	55	-	-	-	-	-	55
Total adjustments	<u>698,423</u>	<u>311,783</u>	<u>19,220</u>	<u>40,873</u>	<u>441,724</u>	<u>11,822</u>	<u>1,523,845</u>
Net cash provided (used) by operating activities	<u>\$ 2,354,595</u>	<u>\$ 271,630</u>	<u>\$ (13,778)</u>	<u>\$ 148,248</u>	<u>\$ 1,743,331</u>	<u>\$ 2,056</u>	<u>\$ 4,506,082</u>
Noncash investing, capital and financing activities:							
Capital assets included in contracts payable	\$ -	\$ 125,060	\$ -	\$ -	\$ -	\$ -	\$ 125,060
Change in fair value of investments	-	-	-	-	(1,487,409)	-	(1,487,409)

CITY OF FORT WAYNE
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS
 For The Year Ended December 31, 2005

	Group Health Insurance	General and Auto Liability Insurance	Worker's Compensation	Garage	Totals
Cash flows from operating activities:					
Receipts from customers and users	\$ 16,895,181	\$ 1,433,183	\$ 599,121	\$ 5,194,684	\$ 24,122,170
Payments to suppliers	(16,833,050)	(1,141,838)	(383,900)	(4,691,215)	(23,050,003)
Payments to employees	(115,345)	(128,738)	(90,652)	(173,056)	(507,791)
Net cash provided (used) by operating activities	(53,214)	162,607	124,569	330,413	564,376
Cash flows from noncapital financing activities:					
Transfer from other funds	-	-	-	9,307	9,307
Cash flows from capital and related financing activities:					
Capital contributions	-	-	-	28,401	28,401
Acquisition and construction of capital assets	-	-	-	(182,596)	(182,596)
Net cash used by capital and related financing activities	-	-	-	(154,195)	(154,195)
Cash flows from investing activities:					
Interest received	-	26,873	74	-	26,947
Net increase (decrease) in cash and cash equivalents	(53,214)	189,480	124,643	185,526	446,435
Cash and cash equivalents, January 1	1,386,150	766,767	529,817	261,947	2,944,681
Cash and cash equivalents, December 31	\$ 1,332,936	\$ 956,247	\$ 654,460	\$ 447,473	\$ 3,391,116
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ (530,345)	\$ (130,891)	\$ 118,193	\$ 238,372	\$ (304,671)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:					
Nonoperating revenue	2,143	39,875	7,264	19,386	68,668
Depreciation expense	-	-	-	43,284	43,284
(Increase) decrease in assets:					
Miscellaneous receivable	35,446	13,346	(38)	(1,661)	47,093
Due from other funds	-	-	-	(10,049)	(10,049)
Inventories	-	-	-	(4,823)	(4,823)
Prepaid items	-	1	-	(775)	(774)
Increase (decrease) in liabilities:					
Accounts payable	(29,613)	2,581	(3,361)	41,922	11,530
Accrued group insurance benefits	469,155	-	-	-	469,155
Compensated absences payable	-	(1,315)	215	4,757	3,657
Other current liabilities	-	239,010	2,296	-	241,306
Total adjustments	477,131	293,498	6,376	92,041	869,047
Net cash provided (used) by operating activities	\$ (53,214)	\$ 162,607	\$ 124,569	\$ 330,413	\$ 564,376

Non-major Fiduciary Funds

Pension Trust Funds – used to report resources that are required to be held in trust for the members and beneficiaries of defined benefit pension plans. The City maintains the following non-major pension trust funds:

Fire Pension – to account for the provision of retirement and disability benefits to firefighters hired prior to May 1, 1977.

Police Pension – to account for the provision of retirement and disability benefits to police officers hired prior to May 1, 1977.

Sanitary Officers' Pension – to account for the provision of retirement and disability benefits to employees of the County Health departments.

Agency Funds – used to account for resources that are custodial in nature. They generally are amounts held by the City on behalf of third parties. The City maintains the following non-major agency funds.

FWNP Program – to account for housing rehab loans turned over to the City by Fort Wayne Neighborhood Partnership.

Allocated Expense Clearing – to account for revenues allocated from various internal funds to be expended as one unit cost.

Payroll – to account for payroll of City and City Utilities employees.

Barrett Law Regular Waivered – to account for property owner assessment receipts held by the City as agent for the repayment of related contractor Barrett Law Bonds.

CITY OF FORT WAYNE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 PENSION TRUST FUNDS
 December 31, 2005

	Pension Trust Funds			Totals
	Fire Pension	Police Pension	Sanitary Officers' Pension	
<u>Assets</u>				
Cash and cash equivalents	\$ 168,946	\$ 792,460	\$ 201,556	\$ 1,162,962
Investments at fair value:				
Participation in external investment pool	1,100,302	1,281,532	-	2,381,834
Receivables:				
Taxes	102,855	139,913	22,310	265,078
Miscellaneous	-	47	-	47
Total assets	<u>1,372,103</u>	<u>2,213,952</u>	<u>223,866</u>	<u>3,809,921</u>
<u>Liabilities</u>				
Accrued payroll and deductions	<u>34,654</u>	<u>36,646</u>	<u>2,284</u>	<u>73,584</u>
<u>Net assets</u>				
Held in trust for:				
Employees' pension benefits	<u>\$ 1,337,449</u>	<u>\$ 2,177,306</u>	<u>\$ 221,582</u>	<u>\$ 3,736,337</u>

CITY OF FORT WAYNE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS
 AGENCY FUNDS
 December 31, 2005

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	Agency Funds				
	FWNP Program	Allocated Expense Clearing	Payroll	Barrett Law Regular Waivered	Totals
<u>Assets</u>					
Cash and cash equivalents	\$ -	\$ 18,157	\$ 3,874,148	\$ 1,100	\$ 3,893,405
Investments at fair value:					
Certificates of deposit	-	-	-	6,000	6,000
Receivables:					
Intergovernmental	-	371	-	-	371
Miscellaneous	-	1,182	-	-	1,182
Loans	608,949	-	-	-	608,949
Due from other funds	-	319	-	-	319
Total assets	<u>\$ 608,949</u>	<u>\$ 20,029</u>	<u>\$ 3,874,148</u>	<u>\$ 7,100</u>	<u>\$ 4,510,226</u>
<u>Liabilities</u>					
Accounts payable	\$ 608,949	\$ 18,575	\$ -	\$ -	\$ 627,524
Accrued payroll and deductions	-	-	3,874,148	-	3,874,148
Trust payable	-	-	-	7,100	7,100
Due to other funds	-	1,454	-	-	1,454
Total liabilities	<u>\$ 608,949</u>	<u>\$ 20,029</u>	<u>\$ 3,874,148</u>	<u>\$ 7,100</u>	<u>\$ 4,510,226</u>

CITY OF FORT WAYNE
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 NON-MAJOR PENSION TRUST FUNDS
 For The Year Ended December 31, 2005

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Sanitary Officers' Pension</u>	<u>Totals</u>
<u>Additions</u>				
Contributions:				
Employer	\$ 6,046,955	\$ 7,373,867	\$ 496,453	\$ 13,917,275
Plan members	23,656	45,293	3,539	72,488
Other	872	2,282	-	3,154
Net investment income	<u>6,846</u>	<u>8,494</u>	<u>1,841</u>	<u>17,181</u>
Total additions	<u>6,078,329</u>	<u>7,429,936</u>	<u>501,833</u>	<u>14,010,098</u>
<u>Deductions</u>				
Benefits and refunds paid to plan members and beneficiaries	7,045,121	7,660,895	410,568	15,116,584
Administrative expenses	<u>17,556</u>	<u>15,124</u>	<u>2,485</u>	<u>35,165</u>
Total deductions	<u>7,062,677</u>	<u>7,676,019</u>	<u>413,053</u>	<u>15,151,749</u>
Change in net assets	(984,348)	(246,083)	88,780	(1,141,651)
Net assets - beginning	<u>2,321,797</u>	<u>2,423,389</u>	<u>132,802</u>	<u>4,877,988</u>
Net assets - ending	<u>\$ 1,337,449</u>	<u>\$ 2,177,306</u>	<u>\$ 221,582</u>	<u>\$ 3,736,337</u>

