

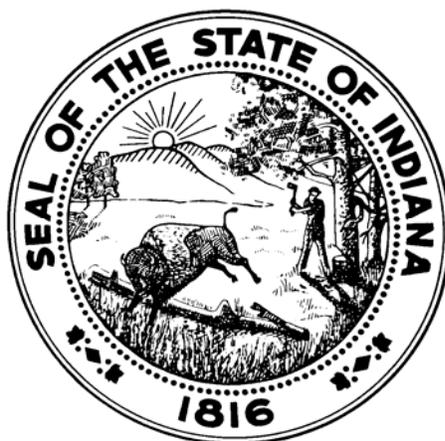
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2006

CITY OF JASPER

DUBOIS COUNTY, INDIANA



**FILED**

08/02/2007



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Juanita S. Boehm	01-01-04 to 12-31-07
Mayor	William J. Schmitt	01-01-04 to 12-31-07
Presiding Officer of the Board of Public Works and Safety	William J. Schmitt	01-01-04 to 12-31-07
Presiding Officer of the Common Council	William J. Schmitt	01-01-04 to 12-31-07
Utilities' General Manager	Gerald Bud Hauersperger	01-01-06 to 12-31-07
Water Utility Manager	Michael A. Oeding	01-01-06 to 12-31-07
Wastewater Utility Manager	Thomas Lents	01-01-06 to 12-31-07
Electric Utility Generation Manager	Windell Toby	01-01-06 to 12-31-07
Electric Utility Distribution Manager	Jerry Schitter	01-01-06 to 12-31-07
Gas Utility Manager	Michael A. Oeding	01-01-06 to 12-31-07
Utility Business Manager	Kenneth R. Schultz	01-01-06 to 05-26-06
Utility Office Manager/ Controller	Linda K. McGovren	05-27-06 to 12-31-07
Chairman of the Utility Service Board	Greg Krodel Mike Harder	01-01-06 to 12-31-06 01-01-07 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF JASPER, DUBOIS COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Jasper (City), as of and for the year ended December 31, 2006, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

STATE BOARD OF ACCOUNTS

June 21, 2007

**City of Jasper, Indiana**  
**Management's Discussion and Analysis**  
**December 31, 2006**

This discussion and analysis highlights the City of Jasper's financial activities for the year ended December 31, 2006. We hope you will find this discussion helpful in assessing the City's financial condition. Please read it in conjunction with the City's financial statements and accompanying notes, which follow this discussion and analysis.

**Financial Highlights**

- The net cash assets of the City of Jasper at December 31, 2006 were \$28,502,865. Of this amount, \$9,026,013 is unrestricted and may be used to meet the City's ongoing obligations to its citizens, creditors and utility customers.
- The City's cash net assets increased by \$1,033,909.
- The City's long-term debt decreased by \$812,978.

**Basic Financial Statements**

The Governmental Accounting Standards Board (GASB) requires the City to present its financial statements in accordance with GASB Statement No. 34.

The basic financial statements of the City of Jasper consist of three components:

1. Government-wide financial statements.
2. Fund financial statements.
3. Notes to the financial statements.

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

*The government-wide financial statement* is the Statement of Activities and Net Assets – Cash and Investment Basis. The government-wide statement reports on two major categories of services:

- Governmental activities, which encompass most of the City's basic services that are provided to its citizens.
- Business-type activities, which include the water, wastewater, electric and gas utilities.

Governmental activities include most of the City's basic services that are provided to its citizens, such as the general government, street, park, police, fire, arts, and stormwater departments. Governmental activities are presented on the *cash* basis of accounting; in

other words, receipts and expenditures are recorded in the financial statements when cash is actually received or disbursed.

Business-type activities include the City's water, wastewater, electric and gas utilities. These activities are primarily funded through user charges and fees for services. The financial statements which are included in this report also report the business-type activities on a *cash* basis.

*Fund financial statements* are broadly categorized as governmental, proprietary, internal service and fiduciary. Separate financial statements are presented for each of these fund categories, with the internal service fund reported on the proprietary statement.

- Governmental funds include the General Fund, Special Revenue Funds, Capital Projects Funds, Debt Service Funds and Permanent Funds. These funds report what most people consider the basic government services. The Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds reports the three major funds separately, with all other funds combined into one total. This statement provides a detailed short-term view of the City's general government operations and the basic services it provides. This information will help you determine whether there are more or fewer financial resources that can be spent in the near future to finance the City's programs.
- Proprietary (enterprise) funds include the business-type activities, namely the water, wastewater, electric and gas utilities. The enterprise fund statements have been prepared using the cash basis of accounting. The Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds reports activities and balances for each of the proprietary funds.
- Internal service fund consists of the activities of the Self-Insurance Fund. The cost of the City's group health/life insurance plan is paid from this fund.
- Fiduciary funds include the Police and Fire Pension Trusts, the Landfill Escrow, and the Cemetery Endowment. All of the City's fiduciary activities are reported in a separate Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds. The City is responsible for ensuring that the assets reported in these funds are used for their intended purposes. These funds are excluded from the City's other financial statements because the City cannot use these assets to finance its operations.

*Notes to financial statements* provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements are a required part of the basic financial statements.

## Condensed Financial Data

### Governmental Activities

The table below provides a summary of the governmental activities' changes in cash net assets for the year ended December 31, 2006, with comparative figures from 2005:

	<u>2006</u>	<u>2005</u>
<b>City of Jasper, Indiana</b>		
<b>Changes in Cash Net Assets</b>		
<b>(000's omitted)</b>		
<u>Receipts</u>		
Program receipts:		
Charges for services	1,759	\$ 2,259
Operating grants and contributions	1,591	991
Capital grants and contributions	1,575	1,499
Transfers	299	289
General receipts:		
Property taxes	5,385	5,218
Other local sources	2,431	2,343
Other receipts	644	429
Total receipts	<u>13,684</u>	<u>13,028</u>
<u>Disbursements</u>		
General government	3,586	3,015
Public safety	1,978	2,350
Highways and streets	2,647	3,170
Sanitation	861	545
Economic development	1,190	2,229
Culture and recreation	2,432	3,033
Principal on long-term debt	300	300
Interest on long-term debt	79	85
Total disbursements	<u>13,073</u>	<u>14,727</u>
Change in cash net assets	611	(1,699)
Beginning cash net assets	<u>13,903</u>	<u>15,602</u>
Ending cash net assets	<u>\$ 14,514</u>	<u>\$ 13,903</u>

## Business-Type Activities

The table below provides a summary of the changes in cash net assets for the year ended December 31, 2006, with comparative figures from 2005.

City of Jasper, Indiana  
Changes in Cash Net Assets  
(000's omitted)

	<u>2006</u>	<u>2005</u>
<u>Receipts</u>		
Program receipts:		
Charges for services	37,572	\$ 34,315
Capital grants and contributions	328	1,026
General receipts:		
Other local sources	11,396	4,326
Bonds and loans	1,359	-
Unrestricted investment earnings	<u>712</u>	<u>431</u>
Total receipts	<u>51,367</u>	<u>40,098</u>
<u>Disbursements</u>		
Water	5,898	4,787
Wastewater	4,905	3,985
Electric	28,082	21,553
Gas	<u>12,059</u>	<u>9,871</u>
Total disbursements	<u>50,944</u>	<u>40,196</u>
Change in cash net assets	423	(98)
Beginning cash net assets	<u>13,566</u>	<u>13,664</u>
Ending cash net assets	<u>\$ 13,989</u>	<u>\$ 13,566</u>

## Fund Analysis

In reviewing the major funds of the governmental activities, the following changes were observed.

### General Fund:

Cash and Investments increased by \$229,727. This increase was due to normal fluctuations in cash receipts and cash disbursements.

Economic Development Income Tax Fund:

Cash and Investments decreased by \$69,299. This decrease was due to the completion of the large Sports Park project in 2006.

Park and Recreation Fund:

Cash and Investments increased by \$71,770. This increase was due to normal fluctuations in cash receipts and cash disbursements,

In reviewing the business-type activities, the following changes in cash and investment assets were observed.

Water:

In total, the water utility's cash and investment assets increased by \$15,833 (0.7%) during the year.

The operating and maintenance cash decreased by \$223,165. The final phase of a three-year rate increase took effect in January, 2006; however, the increase in revenue was outpaced by increases in operating expenses, such as the replacement of four carbon caps for the treatment plant at a cost of approximately \$61,000.

The depreciation fund increased by \$191,215 during 2006. Some of the larger expenditures made during 2006 were for the Mill Street water main relocation project and for costs associated with the meter replacement program.

Wastewater:

Overall, the wastewater utility's cash and investment assets increased by \$46,839 (1.5%) during 2006.

The operating and maintenance cash decreased by \$301,368. A decline in operating revenues, combined with increased lift station and treatment plant expenses, contributed to the decrease in this fund.

Depreciation cash increased by \$272,617 (54.4%) in 2006. This was due in part to the cash settlement related to the southwest sewer project. Some of the larger expenditures made from this fund were for the sewer relining project, a mini-excavator, and two loaders.

The interceptor improvement cash decreased by \$91,481. Payments totaling approximately \$124,000 were made during the year for upgrades to two major lift stations (Northwood and Portersville).

The plant expansion cash increased by \$120,875 during 2006. Connection fees which are assessed to new wastewater customers, along with interest earned on investments, accounted for the increase.

**Electric:**

Total cash and investment assets for the electric utility decreased by \$244,380 (3.4%).

The electric operating and maintenance cash decreased by \$998,209. Approximately \$1,176,000 of the loan made to the gas utility in 2006 originated from this fund.

The electric utility's depreciation cash increased by \$707,220. Most of the expenditures from this fund were for additions and improvements to the electric distribution system, and for new radio-read meters.

**Gas:**

Overall, the gas utility's cash and investment assets increased by \$604,271, or 63.0%.

The gas utility's operating and maintenance cash increased by \$942,994. The cash position improved, due in part to the lower cost of natural gas during the second half of the year.

The gas utility's depreciation cash decreased by \$371,149. Major capital expenditures during 2006 included two gas line projects, a loader backhoe, and costs associated with the meter replacement program.

**General Fund Budgetary Highlights**

During 2006, the General Fund budget was revised once. This revision resulted in an overall decrease in the budget of \$91,894. The decrease was due to the decision to postpone until 2007 the purchase of a storm sewer camera. Several large items were ordered towards the end of 2006. Of the budget unspent in 2006, \$432,000 was carried over, or encumbered, into 2007.

## Capital Asset and Long-Term Debt Activity

### Capital Asset Activity:

As of December 31, 2006, the City had \$129,110,000 invested in capital assets, including land, buildings, park facilities, roads, storm sewers, equipment, and electric, water, sewer, and gas lines. This represents an increase of \$3,802,000, or 3.0%, over last year.