CITY OF FORT WAYNE, INDIANA
SCHEDULE OF CHANGES IN ASSETS AND LIABILITIES
NON-MAJOR AGENCY FUNDS
For The Year Ended December 31, 2005

	FWNP Program	Allocated Expense Clearing	Payroll	Barrett Law Regular Waivered	Totals
Assets:					
Cash and cash equivalents - January 1, 2005	\$ -	\$ -	\$ 3,660,700	\$ 2,398	\$ 3,663,098
Additions	27,808	1,564,222	129,585,463	426	131,177,919
Deductions	<u>(27,808)</u>	<u>(1,546,065)</u>	<u>(129,372,015)</u>	<u>(1,724)</u>	<u>(130,947,612)</u>
Cash and cash equivalents - December 31, 2005	<u>-</u>	<u>18,157</u>	<u>3,874,148</u>	<u>1,100</u>	<u>3,893,405</u>
Investments - January 1, 2005	-	-	-	5,000	5,000
Additions	-	-	-	11,000	11,000
Deductions	<u>-</u>	<u>-</u>	<u>-</u>	<u>(10,000)</u>	<u>(10,000)</u>
Investments - December 31, 2005	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,000</u>	<u>6,000</u>
Other assets - January 1, 2005	-	51,353	14,790	-	66,143
Additions	637,999	325,556	-	-	963,555
Deductions	<u>(29,050)</u>	<u>(375,037)</u>	<u>(14,790)</u>	<u>-</u>	<u>(418,877)</u>
Other assets - December 31, 2005	<u>608,949</u>	<u>1,872</u>	<u>-</u>	<u>-</u>	<u>610,821</u>
Total assets - December 31, 2005	<u><u>\$ 608,949</u></u>	<u><u>\$ 20,029</u></u>	<u><u>\$ 3,874,148</u></u>	<u><u>\$ 7,100</u></u>	<u><u>\$ 4,510,226</u></u>
Liabilities:					
Payables - January 1, 2005	\$ -	\$ 51,353	\$ 3,675,490	\$ 7,398	\$ 3,734,241
Additions	640,246	3,073,243	164,773,015	426	168,486,930
Deductions	<u>(31,297)</u>	<u>(3,104,567)</u>	<u>(164,574,357)</u>	<u>(724)</u>	<u>(167,710,945)</u>
Payables - December 31, 2005	<u>608,949</u>	<u>20,029</u>	<u>3,874,148</u>	<u>7,100</u>	<u>4,510,226</u>
Total liabilities - December 31, 2005	<u><u>\$ 608,949</u></u>	<u><u>\$ 20,029</u></u>	<u><u>\$ 3,874,148</u></u>	<u><u>\$ 7,100</u></u>	<u><u>\$ 4,510,226</u></u>

STATISTICAL SECTION



CITY OF FORT WAYNE

General Government Expenditures by Function (A)

Last Ten Years

Departmental and Modified Accrual Basis

<u>Function:</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
General Government	\$ 12,783,421	\$ 12,428,283	\$ 11,857,168	\$ 11,677,038	\$ 25,711,045
Public Safety	75,850,684	71,167,443	67,994,305	62,302,119	57,890,043
Highways, Streets, and Roads	19,297,784	20,435,369	20,842,092	18,867,710	18,012,598
Health	2,091,874	1,948,213	1,833,456	1,679,614	1,628,988
Sanitation	3,200	11,650	2,416	24,333	6,036,767
Culture and Recreation	15,699,132	17,818,095	16,148,620	16,183,009	12,903,351
Urban Redevelopment and Housing	11,543,846	8,176,225	3,092,572	3,578,450	3,581,177
Economic Opportunity	563,393	539,527	537,038	585,519	558,060
Economic Development	3,011,176	2,989,073	3,185,647	2,704,968	2,708,885
Capital Outlays	24,634,068	15,721,064	26,778,874	35,097,784	19,668,950
Debt Service	11,307,743	9,369,918	13,694,673	9,618,345	9,915,073
Total	\$ 176,786,321	\$ 160,604,860	\$ 165,966,861	\$ 162,318,889	\$ 158,614,937

<u>Function:</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
General Government	\$ 18,048,479	\$ 19,640,378	\$ 16,711,810	\$ 19,000,840	\$ 16,645,427
Public Safety	53,724,863	51,545,285	52,038,539	48,019,327	43,277,723
Highways, Streets, and Roads	18,832,618	17,764,056	16,812,844	14,698,225	12,544,863
Health	1,449,097	1,265,809	1,200,994	1,156,904	1,077,111
Sanitation	5,642,778	5,244,475	5,324,887	4,813,290	4,342,236
Culture and Recreation	11,988,866	11,197,462	11,166,277	11,541,996	10,290,632
Urban Redevelopment and Housing	4,122,015	4,245,232	3,526,221	3,941,635	4,290,186
Economic Opportunity	533,693	514,742	457,458	387,937	363,883
Economic Development	2,693,780	3,232,323	3,217,895	3,400,491	2,986,801
Capital Outlays	12,835,090	12,767,823	10,068,841	12,963,624	10,700,800
Debt Service	7,136,400	5,999,313	5,292,573	6,616,092	6,338,469
Total	\$ 137,007,679	\$ 133,416,898	\$ 125,818,339	\$ 126,540,361	\$ 112,858,131

(A) Includes General, Special Revenue, Debt Service, and Capital Project Funds.

CITY OF FORT WAYNE

General Government Revenues by Source (A)

Last Ten Years

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Revenue Item:					
Taxes Based on Property	\$ 85,687,709	\$ 98,455,116	\$ 56,251,780	\$ 68,860,634	\$ 60,667,256
Taxes Based on Income	29,818,700	26,308,722	28,190,608	35,475,098	42,711,538
Licenses and Permits	2,551,928	2,518,200	2,512,925	2,355,775	2,376,153
Revolving Barrett Assessment	884,628	1,467,452	1,882,144	2,631,391	2,527,761
Intergovernmental Revenues	21,293,218	16,030,237	17,306,137	19,230,444	19,995,433
Charges for Services	11,588,833	8,934,918	9,556,261	9,827,560	16,516,981
Fines, Violations and Forfeits	1,782,439	1,835,584	1,776,651	1,684,280	1,315,150
Miscellaneous Revenues	7,922,217	5,478,327	8,380,963	4,810,585	6,883,953
Total	\$ 161,529,672	\$ 161,028,556	\$ 125,857,469	\$ 144,875,766	\$ 152,994,225

	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Revenue Item:					
Taxes Based on Property	\$ 59,651,293	\$ 56,406,911	\$ 56,406,911	\$ 54,869,202	\$ 48,171,549
Taxes Based on Income	26,250,470	17,144,210	17,144,210	14,769,633	15,170,614
Licenses and Permits	2,243,689	2,189,976	1,949,428	1,659,642	1,673,773
Revolving Barrett Assessment	2,114,046	1,578,484	1,495,543	999,231	1,093,951
Intergovernmental Revenues	23,651,301	21,397,227	20,110,051	19,349,389	18,187,639
Charges for Services	15,841,217	14,828,674	13,792,941	16,851,986	15,356,919
Fines, Violations and Forfeits	1,361,492	1,234,866	1,341,878	1,100,203	947,996
Miscellaneous Revenues	8,311,837	7,254,937	6,053,295	8,538,116	8,714,223
Total	\$ 139,425,345	\$ 122,035,285	\$ 118,294,257	\$ 118,137,402	\$ 109,316,664

(A) Includes General, Special Revenue, Debt Service, and Capital Project Funds.