	(000's omitted)					
	Governmental Activities		Business-Type Activities		Totals	
	2006	2005	2006	2005	2006	2005
Land	3,943	\$ 3,799	615	\$ 615	\$ 4,558	\$ 4,414
Buildings	11,457	10,861	21,103	21,010	32,560	31,871
Improvements	8,307	4,779	48,603	47,407	56,910	52,186
Equipment	9,981	9,302	18,815	18,737	28,796	28,039
Infrastructure	6,060	3,997	-	-	6,060	3,997
Construction in Progress	90	4,274	136	527	226	4,801
<b>Totals</b>	<b>\$ 39,838</b>	<b>\$ 37,012</b>	<b>\$ 89,272</b>	<b>\$ 88,296</b>	<b>\$129,110</b>	<b>\$125,308</b>

This year's major capital asset additions for the governmental activities included:

- Purchasing the former Old National Bank drive-thru building and land, for a total cost of \$144,000.
- Replacing seventeen golf carts at the two golf courses, for a total cost of \$58,520. A certain number of golf carts are replaced on a rotating schedule every year.
- Purchasing major equipment at the Street Department, including a rubbish truck, a tractor, a recycling truck, two snow plows and salt spreaders, a compactor truck, a pickup truck, a ride-on sweeper, and a ride-on scrubber, totaling \$540,000.
- Purchasing various equipment at the Park Department, including several mowers, a pickup truck, two utility carts, an aerator, and a rotary sweeper broom, totaling \$151,000.
- Placing in service the Youth Baseball and Softball Complex and the Schroeder Park Soccer Complex. Total cost for the Youth Baseball and Softball Complex was \$3,900,000. This includes all land work, buildings, bleachers, fencing, lighting, and equipment. Total cost for the Schroeder Park Soccer Complex was \$300,000. This includes land work, fencing, irrigation, and soccer goals.
- Recording infrastructure improvements totaling \$2,064,000. Of this amount, \$908,000 was incurred by the City in widening and repaving existing roads, and \$628,000 was incurred in installing storm sewers along these roads. The balance, \$528,000, was recorded at the developers' estimated expense and was donated to and accepted by the City to maintain. The \$528,000 consisted of the following items (a) \$384,000 for streets annexed in 2006, (b) \$33,000 for streets in new subdivisions, and (c) \$111,000 for storm sewer systems.

The business-type activities recorded approximately \$946,000 for additions and on-going improvements to their respective distribution systems, with \$281,000 of this amount being contributed by developers and customers. Some of this expenditure allowed the City to expand its service area, while a portion of the expenditure was for improvements to, or relocation of, existing distribution systems.

Other major capital expenditures during 2006 include the following:

- \$170,000 for upgrades to two large lift stations in the wastewater utility.
- \$214,000 to replace older-style electric, water, and gas meters with meters that incorporate newer, more efficient technology. This multi-year project is continuing into 2007.
- \$96,000 for various paving projects.
- \$291,000 for four loaders and one excavator
- \$105,000 for two new drying beds for the wastewater utility.

See Supplementary Information – Schedule of Capital Assets in the attached financial statements for additional information.

*Long-term Debt Activity:*

As of December 31, 2006 and 2005, the City’s outstanding debt consisted of the following:

	<u>2006</u>	<u>2005</u>
• Park District	\$ 2,600,000	\$ 2,900,000
• Water Utility	\$11,974,000	\$12,625,000
• Wastewater Utility	\$ 1,750,000	\$ 2,230,000
• Electric Utility	\$ 735,000	\$ 1,460,000
• Gas Utility	\$ 1,343,022	\$ -0-

During 2006, the City made principal payments of \$300,000 and interest payments of \$79,335.

During the year, the business-type activities made principal payments of \$1,872,353 and interest payments of \$567,256.

See Supplementary Information – Schedule of Long-Term Debt in the attached financial statements for additional information.

## **Other Currently Known Facts**

- The City has instituted a sidewalk/curb replacement program. This program requires the City Engineer to inspect and prioritize all sidewalks/curbs for replacement according to established criteria. This program allows for some sidewalks/curbs to be replaced earlier than otherwise allowable, if the property owner pays for 50% of the replacement cost.
- Dubois County Area Development Corporation (DCADC) is a cooperative effort between government and the private sector businesses. DCADC is working on a variety of approaches to economic development, including retention and expansion of established basic employers, small business development, workforce development and new basic employer recruitment and creative incentives to bring new businesses into the area.
- The City of Jasper, on behalf of ROJAC, has been named the local public agency for a \$900,000 Transportation Enhancement grant. The City will be the fiscal administrator for this grant, which will be used to rebuild the old Eckert Mill. This mill will be a replica of an historic structure formerly located along the riverfront area. This project, which will be constructed on City property, will require a 20% local match. This match will be raised through ROJAC. The City will be providing in-kind services to this project. This project was bid in the Spring of 2007, however all bids were greater than the engineer's estimate. Therefore, all bids were rejected, and the plans are in the process of being redrawn, with the project to be let for bid in the Fall of 2007.
- The City's locomotive is currently being used by the Indiana Railway Museum. This not-for-profit organization is maintaining the locomotive in working order. The passenger cars will undergo renovation, using volunteers to refurbish the cars.
- The City has been awarded a \$450,000 Transportation Enhancement grant to extend the walking path that will eventually encompass the City. This phase of the project will require a 20% local match, which the City will fund in its 2007 budget.
- The City has budgeted in 2007 to build a parking lot at Sixth & Mill Streets to increase downtown parking.
- In March 2007, a petition was filed with the Indiana Utility Regulatory Commission requesting that the City of Jasper take over as the electric provider for a portion of the Windsong Annexation area. The petition was granted, and the City's electric utility began supplying electric power to approximately 100 new customers in May, 2007. In connection with this takeover, the electric utility paid initial severance damages to Dubois Rural Electric in the amount of \$365,602.49, as required by statute.
- In March 2007, a second petition was filed with the Indiana Utility Regulatory Commission for the takeover of electric territory for a portion of the Timber Creek Annexation area. This petition was also granted. Since there were no existing customers or infrastructure included in the takeover area, the electric utility was not required to pay initial severance damages.

- In May 2007, the Utility Service Board approved a motion to enter into natural gas management agreements with Utility Gas Management for a three year period beginning September 1, 2007. The terms of the gas management agreements remain the same as on the expiring agreements; however, there is a slight cost increase on the gas supply agreement for Texas Eastern.
- In May 2007, the Utility Service Board gave approval to enter into an agreement for an assessment needs study for a fiber broadband communication network plan for the utilities and the City. The study will identify the internal and external needs of the utilities and the City, along with providing cost estimates and possible funding sources. The study is expected to be completed in approximately ninety days.

### **Contacting the City's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the City's finances and to show the City's accountability for the money it receives. If you have questions about this report or need additional financial information, please contact the City's Clerk-Treasurer Office at 610 Main Street, Jasper, Indiana.

CITY OF JASPER  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2006

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total
					Governmental Activities	Business-Type Activities	
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 3,585,600	\$ 984,385	\$ 50	\$ 75,109	\$ (2,526,056)	\$ -	\$ (2,526,056)
Public safety	1,978,276	52,598	3,369	9,875	(1,912,434)	-	(1,912,434)
Highways and streets	2,646,714	323,366	746,767	79,912	(1,496,669)	-	(1,496,669)
Sanitation	861,076	203,710	25,000	-	(632,366)	-	(632,366)
Economic development	1,189,540	-	-	1,358,517	168,977	-	168,977
Culture and recreation	2,432,273	194,708	815,954	51,515	(1,370,096)	-	(1,370,096)
Principal on long-term debt	300,000	-	-	-	(300,000)	-	(300,000)
Interest on long-term debt	79,335	-	-	-	(79,335)	-	(79,335)
<b>Total governmental activities</b>	<b>13,072,814</b>	<b>1,758,767</b>	<b>1,591,140</b>	<b>1,574,928</b>	<b>(8,147,979)</b>	<b>-</b>	<b>(8,147,979)</b>
<b>Business-type activities:</b>							
Water	5,898,400	2,990,108	-	40,841	-	(2,867,451)	(2,867,451)
Wastewater	4,904,515	2,713,770	-	176,473	-	(2,014,272)	(2,014,272)
Electric	28,082,320	21,226,009	-	-	-	(6,856,311)	(6,856,311)
Gas	12,058,821	10,642,591	-	110,248	-	(1,305,982)	(1,305,982)
<b>Total business-type activities</b>	<b>50,944,056</b>	<b>37,572,478</b>	<b>-</b>	<b>327,562</b>	<b>-</b>	<b>(13,044,016)</b>	<b>(13,044,016)</b>
<b>Total primary government</b>	<b>\$ 64,016,870</b>	<b>\$ 39,331,245</b>	<b>\$ 1,591,140</b>	<b>\$ 1,902,490</b>	<b>(8,147,979)</b>	<b>(13,044,016)</b>	<b>(21,191,995)</b>
<b>General receipts:</b>							
Property taxes					5,384,548	-	5,384,548
Other local sources					2,431,357	11,395,718	13,827,075
Bonds and loans					-	1,359,375	1,359,375
Unrestricted investment earnings					644,475	711,486	1,355,961
Transfers					298,945	-	298,945
<b>Total general receipts and transfers</b>					<b>8,759,325</b>	<b>13,466,579</b>	<b>22,225,904</b>
<b>Change in net assets</b>					<b>611,346</b>	<b>422,563</b>	<b>1,033,909</b>
<b>Net assets - beginning</b>					<b>13,902,920</b>	<b>13,566,036</b>	<b>27,468,956</b>
<b>Net assets - ending</b>					<b>\$ 14,514,266</b>	<b>\$ 13,988,599</b>	<b>\$ 28,502,865</b>
<b>Assets</b>							
Cash and investments					\$ 5,589,725	\$ 3,436,288	\$ 9,026,013
<b>Restricted assets:</b>							
Cash and investments					8,924,541	10,552,311	19,476,852
<b>Total assets</b>					<b>\$ 14,514,266</b>	<b>\$ 13,988,599</b>	<b>\$ 28,502,865</b>
<b>Net Assets</b>							
<b>Restricted for:</b>							
Public safety					\$ 338,197	\$ -	\$ 338,197
Highways and streets					919,385	-	919,385
Sanitation					69,813	-	69,813
Economic development					1,931,375	-	1,931,375
Culture and recreation					1,711,411	-	1,711,411
Debt service					401,255	5,970,855	6,372,110
Other purposes					3,553,105	4,581,456	8,134,561
Unrestricted					5,589,725	3,436,288	9,026,013
<b>Total net assets</b>					<b>\$ 14,514,266</b>	<b>\$ 13,988,599</b>	<b>\$ 28,502,865</b>