CITY OF FORT WAYNE

Tax Revenues by Source and Tax Base (A)

Last Ten Years

	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
<u>Taxes Based on Property:</u>					
General Property Taxes (B)	\$ 77,055,981	\$ 90,767,526	\$ 47,977,202	\$ 60,762,061	\$ 53,055,807
Excise Tax	6,072,381	5,087,183	5,740,641	5,574,784	5,162,619
Wheel Tax	1,837,641	1,853,777	1,760,953	1,797,636	1,796,199
Financial Institutions Tax	721,706	746,630	772,984	726,151	652,631
Subtotal: Property Taxes	<u>\$ 85,687,709</u>	<u>\$ 98,455,116</u>	<u>\$ 56,251,780</u>	<u>\$ 68,860,631</u>	<u>\$ 60,667,256</u>
<u>Taxes Based on Income:</u>					
County Option Income Tax	\$ 13,611,847	\$ 10,478,580	\$ 10,703,146	\$ 13,438,524	\$ 17,548,884
County Econ. Dev. Income Tax (C)	16,206,853	15,830,142	17,487,462	22,036,574	25,162,654
Subtotal: Income Taxes	<u>\$ 29,818,700</u>	<u>\$ 26,308,722</u>	<u>\$ 28,190,608</u>	<u>\$ 35,475,098</u>	<u>\$ 42,711,538</u>
<u>Taxes Based on Consumption:</u>					
No existing consumption taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	<u>\$ 115,506,409</u>	<u>\$ 124,763,838</u>	<u>\$ 84,442,388</u>	<u>\$ 104,335,728</u>	<u>\$ 103,378,794</u>
<u>Percent of Total by Tax Base:</u>					
Property	74.18%	78.91%	66.62%	66.00%	58.68%
Income	25.82%	21.09%	33.38%	34.00%	41.32%
Consumption	0.00%	0.00%	0.00%	0.00%	0.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>
	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
<u>Taxes Based on Property:</u>					
General Property Taxes (B)	\$ 51,365,910	\$ 52,455,541	\$ 49,436,025	\$ 49,059,032	\$ 42,694,048
Excise Tax	4,446,293	4,640,148	4,583,120	3,491,463	3,147,315
Wheel Tax	1,747,459	1,832,232	1,685,152	1,591,252	1,596,429
Financial Institutions Tax	670,365	723,372	702,614	727,455	733,757
Subtotal: Property Taxes	<u>\$ 58,230,027</u>	<u>\$ 59,651,293</u>	<u>\$ 56,406,911</u>	<u>\$ 54,869,202</u>	<u>\$ 48,171,549</u>
<u>Taxes Based on Income:</u>					
County Option Income Tax	\$ 11,263,966	\$ 10,303,279	\$ 9,871,928	\$ 8,076,933	\$ 8,970,603
County Econ. Dev. Income Tax (C)	17,668,570	15,947,191	7,272,282	6,692,700	6,200,011
Subtotal: Income Taxes	<u>\$ 28,932,536</u>	<u>\$ 26,250,470</u>	<u>\$ 17,144,210</u>	<u>\$ 14,769,633</u>	<u>\$ 15,170,614</u>
<u>Taxes Based on Consumption:</u>					
No existing consumption taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Grand Total	<u>\$ 87,162,563</u>	<u>\$ 85,901,763</u>	<u>\$ 73,551,121</u>	<u>\$ 69,638,835</u>	<u>\$ 63,342,163</u>
<u>Percent of Total by Tax Base:</u>					
Property	66.81%	69.44%	76.69%	78.79%	76.05%
Income	33.19%	30.56%	23.31%	21.21%	23.95%
Consumption	0.00%	0.00%	0.00%	0.00%	0.00%
Total	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>	<u>100.00%</u>

(A) Includes General, Special Revenue, Debt Service, Capital Project, and Expendable Trust Funds; does not include taxes supporting Pension funds.

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

(C) The first revenue from the County Economic Development Income Tax was received in June of 1994. The tax was effective July 1, 1993.

CITY OF FORT WAYNE

Allen County

Property Tax Levies and Collections

Last Ten Years (A)

<u>Tax Collections Measurement:</u>	<u>2005</u>	<u>2004</u>	<u>2003</u>	<u>2002</u>	<u>2001</u>
Total Tax Levy	\$ 404,939,852	\$ 392,189,991	\$ 352,474,267	\$ 343,127,157	\$ 308,115,752
Current Tax Collections	\$ 392,526,880	\$ 377,612,575	\$ 341,253,361	\$ 324,143,475	\$ 306,771,546
Percent of Levy Collected	96.93%	96.28%	96.82%	94.47%	99.56%
Delinquent Tax Collections (A)	\$ 6,754,184	\$ 4,320,258	\$ 10,779,907	\$ 10,442,943	\$ 11,186,590
Total Tax Collections	\$ 399,281,064	\$ 381,932,833	\$ 352,033,268	\$ 334,586,418	\$ 317,958,136
Percent of Total Tax Collections to Levy	98.60%	97.38%	99.87%	97.51%	103.19%
Outstanding Delinquent Taxes	\$ 16,878,058	\$ 22,056,911	\$ 14,866,299	\$ 16,300,389	\$ 13,378,002
Percent of Delinquent Taxes to Levy	4.17%	5.62%	4.22%	4.75%	4.34%

<u>Tax Collections Measurement:</u>	<u>2000</u>	<u>1999</u>	<u>1998</u>	<u>1997</u>	<u>1996</u>
Total Tax Levy	\$ 300,888,833	\$ 298,675,890	\$ 290,175,549	\$ 279,745,476	\$ 267,705,753
Current Tax Collections	\$ 297,308,400	\$ 291,497,902	\$ 287,919,723	\$ 276,816,607	\$ 255,058,209
Percent of Levy Collected	98.81%	97.60%	99.22%	98.95%	95.28%
Delinquent Tax Collections (A)	\$ 11,253,948	\$ 9,043,097	\$ 8,448,399	\$ 10,755,978	\$ 8,069,516
Total Tax Collections	\$ 308,562,348	\$ 300,540,999	\$ 296,368,122	\$ 287,572,585	\$ 263,127,725
Percent of Total Tax Collections to Levy	102.55%	100.62%	102.13%	102.80%	98.29%
Outstanding Delinquent Taxes	\$ 13,119,784	\$ 13,339,890	\$ 11,020,067	\$ 10,358,645	\$ 11,910,180
Percent of Delinquent Taxes to Levy	4.36%	4.47%	3.80%	3.70%	4.45%

(A) The City of Fort Wayne does not maintain records of tax delinquencies. All taxes are collected and distributed by the Allen County Auditor.

CITY OF FORT WAYNE

Assessed and Estimated Actual Value of Taxable Property

Last Ten Years

<u>Year (A)</u>	<u>Assessed Valuation (B)</u>	<u>Estimated Actual Value (C)</u>	<u>Percent Increase (D)</u>
2005	\$ 7,479,525,039	\$ 7,479,525,039	-5.48%
2004	7,913,564,614	7,913,564,614	6.49%
2003	7,431,358,261	7,431,358,261	32.55%
2002	5,606,420,503	5,606,420,503	8.32%
2001	1,725,238,130	5,175,714,390	1.13%
2000	1,705,890,178	5,117,670,534	1.75%
1999	1,676,552,465	5,029,657,395	5.59%
1998	1,587,789,669	4,763,369,007	1.03%
1997	1,571,566,717	4,714,700,151	1.27%
1996	1,551,795,557	4,655,386,671	15.64%

Average Annual Rate of Increase

5.41%

- (A) A reassessment was completed in 1995 that is reflected in the values for 1996 - 2002.
A reassessment was completed in 2002 that is reflected in the values for 2003 - 2005.
- (B) Assessed values for personal property are updated annually.
- (C) For the years 1996 - 2001, actual value is estimated at 3 times assessed value. For the years 2002 - 2005, assessed value reflects actual value.
- (D) Change in assessed valuation.