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

CITY OF JASPER  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2006

	General	Park and Recreation	EDIT	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 3,738,654	\$ 1,211,314	\$ -	\$ 434,580	\$ 5,384,548
Special assessments	-	-	-	8,000	8,000
Licenses and permits	15,941	-	-	3,810	19,751
Intergovernmental	2,338,072	118,641	1,341,272	814,270	4,612,255
Charges for services	512,673	678,409	-	358,311	1,549,393
Fines and forfeits	27,812	-	-	1,908	29,720
Other	479,870	92,345	99,504	271,517	943,236
<b>Total receipts</b>	<b>7,113,022</b>	<b>2,100,709</b>	<b>1,440,776</b>	<b>1,892,396</b>	<b>12,546,903</b>
<b>Disbursements:</b>					
General government	2,445,576	-	-	-	2,445,576
Public safety	1,972,629	-	-	5,647	1,978,276
Highways and streets	1,411,159	-	-	1,241,867	2,653,026
Sanitation	861,076	-	-	-	861,076
Economic development	-	-	1,189,540	-	1,189,540
Culture and recreation	491,800	2,028,939	-	25,786	2,546,525
Debt service:					
Principal	-	-	-	300,000	300,000
Interest	-	-	-	79,335	79,335
<b>Total disbursements</b>	<b>7,182,240</b>	<b>2,028,939</b>	<b>1,189,540</b>	<b>1,652,635</b>	<b>12,053,354</b>
Excess (deficiency) of receipts over disbursements	(69,218)	71,770	251,236	239,761	493,549
<b>Other financing sources (uses):</b>					
Transfers in	298,945	-	-	370,535	669,480
Transfers out	-	-	(320,535)	(50,000)	(370,535)
<b>Total other financing sources (uses)</b>	<b>298,945</b>	<b>-</b>	<b>(320,535)</b>	<b>320,535</b>	<b>298,945</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	229,727	71,770	(69,299)	560,296	792,494
Cash and investment fund balance - beginning	5,359,998	1,431,708	1,677,040	3,893,008	12,361,754
Cash and investment fund balance - ending	<u>\$ 5,589,725</u>	<u>\$ 1,503,478</u>	<u>\$ 1,607,741</u>	<u>\$ 4,453,304</u>	13,154,248
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:					
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.					
					1,360,018
Net assets of governmental activities					<u>\$ 14,514,266</u>
<b>Cash and Investment Assets - December 31</b>					
Cash and investments	\$ 5,589,725	\$ -	\$ -	\$ -	\$ 5,589,725
Restricted assets:					
Cash and investments	-	1,503,478	1,607,741	4,453,304	7,564,523
<b>Total cash and investment assets - December 31</b>	<u>\$ 5,589,725</u>	<u>\$ 1,503,478</u>	<u>\$ 1,607,741</u>	<u>\$ 4,453,304</u>	<u>\$ 13,154,248</u>
<b>Cash and Investment Fund Balance - December 31</b>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ 338,197	\$ 338,197
Highways and streets	-	-	-	919,385	919,385
Sanitation	-	-	-	69,813	69,813
Economic development	-	-	1,607,741	323,634	1,931,375
Culture and recreation	-	1,503,478	-	207,933	1,711,411
Debt service	-	-	-	401,255	401,255
Other purposes	-	-	-	2,193,087	2,193,087
Unrestricted	5,589,725	-	-	-	5,589,725
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 5,589,725</u>	<u>\$ 1,503,478</u>	<u>\$ 1,607,741</u>	<u>\$ 4,453,304</u>	<u>\$ 13,154,248</u>

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

CITY OF JASPER  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As of and for the Year Ended December 31, 2006

	Water Utility	Wastewater Utility	Electric Utility	Gas Utility	Total	Internal Service Fund
Operating receipts:						
Utility collections	\$ 2,990,108	\$ 2,713,770	\$ 21,226,009	\$ 10,642,591	\$ 37,572,478	\$ -
Insurance proceeds	-	-	-	-	-	1,349,088
Other	2,736,123	1,904,951	6,170,846	479,339	11,291,259	128,176
<b>Total operating receipts</b>	<b>5,726,231</b>	<b>4,618,721</b>	<b>27,396,855</b>	<b>11,121,930</b>	<b>48,863,737</b>	<b>1,477,264</b>
Operating disbursements:						
Cost of sales and services	1,612,859	2,349,588	18,606,417	9,560,569	32,129,433	-
Equipment and capital improvements	359,251	371,278	508,417	384,634	1,623,580	-
Intangible assets	-	-	-	1,359,375	1,359,375	-
Insurance disbursements	-	-	-	-	-	1,658,412
Miscellaneous disbursements	2,680,696	1,636,901	8,086,662	688,855	13,093,114	-
<b>Total operating disbursements</b>	<b>4,652,806</b>	<b>4,357,767</b>	<b>27,201,496</b>	<b>11,993,433</b>	<b>48,205,502</b>	<b>1,658,412</b>
Excess (deficiency) of operating receipts over operating disbursements	1,073,425	260,954	195,359	(871,503)	658,235	(181,148)
Nonoperating receipts (disbursements):						
Loan proceeds	-	-	-	1,359,375	1,359,375	-
Interest and investment receipts	126,279	149,020	387,557	48,630	711,486	-
Miscellaneous receipts	20,882	7,140	53,528	22,909	104,459	-
Debt service of principal	(651,000)	(480,000)	(725,000)	(16,353)	(1,872,353)	-
Interest and investment disbursement	(444,225)	(66,748)	(35,050)	(21,233)	(567,256)	-
<b>Total nonoperating receipts (disbursements)</b>	<b>(948,064)</b>	<b>(390,588)</b>	<b>(318,965)</b>	<b>1,393,328</b>	<b>(264,289)</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	125,361	(129,634)	(123,606)	521,825	393,946	(181,148)
Capital contributions	40,841	176,473	-	110,248	327,562	-
Transfers out	(150,369)	-	(120,774)	(27,802)	(298,945)	-
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	15,833	46,839	(244,380)	604,271	422,563	(181,148)
Cash and investment fund balance - beginning	2,386,016	3,040,554	7,180,256	959,210	13,566,036	1,541,166
Cash and investment fund balance - ending	<u>\$ 2,401,849</u>	<u>\$ 3,087,393</u>	<u>\$ 6,935,876</u>	<u>\$ 1,563,481</u>	<u>\$ 13,988,599</u>	<u>\$ 1,360,018</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 1,780	\$ 7,860	\$ 2,473,170	\$ 953,478	\$ 3,436,288	\$ -
Restricted assets:						
Cash and investments	2,400,069	3,079,533	4,462,706	610,003	10,552,311	1,360,018
<b>Total cash and investment assets - December 31</b>	<b>\$ 2,401,849</b>	<b>\$ 3,087,393</b>	<b>\$ 6,935,876</b>	<b>\$ 1,563,481</b>	<b>\$ 13,988,599</b>	<b>\$ 1,360,018</b>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ 1,918,357	\$ 1,049,603	\$ 3,002,895	\$ -	\$ 5,970,855	\$ -
Other purposes	481,712	2,029,930	1,459,811	610,003	4,581,456	1,360,018
Unrestricted	1,780	7,860	2,473,170	953,478	3,436,288	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 2,401,849</b>	<b>\$ 3,087,393</b>	<b>\$ 6,935,876</b>	<b>\$ 1,563,481</b>	<b>\$ 13,988,599</b>	<b>\$ 1,360,018</b>

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

CITY OF JASPER  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2006

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 291,756	\$ -	\$ -
Investment earnings:			
Interest	60,634	23,340	-
Agency fund additions	<u>-</u>	<u>-</u>	<u>9,312,011</u>
Total additions	<u>352,390</u>	<u>23,340</u>	<u>9,312,011</u>
Deductions:			
Benefits	193,277	13,669	-
Administrative and general	24,529	-	-
Agency fund deductions	<u>-</u>	<u>-</u>	<u>9,297,068</u>
Total deductions	<u>217,806</u>	<u>13,669</u>	<u>9,297,068</u>
Excess of total additions over total deductions	134,584	9,671	14,943
Cash and investment fund balance - beginning	<u>1,191,956</u>	<u>465,650</u>	<u>85,029</u>
Cash and investment fund balance - ending	<u>\$ 1,326,540</u>	<u>\$ 475,321</u>	<u>\$ 99,972</u>

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, sanitation, culture and recreation, public improvements, planning and zoning, general administrative services, electric, gas, water, wastewater, and storm water management.

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

Primary Government: City of Jasper

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

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

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

Fund Financial Statements

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

The City reports the following major governmental funds:

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

The park and recreation fund is used to account for the operating receipts and disbursements made in connection with the City providing recreation programs and facilities.

The EDIT fund is used to account for the disbursements for capital outlay pertaining to economic development projects from receipts derived from the county economic development tax.

The City reports the following major proprietary funds:

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

The electric utility fund accounts for the operation of the electric generation plant and distribution system.

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

Additionally, the City reports the following fund types:

The internal service fund consists of the activities of the self-insurance fund which charges a premium to each fund that has a payroll budget, based on the number of full-time employees paid from that fund as of January 1.

The pension trust funds account for the activities of the 1925 and 1977 police and the volunteer firefighter's pension funds, which accumulate resources for pension benefit payments.

The private-purpose trust funds report trust arrangements under which principal and income benefit the citizens of the City.

Agency funds account for assets held by the City as an agent for employee withholdings and community arts programs and serve as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

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

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

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

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

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

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statement

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

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

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

Government-Wide Financial Statement

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

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits

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, 2006, the bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2006</u>
Water	General Fund	\$ 150,369
Electric	General Fund	120,774
Gas	General Fund	27,802
EDIT	Other governmental	320,535
Other governmental	Other governmental	<u>50,000</u>
Total		<u>\$ 669,480</u>

The City typically uses transfers to fund ongoing operating subsidies.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

IV. Other Information

A. Risk Management

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

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

Medical Benefits to Employees, Retirees, and Dependents

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees, and dependents. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$75,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon the percentage of each fund's current year number of employees as it relates to the total number of full-time employees, and are reported as quasi-external interfund transactions. Provisions are also made for unexpected and unusual claims.

Job Related Illnesses and Injuries to Employees

During 1991 and 1995, the City and Utilities, respectively, joined with other governmental entities in the Indiana Public Employer's Plan Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1990. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses and injuries to employees. The City pays an annual premium to the risk pool for its job related illnesses and injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Subsequent Events

Job Related Illnesses and Injuries to Employees Coverage

Beginning January 1, 2007, the City and Utilities changed their job related illnesses and injuries coverage from Indiana Public Employer's Plan Inc., a public entity risk pool, to Bituminous, commercial insurance coverage.

Reconstruction of Old Mill as Visitor Center

On August 25, 2006, the City entered into a contract with the Indiana Department of Transportation (INDOT) for the project to reconstruct the old mill to be used as a visitor center. The estimated cost of the project is \$1,234,500. The City was awarded a \$900,000 Transportation Enhancement Grant from

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

INDOT and the Federal Highway Administration on behalf of Redevelop Old Jasper Action Coalition (ROJAC) for the project. An agreement with ROJAC was signed on January 3, 2005, stating that ROJAC was responsible for contributing all the matching funds required for the grant. In March 2007, the bids for this project were received by INDOT, but all bids were rejected because they significantly exceeded INDOT's estimated cost for the project. Design modifications for the project are being made and bids will be let by INDOT at a later date.