CITY OF FORT WAYNE

Property Tax Rates and Tax Levies Direct and Overlapping Governments

Last Ten Years

Fort Wayne	2005	2004	2003	2002	2001
Rates per \$100 of assessed valuation (A):					
City of Fort Wayne (B)	\$ 1.0460	\$ 0.9421	\$ 0.8846	\$ 1.1100	\$ 3.3301
Municipal corporations	0.2206	0.2007	0.2026	0.2658	0.6503
School districts	1.4078	1.4306	1.2566	1.6064	4.7796
Allen County	0.5452	0.4746	0.4229	0.5685	1.7948
State of Indiana	0.0235	0.0223	0.0224	0.0292	0.0881
Townships and other	0.1267	0.0747	0.0757	0.0966	0.3192
Totals	\$ 3.3698	\$ 3.1450	\$ 2.8648	\$ 3.6765	\$ 10.9621
Property Tax Dollar Levies:					
City of Fort Wayne	\$ 78,235,832	\$ 70,464,605	\$ 65,737,795	\$ 62,231,268	\$ 57,452,155
Municipal corporations	16,499,832	15,011,407	15,055,932	14,901,866	11,219,224
School districts	105,296,753	107,002,085	93,382,448	90,061,539	82,459,482
Allen County	40,778,371	35,497,826	31,427,214	31,872,501	30,964,574
State of Indiana	1,757,688	1,667,934	1,664,624	1,637,075	1,519,935
Townships and other	9,476,558	5,587,205	5,625,538	5,415,802	5,506,960
Totals	\$ 252,045,035	\$ 235,231,062	\$ 212,893,551	\$ 206,120,050	\$ 189,122,329
Fort Wayne	2000 (C)	1999	1998	1997	1996
Rates per \$100 of assessed valuation (A):					
City of Fort Wayne (B)	\$ 3.3303	\$ 3.3459	\$ 3.3484	\$ 3.2898	\$ 2.9798
Municipal corporations	0.6465	0.6429	0.6453	0.6198	0.5964
School districts	4.7739	4.7493	4.8661	5.0260	5.0107
Allen County	1.6881	1.7122	1.6130	1.1501	1.0833
State of Indiana	0.0879	0.1600	0.1577	0.6113	0.6117
Townships and other	0.3393	0.3014	0.2461	0.2317	0.2196
Totals	\$ 10.8660	\$ 10.9117	\$ 10.8766	\$ 10.9287	\$ 10.5015
Property Tax Dollar Levies:					
City of Fort Wayne	\$ 56,811,261	\$ 56,095,769	\$ 52,416,662	\$ 51,304,147	\$ 46,134,931
Municipal corporations	11,028,580	10,778,556	32,456,379	9,740,571	9,254,909
School districts	81,437,491	79,624,506	244,748,158	78,986,943	77,755,820
Allen County	28,797,132	28,705,931	81,128,374	18,074,589	16,810,601
State of Indiana	1,499,477	2,682,484	7,931,770	9,606,987	9,492,333
Townships and other	5,788,085	5,053,129	12,377,987	3,641,320	3,407,743
Totals	\$ 185,362,027	\$ 182,940,375	\$ 431,059,330	\$ 171,354,557	\$ 162,856,337

(A) Municipal corporations, school districts, and townships and other figures used represent citywide averages.

Sources: Allen County Auditor's Office and the various governmental units.

(B) Obtained from the Budget Order from Fort Wayne Civil City.

(C) 2000 Property Tax Dollar Levies numbers were based off of an incorrect assessed value. Corrected in 2001.

Note: Assessed value

From: published rates for Wayne Township

City of Fort Wayne
Ration of Net General Bonded Debt to Assessed Value
And Net Bonded Debt Per Capita

Last Ten Years

Civil City:

Fiscal Year	Population (B)	Assessed Value (A)	Gross General Obligation Debt	Less: Funds Restricted for Debt Service	Net General Obligation Debt	Ratio of Net Debt to Assessed Value	Net Debt per Capita
2005	224,913	\$ 7,479,525,039	\$ 45,490,000	\$ 5,460,000	\$ 40,030,000	0.54%	178
2004	221,479	7,913,564,614	25,230,000	4,740,000	20,490,000	0.26%	93
2003	220,486	7,431,358,261	30,350,000	6,320,913	24,029,087	0.32%	109
2002*	210,439	5,606,420,503	39,270,000	4,620,000	34,650,000	0.62%	165
2001*	210,393	1,725,238,130	28,495,000	3,340,000	25,155,000	1.46%	120
2000	205,727	1,705,890,178	14,650,000	2,655,000	11,995,000	0.70%	58
1999	195,680	1,676,552,465	17,920,000	3,270,000	14,650,000	0.87%	75
1998	195,680	1,587,789,669	9,380,000	3,475,000	5,905,000	0.37%	30
1997	195,680	1,571,566,717	12,690,000	3,310,000	9,380,000	0.60%	48
1996	195,680	1,551,795,557	16,985,000	4,295,000	12,690,000	0.82%	65

Park District:

Fiscal Year	Population (B)	Assessed Value (A)	Gross General Obligation Debt	Less: Funds Restricted for Debt Service	Net General Obligation Debt	Ratio of Net Debt to Assessed Value	Net Debt per Capita
2005	224,913	\$ 7,345,576,671	\$ 13,670,000	\$ 185,000	\$ 13,485,000	0.18%	60
2004	221,479	7,764,795,494	3,850,000	180,000	3,670,000	0.05%	17
2003	220,486	7,280,831,511	6,570,000	1,725,000	4,845,000	0.07%	22
2002*	210,439	5,467,405,614	7,835,000	1,265,000	6,570,000	0.12%	31
2001*	210,393	1,682,168,100	8,985,000	1,150,000	7,835,000	0.47%	37
2000	205,727	1,660,970,898	10,050,000	1,065,000	8,985,000	0.54%	44
1999	195,680	1,628,633,810	10,900,000	850,000	10,050,000	0.62%	51
1998	195,680	1,541,575,731	7,175,000	775,000	6,400,000	0.42%	33
1997	195,680	1,534,982,864	7,875,000	700,000	7,175,000	0.47%	37
1996	195,680	1,516,019,426	8,525,000	650,000	7,875,000	0.52%	40

Redevelopment District: (C)

Fiscal Year	Population (B)	Assessed Value (A)	Gross General Obligation Debt	Less: Funds Restricted for Debt Service	Net General Obligation Debt	Ratio of Net Debt to Assessed Value	Net Debt per Capita
2005	224,913	\$ 7,479,525,039	\$ 24,055,000	\$ 860,000	\$ 23,195,000	0.31%	103
2004	221,479	7,915,644,014	4,870,000	815,000	4,055,000	0.05%	18
2003	220,486	7,431,358,261	5,620,000	-	5,620,000	0.08%	25
2002*	210,439	5,606,420,503	6,315,000	-	6,315,000	0.11%	30
2001*	210,393	1,725,238,130	7,755,000	-	7,755,000	0.45%	37
2000	205,727	1,705,890,178	10,390,000	-	10,390,000	0.61%	51
1999	195,680	1,676,552,465	-	-	-	0.00%	-
1998	195,680	1,587,789,669	-	-	-	0.00%	-
1997	195,680	1,571,566,717	-	-	-	0.00%	-
1996	195,680	1,551,795,557	360,000	360,000	-	0.00%	-

Totals:

Fiscal Year	Population (B)	Assessed Value (A)	Gross General Obligation Debt	Less: Funds Restricted for Debt Service	Net General Obligation Debt	Ratio of Net Debt to Assessed Value	Net Debt per Capita
2005	224,913	\$ 22,304,626,749	\$ 83,215,000	\$ 6,505,000	\$ 76,710,000	0.34%	341
2004	221,479	23,594,004,122	33,950,000	5,735,000	28,215,000	0.12%	127
2003	220,486	22,143,548,033	42,540,000	8,045,913	34,494,087	0.16%	156
2002*	210,439	16,680,246,620	53,420,000	5,885,000	47,535,000	0.28%	226
2001*	210,393	5,132,644,360	45,235,000	4,490,000	40,745,000	0.79%	194
2000	205,727	5,072,751,254	35,090,000	3,720,000	31,370,000	0.62%	152
1999	195,680	4,981,738,740	28,820,000	4,120,000	24,700,000	0.50%	126
1998	195,680	4,717,155,069	16,555,000	4,250,000	12,305,000	0.26%	63
1997	195,680	4,678,116,298	20,565,000	4,010,000	16,555,000	0.35%	85
1996	195,680	4,619,610,540	25,870,000	5,305,000	20,565,000	0.45%	105

* Revised from previous years

- (A) The assessed value for real property for 1995 represent 1989 values. A reassessment was completed in 1995 that is reflected in values for 1996 - 2002. Another reassessment was completed in 2002 that is reflected in the values for 2003 - 2004. Beginning in 2002, property tax rates are calculated using the new assessed valuation. To compare with past property rates, (prior to 2002), multiply rates by 3.
- (B) Population numbers for years 2001 through 2005 were derived from the 2000 census. The increases in 1996, and 2001 through 2005 were the result of additions due to annexations.
- (C) Redevelopment does not include TIF bonds.

City of Fort Wayne
Direct and Overlapping Bonded Debt and Bonding Limit
At December 31, 2005 (1) (8)

Governmental Unit	Net Assessed Valuation/Adjusted Value (5) (a)	Bonding Limit [(a/3)*b=d]		Bonds Outstanding	
		Percent (b)	Amount (d)		
DIRECT DEBT:					
City of Fort Wayne	\$ 7,479,525,039	(3)	2.00%	\$ 49,863,500	\$ 45,490,000
Park District	\$ 7,345,576,671		2.00%	\$ 48,970,511	\$ 13,670,000
Redevelopment District	\$ 7,479,525,039	(7)			
General Obligation			2.00%	\$ 49,863,500	\$ 24,055,000
Total General Obligation Debt	\$ 22,304,626,749			\$ 148,697,511	\$ 83,215,000
OVERLAPPING DEBT:					
Municipal Corporations:					
Airport Authority	\$ 13,932,934,665		2.00%	\$ 92,886,231	\$ -
Allen County Public Library	\$ 13,932,934,665	(4)	2.00%	\$ 168,441,231	\$ 73,010,000
Public Transportation Corporation	\$ 8,126,254,989		2.00%	\$ 54,175,033	\$ -
Fort Wayne Fire District	\$ 7,336,567,529	(2)	2.00%	\$ 48,910,450	\$ -
Convention and Tourism Authority	\$ 13,932,934,665	(2)		\$ -	\$ -
Southwest Fire District	\$ 689,310,675		2.00%	\$ 4,595,405	\$ -
New Haven Park District	\$ 676,410,828		2.00%	\$ 4,509,406	\$ -
New Haven Annex	\$ -		2.00%	\$ -	\$ -
Total municipal corporations				\$ 373,517,756	\$ 73,010,000
Allen County	\$ 13,932,934,665	(6)	2.00%	\$ 176,969,871	\$ 100,449,640
School Districts:					
Southwest Allen School District	\$ 2,523,718,712	(4)	2.00%	\$ 117,459,791	\$ 100,635,000
East Allen School District	2,327,100,124	(4)	2.00%	71,664,001	56,150,000
Fort Wayne Community Schools	7,563,850,649	(4)	2.00%	159,890,671	109,465,000
Northwest Allen School District	1,518,265,180	(4)	2.00%	113,796,768	103,675,000
Total School Districts	\$ 13,932,934,665			\$ 462,811,231	\$ 369,925,000
Other Cities and Towns:					
Grabill	\$ 36,762,386		2.00%	\$ 245,083	\$ -
Huntertown	140,955,730		2.00%	939,705	-
Leo/Cedarville	113,830,910		2.00%	758,873	-
Monroeville	24,578,779		2.00%	163,859	-
New Haven	475,180,910	(4)	2.00%	7,032,873	3,865,000
Woodburn	30,248,150		2.00%	201,654	-
Zanesville	3,018,900		2.00%	20,126	-
Total Other Cities and Towns	\$ 824,575,765			\$ 9,362,172	\$ 3,865,000
Townships:					
Aboite	\$ 2,208,994,862		2.00%	\$ 14,726,632	\$ 1,302,459,000
Adams	934,173,378	(4)	2.00%	6,227,823	-
Cedar Creek	502,016,606		2.00%	3,346,777	-
Eel River	163,316,410		2.00%	1,088,776	-
Jackson	43,117,030		2.00%	287,447	-
Jefferson	133,588,903		2.00%	890,593	-
Lafayette	314,723,850		2.00%	2,098,159	-
Lake	93,079,620		2.00%	620,531	-
Madison	83,188,840		2.00%	554,592	46,920
Marion	133,751,280		2.00%	891,675	-
Maumee	85,264,470		2.00%	568,430	109,322
Milan	199,633,958		2.00%	1,330,893	-
Monroe	64,152,759		2.00%	427,685	-
Perry	1,261,869,150		2.00%	8,412,461	-
Pleasant	197,160,470		2.00%	1,314,403	-
Scipio	23,033,990		2.00%	153,560	-
Springfield	143,791,720	(4)	2.00%	958,611	475,000
St. Joseph	2,294,138,094		2.00%	15,294,254	-
Washington	2,268,428,568		2.00%	15,256,190	-
Wayne	2,765,510,707		2.00%	18,436,738	466,668
Total Townships	\$ 13,932,934,665			\$ 92,886,231	\$ 2,400,369
Total Overlapping Debt					\$ 549,650,009
Total Direct and Overlapping Debt					\$ 632,865,009

- (1) Excludes all revenue bonds not payable from ad valorem property taxes.
- (2) No bonding authority.
- (3) 2% statutory limit on debt for Park Districts (included in the City of Fort Wayne). No limit on Redevelopment Districts for tax increment bonds.
- (4) The statutory 2% limit on the debt of a municipal corporation does not apply to any debt that is incurred by a building corporation for constructing facilities to be leased to a municipal corporation at a payment level that will at least cover the corporation's annual debt service requirement. The bonding limit shown is the sum of the statutory limit plus the outstanding building corporation debt.
- (5) The assessed valuation numbers represent amounts certified to the Department of Local Government Finance as of January 1, 2004. The adjusted value is determined by dividing the net assessed valuation by 3. Bonding limit is calculated by multiplying the adjusted value by 2%.
- (6) Includes debt payable from Food and Beverage Tax. The bonding limit shown is the sum of the statutory limit plus the outstanding debt payable by the Food and Beverage Tax.
- (7) Tax increment bonds are not payable from the full faith and credit of the Redevelopment District.
- (8) Source: Allen County Auditor's Office.

City of Fort Wayne

**Computation of Legal Debt Margin (A)
At December 31, 2005**

<u>Taxing District:</u>	<u>Assessed Value (B)</u>	<u>Adjusted Value (C)</u>	<u>Debt Limit Percentage</u>	<u>Debt Limit</u>	<u>Bonds Outstanding</u>	<u>Subtotal</u>	<u>Plus Amount Available in Debt Service Fund</u>	<u>Legal Debt Margin</u>
Civil City	\$ 7,479,525,039	\$ 2,493,175,013	2%	\$ 49,863,500	\$ 45,490,000	\$ 4,373,500	\$ 5,460,000	\$ 9,833,500
Redevelopment District	7,479,525,039	2,493,175,013	2%	49,863,500	24,055,000	25,808,500	860,000	26,668,500
Fire District	7,336,567,529	2,445,522,510	(D)	-	-	-	-	-
Park District	7,345,576,671	2,448,525,557	2%	48,970,511	13,670,000	35,300,511	185,000	35,485,511

- (A) Excludes revenue bonds not payable from ad valorem taxes.
- (B) Represents the March 1, 2004, Allen County Auditor's "certified abstract" assessment for taxes due and payable in 2005.
- (C) Adjusted value is determined by dividing the net assessed valuation by 3. Bonding limit is calculated by multiplying adjusted value by 2%.
- (D) The Fire District has no bonding authority under current Indiana statutes.