C. Contingent Liabilities

USEPA Claim

The United States Environmental Protection Agency (USEPA) has filed a claim against the City of Jasper for activities of PCB Treatment, Inc., during or about the 1980's, involving the improper and illegal disposal of PCB materials. The USEPA has alleged that the City of Jasper was a potentially responsible party ("PRP") because of PCB contaminated materials allegedly contributed by the City of Jasper, through the Jasper Municipal Utilities, to the sites. The Jasper Municipal Utilities had, in fact, contracted with PCB Treatment, Inc., during or about the 1980's, to properly and legally dispose of Jasper's PCB contaminated materials. There are approximately 1,500 PRP's in addition to the City of Jasper.

The City of Jasper received a letter from the USEPA in June 2001 advising them that they could enter into a de minimis settlement in this matter. The City had two choices of a premium: I) a 100% premium with no cost reopener and II) a 50% premium with a reopener if there are cost overruns that exceed the estimated removal action costs of \$34,752,000 and reach \$60,000,000. Option I would cost the City \$85,707 and option II would cost \$64,280. The Utility Service Board entered into an Administrative Order of Consent, on July 16, 2001, and chose Option II. The amount of \$64,280 was paid on October 19, 2001, to the USEPA's special account. Because the City chose Option II, the reopener could be triggered at a later date and more money could be owed. If the reopener is triggered, the parties who selected Option II will owe their individual percentage share of the allocated weight, multiplied by the amount of removal costs incurred that exceed the \$60,000,000. The City of Jasper's individual percentage share is .12%.

D. Rate Structure – Enterprise Funds

Water Utility

On September 24, 1984, the City Council adopted Ordinance 1156 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on January 21, 2004.

Wastewater Utility

The current rate structure was approved by the City Council on December 17, 1997, and amended on May 22, 2002, and April 19, 2006.

Electric Utility

On June 12, 1991, the City Council adopted Ordinance 1991-15 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on May 22, 1996, and amended on August 17, 2005.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Gas Utility

On June 12, 1991, the City Council adopted Ordinance No. 1991-14 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on December 17, 2003.

E. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

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

b. 1925 Police Officers' Pension Plan

Plan Description

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Funding Policy and Annual Pension Cost

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

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

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension
Annual required contribution	\$ 526,326	\$ 331,400
Interest on net pension obligation	(16,644)	57,300
Adjustment to annual required contribution	18,967	(95,500)
Annual pension cost	528,649	293,200
Contributions made	487,829	130,435
Increase in net pension obligation	40,820	162,765
Net pension obligation, beginning of year	(229,571)	848,299
Net pension obligation, end of year	\$ (188,751)	\$ 1,011,064

	PERF	1925 Police Officers' Pension
Contribution rates:		
City	7.50%	0%
Plan members	3%	6%
Actuarial valuation date	07-01-05	01-01-04
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	40 years	30 years
Amortization period (from date)	07-01-97	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

\*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-04	\$ 387,626	119%	\$ (183,806)
	06-30-05	426,854	111%	(229,571)
	06-30-06	528,649	114%	(188,751)
1925 Police Officers' Pension Plan	12-31-01	279,100	62%	793,463
	12-31-02	300,500	82%	848,299
	12-31-03	293,200	44%	1,011,064

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2006, was comprised of the following:

	1925 Police Officers' Pension
Retirees and beneficiaries currently receiving benefits	7

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2006, 2005, and 2004, were \$182,060, \$170,199, and \$170,670, respectively, equal to the required contributions for each year.

3. Volunteer Firefighter's Pension Plan

Plan Description

Local Ordinance No. 1988-30 established a pension fund for the benefit of the Jasper Volunteer Fire Department under the authority of Indiana Code 36-8-12-6(d). Under the provisions of this ordinance, any volunteer firefighter who reaches the age of 55 and has 20 or more years of service may retire with a service annuity. The annuities range in the amount from \$170 per month after 20 years of service to a maximum of \$270 per month after 30 years of services. Following the death of a firefighter pensioner, a monthly allowance equal to 50% of such firefighter's pension shall be paid to the firefighter's surviving spouse. The current pensions and insurance annuity are being funded through the local tax rate. The City has elected not to have an actuarial valuation performed for 2006 and prior years, to provide the required disclosure information under Statement No. 27 of the Governmental Accounting Standards Board (GASB).

4. Police Pension and Fire Pension Supplemental Trusts

Plan Description

Local Ordinances 1994-27 and 1997-29 established a police pension supplemental trust and a fire pension supplemental trust, respectively. The supplemental trusts were established to supplement the anticipated deficits in revenues under the police pension as established in Indiana Code 36-8-6 and 36-8-8 and in the volunteer fire pension plan. The supplemental pension trusts are funded through distributions from the general fund as recommended by the pension trust committees and approved by the common council based on actuarial studies and the availability of funds. As of December 31, 2006, the amount accumulated in the police pension supplemental trust and the fire pension supplemental trust was \$899,822 and \$224,037, respectively.

CITY OF JASPER  
 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)
07-01-04	\$ 7,176,693	\$ 8,961,627	\$ (1,784,934)	80%	\$ 6,224,567	(29%)
07-01-05	7,551,061	10,250,137	(2,699,076)	74%	6,497,215	(42%)
07-01-06	8,135,268	10,248,737	(2,113,469)	79%	6,445,174	(33%)

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)
01-01-99	\$ 79,263	\$ 2,918,900	\$ (2,839,637)	3%	\$ 35,600	(7,977%)
01-01-00	107,835	2,938,300	(2,830,465)	4%	36,700	(7,712%)
01-01-01	120,964	2,964,200	(2,843,236)	4%	37,800	(7,522%)
01-01-02	138,440	3,178,300	(3,039,860)	4%	-	N/A
01-01-03	234,905	2,876,400	(2,641,495)	8%	-	N/A
01-01-04	213,730	3,034,000	(2,820,270)	7%	-	N/A