**City of Fort Wayne
Ratio of Annual Debt Service Expenditures
Fort General Obligation Bonded Debt to
Total Governmental Expenditures**

Last Ten Years

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>(A) Total General Expenditures</u>	<u>Ratio of Debt Service to General Expenditures</u>
2005	\$ 995,000	\$ 436,923	\$ 1,431,923	\$ 176,786,321	0.81%
2004	3,960,000	597,958	4,557,958	160,604,860	2.84%
2003	2,420,000	738,641	3,158,641	159,311,888	1.98%
2002	3,025,000	888,609	3,913,609	162,318,889	2.41%
2001	4,115,000	1,185,837	5,300,837	158,614,937	3.34%
2000	1,890,000	963,715	2,853,715	137,007,679	2.08%
1999	1,855,000	1,127,248	2,982,248	133,416,898	2.24%
1998	1,515,000	1,260,227	2,775,227	125,818,339	2.21%
1997	2,890,000	1,454,198	4,344,198	126,540,361	3.43%
1996	2,420,000	1,641,653	4,061,653	112,858,131	3.60%
Average					2.49%

(A) Includes General, Special Revenue, Debt Service, Capital Project and Expendable Trust Funds.

City of Fort Wayne
Schedule of Water and Sewer Bond Requirements
Last Ten Years

<u>Water Utility</u>									
<u>Year</u>	(A) Net Revenue Available for Debt Service		<u>Debt Service Requirements</u>			<u>Coverage</u>			
			<u>Principal</u>	<u>Interest</u>	<u>Total</u>				
2005	\$	8,206,577	\$	2,075,000	\$	973,056	\$	3,048,056	269%
2004		7,314,764		2,130,000		515,373		2,645,373	277%
2003		7,622,561		2,110,000		517,231		2,627,231	290%
2002		9,276,697		2,955,000		552,035		3,507,035	265%
2001		7,850,111		3,100,000		802,008		3,902,008	201%
2000		8,463,854		2,965,000		944,823		3,909,823	216%
1999		8,482,934		2,825,000		1,076,820		3,901,820	217%
1998		7,966,310		2,620,000		1,194,105		3,814,105	209%
1997		7,572,431		2,530,000		1,112,958		3,642,958	208%
1996		7,906,188		2,235,000		1,069,278		3,304,278	239%
Averages									239%

<u>Wastewater Utility</u>									
<u>Year</u>	(A) Net Revenue Available for Debt Service		<u>Debt Service Requirements</u>			<u>Coverage</u>			
			<u>Principal</u>	<u>Interest</u>	<u>Total</u>				
2005	\$	15,922,422	\$	5,968,499	\$	3,132,126	\$	9,100,625	175%
2004		13,968,738		4,966,886		4,713,613		9,680,499	144%
2003		14,035,287		3,329,602		4,125,789		7,455,391	188%
2002		16,384,085		3,128,349		3,420,113		6,548,462	250%
2001		17,137,045		2,817,370		3,547,003		6,364,373	269%
2000		11,019,040		2,641,537		3,759,929		6,401,466	172%
1999		12,171,964		2,625,096		3,574,972		6,200,068	196%
1998		11,090,699		1,617,371		2,827,557		4,444,928	250%
1997		7,629,888		1,342,728		2,393,043		3,735,771	204%
1996		5,732,254		1,621,792		2,123,830		3,745,622	153%
Averages									200%

(A) Net revenue available for debt service includes operating revenues less operations and maintenance expenses and taxes plus interest income less contributions in lieu of property taxes.

City of Fort Wayne

Schedule of Largest Water and Wastewater Customers

Water Utility

<u>Customer</u>	<u>2005 (ccf) Consumption</u>	<u>2005 Revenues</u>	<u>Percent of Total Revenue</u>
NEW HAVEN MUNICIPAL	595,415	\$ 547,197	2.20%
GENERAL MOTORS	345,005	75,805	0.31%
CANTERBURY GREEN APARTMENTS	137,428	149,115	0.60%
DANA CORP	131,048	139,122	0.56%
EDY'S GRAND ICE CREAM	78,565	81,685	0.33%
Total percentage for 5 largest customers			3.99%

Wastewater Utility

<u>Customer</u>	<u>2005 (ccf) Consumption</u>	<u>2005 Revenues</u>	<u>Percent of Total Revenue</u>
CITY OF NEW HAVEN	796,411	\$ 704,758	2.29%
GENERAL MOTORS	303,399	606,624	1.97%
LEO-CEDARVILLE RSD	196,396	233,519	0.76%
TOWN OF HUNTERTOWN	195,647	249,430	0.81%
UTILITY CENTER - PINE VALLEY	161,952	352,174	1.14%
Total percentage for 5 largest customers			6.97%

City of Fort Wayne
Property Value, Construction, and Bank Deposits
Last Ten Years

159

Year	Residential Building Permits (1)		Commercial Building Permits		Total Fort Wayne Building Permits			Bank Deposits (2)	Property Value (3)
	Number of Permits Issued	Estimated Actual Property Value	Number of Permits Issued	Estimated Actual Property Value	Number of Permits Issued	Estimated Actual Property Value	Average Building Cost		
2005	2,668	\$ 61,332,593	885	\$ 164,568,401	3,553	\$ 225,900,994	\$ 63,580	*	\$ 7,479,525,039
2004	3,009	58,427,331	903	225,720,791	3,912	284,148,122	72,635	*	7,913,564,614
2003	3,155	62,421,375	901	138,998,988	4,056	201,420,363	49,660	*	7,431,358,261
2002	3,574	56,753,294	860	108,893,593	4,434	165,646,887	37,358	*	5,606,420,503
2001	1,311	58,877,225	768	133,508,576	2,079	192,385,801	92,538	*	5,175,714,390
2000	1,063	37,691,939	803	172,513,485	1,866	210,205,424	112,650	*	5,117,670,534
1999	1,154	38,118,701	802	124,687,545	1,956	162,806,246	83,234	*	5,029,657,395
1998	1,296	42,625,925	871	117,243,151	2,167	159,869,076	73,774	*	4,763,369,007
1997	1,142	39,320,748	834	139,253,329	1,961	179,574,077	91,573	2,982,809,000	4,714,700,151
1996	1,131	27,001,399	732	80,182,861	1,863	107,184,260	57,533	3,015,000,000	4,655,386,671

(1) Residential repair and wrecking permits not included. Source: Allen County Building Department.

(2) Source: Community Research Institute - Indiana University-Purdue University at Fort Wayne.

(3) Beginning in 2002, the property value is actual; the property value for 2001 and prior is estimated actual value, i.e., assessed valuation times three.

* This information is no longer available.

City of Fort Wayne
Principal Taxpayers and Employers
December 31, 2005

<u>Principal Taxpayers</u>	<u>Type of Business</u>	<u>2005 Net (A) Assessed Valuation</u>	<u>% of Total</u>
1.) GGP-Glenbrook LLC	Property Development	\$ 114,744,010	1.53%
2.) Verizon North Inc	Utility - Telecommunications	85,626,540	1.14%
3.) Indiana Michigan Power	Utility - Gas	61,724,280	0.83%
4.) Regency Canterbry	Property Development	54,235,460	0.73%
5.) Verizon Data Services	Utility - Telecommunications	50,962,740	0.68%
6.) St. Joe Health System	Hospital	49,184,450	0.66%
7.) Sommerfeld Nicholas	Property Development	48,964,800	0.65%
8.) Rose Edward Development	Property Development	43,023,770	0.58%
9.) General Electric Co	Manufacturing	41,575,020	0.56%
10.) Jefferson Pointe Development	Property Development	41,322,530	0.55%
Total of Top Ten Taxpayers		<u>\$ 591,363,600</u>	<u>7.91%</u>

<u>Principal Employers</u>	<u>Type of Business</u>	<u>Employees</u>	<u>% of Total (B)</u>
1.) Parkview Health System	Not-for-profit Hospital	4,254	2.49%
2.) Fort Wayne Community Schools	School Corporation	3,445	2.02%
3.) Lutheran Health Network	Not-for-profit Hospital	2,889	1.69%
4.) General Motors Truck & Bus Group	Manufacturing-Automotive	2,847	1.67%
5.) Allen County Government	Government	1,993	1.17%
6.) City of Fort Wayne	Government	1,671	0.98%
7.) ITT Corp	Manufacturing	1,634	0.96%
8.) Shambaugh & Sons*	Construction	1,500	0.88%
9.) Sirva*	Transportation Logistics	1,500	0.88%
10.) Lincoln Financial Group*	Insurance & Financial Services	1,500	0.88%
Total of Top Ten Employers		<u>23,233</u>	<u>13.60%</u>

* Three-way Tie

(A) Represents the net assessed valuations for taxes in 2004 and payable in 2005 within the corporation limits. Source: Allen County Auditor's Office

(B) Represents the percent of total employees within Allen County.
Source: Fort Wayne-Allen County Economic Development Alliance

**City of Fort Wayne and Allen County
Demographic Statistics (1)**

Allen County (2)		
<u>Year</u>	<u>Population</u>	<u>% Change</u>
1840	5,942	496.59%
1850	16,919	184.74%
1860	29,328	73.34%
1870	43,493	48.30%
1880	54,763	25.91%
1890	66,689	21.78%
1900	77,270	15.87%
1910	93,386	20.86%
1920	114,303	22.40%
1930	146,743	28.38%
1940	155,084	5.68%
1950	183,722	18.47%
1960	232,196	26.38%
1970	280,455	20.78%
1980	294,335	4.95%
1990	300,836	2.21%
2000	331,849	10.31%
2001*	335,159	1.00%
2002*	337,580	0.72%
2003*	340,396	0.83%
2004	342,168	0.52%
2005	344,006	0.54%

City of Fort Wayne (3)			
<u>Year</u>	<u>Population</u>	<u>% Change</u>	<u>% of County Population</u>
1840	2,080	693.33%	35.01%
1850	4,282	105.87%	25.31%
1860	10,388	142.60%	35.42%
1870	17,718	70.56%	40.74%
1880	26,880	51.71%	49.08%
1890	35,393	31.67%	53.07%
1900	45,115	27.47%	58.39%
1910	63,933	41.71%	68.46%
1920	86,549	35.37%	75.72%
1930	114,946	32.81%	78.33%
1940	118,410	3.01%	76.35%
1950	133,607	12.83%	72.72%
1960	161,776	21.08%	69.67%
1970	177,671	9.83%	63.35%
1980	172,196	-3.08%	58.50%
1990	172,986	0.46%	57.50%
2000	205,727	18.93%	61.99%
2001*	210,393	2.27%	62.77%
2002*	210,439	0.02%	62.34%
2003	220,486	4.77%	64.77%
2004	221,479	0.45%	64.73%
2005	224,913	1.55%	65.38%

* Revised from previous years

- (1) Years 1840 through 2000 reflect official U.S. Census Bureau population figures.
- (2) 2001 through 2005 Allen County population figures are estimate provided by the U.S. Census Bureau on July 1st of the respective years.
- (3) 2003, 2004, and 2005 City of Fort Wayne population figures represent the 2000 census count of the population within the city's boundaries plus annexations for the respective period

City of Fort Wayne

**Schedule of Property and Liability Insurance in Force
At December 31, 2005**

Type of Coverage	Name of Carrier	Policy #	Policy Term	Coverage Description	Policy Limits	Deductible	Annual Premium/ Funding Amt.
1) General Liability (City ordinance mandates funding above actuarial recommendation)	Self-Insured	Self-Insured	Self-Insured	All General Liability; Public Official Errors And Omissions Coverage	None; only limited by state tort limit (A)	None	\$ 258,386
2) Workers Compensation (City ordinance mandates actuarially-based funding)	Self-Insured	Self-Insured	Self-Insured	All Workers Compensation Liability Coverage	None; only limited by state tort limit (A)	None	\$ 374,938
3) Workers Compensation Excess Liability	Safety National Casualty Co.	AGC-9013-IN	1/1/2005 - 1/1/2007	Specific Excess Statutory Aggregate Excess \$1,000,000	\$ 1,000,000	None	\$ 63,335
4) Auto Liability (City ordinance mandates funding above actuarial recommendations)	Self-Insured	Self-Insured	Self-Insured	All Auto Liability; (including Medical, Bodily injury, and Property Damage)	None; only limited by state tort limit (A)	None	\$ 323,309
5) Police Professional Liability	Self-Insured	Self-Insured	Self-Insured	All Police Professional Liability Coverage	None; only limited by state tort limit (A)	None	\$ 128,221
6) Commercial Property	Federal Insurance	3533-39-45 CIN	7/14/05 to 7/14/06	City-Owned Properties, Buildings & Contents	\$ 300,000	\$ 50,000	\$ 324,308
7) Inland Marine	Federal Insurance	0657-39-02CIN	7/14/05 to 7/14/06	Scheduled Equipment Owned or Leased/ Unscheduled Tools and Misc. Equipment	Scheduled Equipment: Blanket = \$8,170,468 Unscheduled Tools and Misc. Equipment: Blanket = \$25,000	Scheduled Equipment: Any One Item = \$50,000, \$25,000 max per occurrence. Unscheduled Tools and Misc. Equipment: Any One Item = \$1,000.	\$ 37,430
				Garage Keeper Legal Liability (Including loss caused by theft, mischief, & vandalism)	Comprehensive = \$300,000, minus deductible. Collision = \$300,000, minus deductible.	\$250 per loss, \$1,000 max. per event. \$500 per auto.	\$ 4,200
8) CrimeSHIELD Policy for Governmental Entities (Replaces all individual public official bonds except City Controller Bond and Barrett Law Custodian Bond)	Hartford	36BPEDS2073	1/1/05 to 12/31/05	Employee Theft, Depositors Forgery or Alteration, Theft, Disappearance & Destruction of Money, Securities and Other Property, Computer & Funds Transfer Fraud, Faithful Performance of Duty	\$ 100,000	\$ 2,500	\$ 9,406
9) Zoo Animal Mortality	American Livestock Insurance Co	05-003800-Y	6/30/05 to 6/30/06	Coverage by Schedule	\$ 100,000	\$ 500	\$ 2,769
10) Boiler & Machinery Breakdown	Cincinnati	BES2659541	1/1/04 to 1/1/09	City-Owned Machinery & Equipment, Including Boilers	\$20,000,000 per accident, \$500,000 extra expense limit for Filtration Plant and WPC Plant.	\$50,000 for incidents involving Filtration Plant, St. Joe Dam, WPC Plant & WPCM. \$25,000 for incidents involving all other locations.	\$ 17,944
11) Flood Insurance	American Reliability Insurance Co.	79-007698	7/24/05 to 7/24/06	Building-Filtration Contents	\$ 200,000	\$ 1,000	\$ 4,229
	American Reliability Insurance Co.	79-007700	7/24/05 to 7/24/06	Building-Animal Control Contents	\$ 200,000	\$ 1,000	\$ 911
	American Reliability Insurance Co.	79-0007696	7/24/05 to 7/24/06	Building-Fire Academy Contents	\$ 80,000	\$ 1,000	\$ 2,069
	American Reliability Insurance Co.	79-007694	7/24/05 to 7/24/06	Building-WPC Plant Contents	\$ 200,000	\$ 1,000	\$ 4,229
	American Reliability Insurance Co.	79-007694	7/24/05 to 7/24/06	Building-WPC Plant Contents	\$ 200,000	\$ 500	\$ 4,229
	American Reliability Insurance Co.	79-007694	7/24/05 to 7/24/06	Building-WPC Plant Contents	\$ 200,000	\$ 500	\$ 4,229
12) Commercial Equipment Floater/ Fleet Physical Damage	Great American	IMP-6-09-15-99-22	7/14/05 to 7/14/06	Gasoline, Diesel and/or Electric Powered Vehicles Owned and Operated, Including Permanently Attached Equipment	\$ 5,000,000	\$ 25,000	\$ 53,025
13) Public Official Bonds (Statutorily required Coverage)	Cincinnati	B80438263	1/1/2004 to USDQ	City Controller = \$300,000	\$ 300,000	None	\$ 927
		B80438264		Barrett Law = \$30,000	\$ 30,000		\$ 138
14) Multi-Agency Communications Partnership	Federal Insurance	35836819	10/1/05 to 10/01/06	Property, Building & Contents related to 911 Communications Partnership	\$ 20,960,000	\$ 50,000	\$ 67,166
15) Plaza Parking Garage Condominium Owners Association, Inc.	Great Northern	3533-39-22ITG	6/30/2005 to 6/30/2006	Property, Commercial General Liability related to Plaza Parking Garage Partnership	Property = \$7,050,000 blanket on building & personal property. Commercial General Liability = \$2,000,000 aggregate.	varies by type of incident. (see schedule for details).	\$ 12,984
	Federal Insurance	(05)7323-86-48	6/30/05 to 6/30/06	Business Automobile	\$ 1,000,000	None	\$ 331
	Federal Insurance	7973-13-79	6/30/05 to 6/30/06	Commercial Umbrella Liability	\$ 5,000,000	None	\$ 5,356
Grand Total Premium/Self-Insured Funding							\$ 1,694,546

***A) Indiana tort Liability limit for governmental units is \$300,000/Occurrence and \$5,000,000/annual aggregate

City of Fort Wayne
Combined Schedule of Bonds Payable
At December 31, 2005

<u>General Obligation Bonds:</u>	<u>Interest Rate</u>	<u>Due Dates</u>	<u>Issue Date</u>	<u>Maturity Date</u>	<u>Annual Payments Range</u>	<u>Authorized and Issued</u>	<u>Matured</u>	<u>Outstanding</u>
Park District - 1999	5.6%- 6.05%	(1/1; 7/1)	10/01/99	07/01/19	185,000-360,000	\$ 4,500,000	\$ 830,000	\$ 3,670,000
Total General Obligation Bonds						\$ 4,500,000	\$ 830,000	\$ 3,670,000
Percentages							18.44%	81.56%
Tax Increment Revenue Bonds:								
Redevelopmt District Refunding and Improvement Bonds of 1998	4.5% -6.45%	(2/1; 8/1)	03/12/98	02/01/10	270,000-860,000	\$ 8,580,000	\$ 4,525,000	\$ 4,055,000
Total Tax Increment Revenue Bonds						\$ 8,580,000	\$ 4,525,000	\$ 4,055,000
Percentages							52.74%	47.26%
Special Obligation Bonds:								
Economic Development Income Tax Revenue of 1999	4.25%	(6/1; 12/1)	04/14/99	12/01/06	2,610,000	\$ 14,810,000	\$ 12,200,000	\$ 2,610,000
Economic Development Income Tax Revenue of 2001	4.0% - 4.25%	(6/1; 12/1)	03/21/01	12/01/10	1,940,000-2,320,000	16,500,000	5,870,000	10,630,000
Redevelopment District Revenue Bonds, Series 2002	3.5% - 4.25%	(6/1; 12/1)	04/01/02	12/01/12	910,000-1,180,000	10,225,000	2,975,000	7,250,000
Redevelopment District Revenue Bonds, Series 2005 A-1	4.0% - 5.0%	(6/1; 12/1)	05/17/05	06/01/21	90,000-305,000	3,310,000	-	3,310,000
Redevelopment District Revenue Bonds, Series 2005 A-2	4.4% - 5.24%	(6/1; 12/1)	05/17/05	06/01/21	170,000-630,000	6,690,000	-	6,690,000
Redevelopment District Revenue Bonds, Series 2005B	3.5% - 4.125%	(6/1; 12/1)	04/14/05	12/01/16	855,000-1,185,000	10,000,000	-	10,000,000
Economic Development Income Tax Revenue of 2005	4.0% - 4.2%	(6/1; 12/1)	04/14/05	12/01/16	2,075,000-2,990,000	25,000,000	-	25,000,000
Park District - 2005	3.0%-3.75%	(7/1)	10/19/05	07/15/05	1,105,000-1,415,000	10,000,000	-	10,000,000
Total Special Obligation Bonds:						\$ 96,535,000	\$ 21,045,000	\$ 75,490,000
Percentages							21.80%	78.20%
First Mortgage Bonds:								
2000A First Mortgage Bonds	4.75%	(1/15; 7/15)	08/10/00	01/15/10	265,000-325,000	\$ 2,400,000	\$ 940,000	\$ 1,460,000
2002 First Mortgage Bonds-Transportation Bldg Project	3.65% - 4.7%	(1/1; 7/1)	05/15/02	01/01/12	95,000-125,000	1,035,000	275,000	760,000
2003 First Mortgage Refunding Bonds	3.0%-4.0%	(1/1;7/1)	01/01/03	01/15/08	1,300,000-1,400,000	6,555,000	2,500,000	4,055,000
2005 First Mortgage Bonds	3.0%-4.5%	(6/1;12/1)	03/01/05	12/01/20	210,000-370,000	4,215,000	-	4,215,000
Total First Mortgage Bonds:						\$ 14,205,000	\$ 3,715,000	\$ 10,490,000
Percentages							26.15%	73.85%
Revenue Bonds:								
Civic Center Parking Garage - 1979	7.25%	(1/1; 7/1)	07/01/80	01/01/06	85,000	\$ 1,000,000	\$ 915,000	\$ 85,000
Sewage - Issue of 1985	9.63%	(2/1; 8/1)	12/01/85	08/01/05	0	18,096,275	18,096,275	-
Water - Issue of 1997	4.7% - 4.75%	(6/1;12/1)	07/01/97	12/01/11	520,000 - 680,000	7,100,000	3,525,000	3,575,000
Sewage - Issue of 1998	4.5% - 5%	(2/1;8/1)	03/01/98	08/01/12	720,000 - 975,000	10,640,000	4,750,000	5,890,000
Sewage - Issue of 1998	4% - 4.5%	(2/1;8/1)	12/01/98	08/01/12	1,185,000 - 1,535,000	16,760,000	7,310,000	9,450,000
Parking Garage Addition - 2001	4.21% - 5.59%	(1/1; 7/1)	07/01/01	01/15/21	65,000 - 140,000	1,700,000	125,000	1,575,000
Water - Refunding Issue of 2002	3%	(6/1; 12/1)	09/26/02	12/01/06	1,150,000	5,220,000	4,070,000	1,150,000
Sewage - Refunding Issue of 2002	3.5% - 5.5%	(2/1; 8/1)	05/30/02	08/01/17	1,000,000 - 1,845,000	19,080,000	3,125,000	15,955,000
Sewage Works Junior - Issued 2002	3.0% - 4.55%	(2/1; 8/1)	12/01/02	08/01/17	325,000 - 500,000	5,750,000	930,000	4,820,000
Water Works - Issue of 2003	2.0%-4.25%	(6/1;12/1)	04/01/03	12/01/17	330,000-505,000	5,800,000	935,000	4,865,000
Sewage Works Junior - Issued 2003	2.13%-3.80%	(2/1;8/1)	06/01/03	08/01/18	700,000-1,045,000	12,350,000	1,370,000	10,980,000
Water Works - Issue of 2005	3.0%-4.0%	(6/1; 12/1)	02/22/05	12/01/19	595,000-2,345,000	16,700,000	-	16,700,000
Total Revenue Bonds						\$ 120,196,275	\$ 45,151,275	\$ 75,045,000
Percentages							37.56%	62.44%
Total of All Bonds						\$ 244,016,275	\$ 75,266,275	\$ 168,750,000
Percentages							30.84%	69.16%

OTHER REPORTS



STATE OF INDIANA
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**INDEPENDENT AUDITORS' REPORT ON COMPLIANCE AND ON
INTERNAL CONTROL OVER FINANCIAL REPORTING BASED ON
AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN
ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

TO: THE OFFICIALS OF THE CITY OF FORT WAYNE, INDIANA

We have audited the financial statements of the City of Fort Wayne (City), as of and for the year ended December 31, 2005, and have issued our report thereon dated June 21, 2006. We conducted our audit in accordance with auditing standards generally accepted in the United States and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States of America.

Compliance

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 grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

June 21, 2006

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The City of Fort Wayne
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