N/A - Not applicable

CITY OF JASPER  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CONTRIBUTIONS FROM THE  
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan			
	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1925 Police Officers' Pension Plan	12-31-98	\$ 301,300	39%
	12-31-99	281,600	55%
	12-31-00	292,000	49%
	12-31-01	304,200	57%
	12-31-02	332,700	74%
	12-31-03	331,400	39%

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CITY OF JASPER  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 5,359,998	\$ 5,359,998	\$ 5,359,998	\$ -
Resources (inflows):				
Property taxes	3,762,117	3,762,117	3,738,654	(23,463)
Excise taxes	347,921	348,408	362,802	14,394
County Option Income Tax	1,850,431	1,850,431	1,850,431	-
Licenses and permits	12,500	12,800	15,941	3,141
Fines & forfeitures	12,000	17,500	27,812	10,312
Charges for services	559,445	585,117	650,690	65,573
Grants	112,932	137,932	125,325	(12,607)
Sale of property	-	-	1,117	1,117
Other Reimbursements	59,000	67,000	47,517	(19,483)
Arts Department revenue	234,250	234,250	246,837	12,587
Miscellaneous	3,100	18,400	31,583	13,183
Interest received	40,400	185,000	311,602	126,602
Transfers from other funds			1,656	1,656
Amounts available for appropriation	<u>12,354,094</u>	<u>12,578,953</u>	<u>12,771,965</u>	<u>193,012</u>
Charges to appropriations (outflows):				
Common Council	2,100,215	2,100,515	1,164,966	935,549
Mayor's Office	140,025	140,025	122,571	17,454
Public Works	1,014,337	959,637	646,775	312,862
Clerk-Treasurer	203,038	198,044	160,937	37,107
Legal	87,700	87,700	40,275	47,425
City Hall	135,800	135,800	93,312	42,488
Safety-Personnel Director	98,400	98,400	58,932	39,468
City Engineer	87,000	87,000	50,889	36,111
Police Department	1,686,011	1,687,511	1,644,990	42,521
Fire Department	365,300	365,300	255,639	109,661
Storm Sewer	572,000	570,000	535,068	34,932
Refuse Department	307,877	297,877	249,047	48,830
Sanitation-Recycling Department	744,550	722,550	612,029	110,521
Streets & Alleys	1,309,213	1,309,213	876,091	433,122
Planning Commission	103,950	103,950	93,881	10,069
Housing Board	500	500	-	500
Arts Department	551,379	551,379	491,800	59,579
Nondepartmental expenditures & transfers	-	-	85,038	(85,038)
Total charges to appropriations	<u>9,507,295</u>	<u>9,415,401</u>	<u>7,182,240</u>	<u>2,233,161</u>
Budgetary fund balance, December 31	<u>\$ 2,846,800</u>	<u>\$ 3,163,553</u>	<u>\$ 5,589,725</u>	<u>\$ 2,426,172</u>

CITY OF JASPER  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 EDIT FUND  
 YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 1,677,040	\$ 1,677,040	\$ 1,677,040	\$ -
Resources (inflows):				
Economic Dev Income Tax Received	1,341,272	1,341,272	1,341,272	0
Interest received	10,000	50,000	99,504	49,504
Amounts available for appropriation	<u>3,028,312</u>	<u>3,068,312</u>	<u>3,117,816</u>	<u>49,504</u>
Charges to appropriations (outflows):				
Connecting Walkway	164,140	164,140	14,246	149,894
Land	-	150,000	67,990	82,010
Building & Structures	150,000	-	-	-
Contractual Services	60,000	60,000	49,420	10,580
Bond payment	333,000	333,000	320,535	12,465
Park Dept.-Land Improvements	170,351	210,351	108,162	102,189
Park Dept.-Building	30,080	25,080	14,956	10,124
Park Dept.-Equipment	237,897	202,897	200,851	2,046
Street Materials	602,967	602,967	591,436	11,531
West 15th St. Project	100,000	100,000	-	100,000
Portersville Road Extension	-	149,500	142,479	7,021
Total charges to appropriations	<u>1,848,435</u>	<u>1,997,935</u>	<u>1,510,075</u>	<u>487,860</u>
Budgetary fund balance, December 31	<u>\$ 1,179,877</u>	<u>\$ 1,070,377</u>	<u>\$ 1,607,741</u>	<u>\$ 537,364</u>

CITY OF JASPER  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 PARK FUND

YEAR ENDED DECEMBER 31, 2006

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 1,431,708	\$ 1,431,708	\$ 1,431,708	\$ -
<b>Resources (inflows):</b>				
Property taxes	1,218,157	1,218,157	1,211,314	(6,843)
Excise taxes	97,821	97,821	102,457	4,636
Park receipts	45,000	49,100	55,127	6,027
Swimming Pool receipts	33,200	35,800	46,530	10,730
Golf Course receipts	485,000	455,500	487,410	31,910
Concession Stands	48,300	46,300	54,842	8,542
Contractual Services	12,000	12,500	14,500	2,000
Sale of Property				-
Grants	14,000	14,000	16,184	2,184
Miscellaneous	29,750	46,150	65,883	19,733
Interest received	5,200	30,225	46,462	16,237
Amounts available for appropriation	<u>3,420,136</u>	<u>3,437,261</u>	<u>3,532,417</u>	<u>95,156</u>
<b>Charges to appropriations (outflows):</b>				
Park General	1,383,695	1,412,695	1,112,826	299,869
Swimming Pool	155,250	156,650	113,054	43,596
Municipal Golf Course	592,049	644,049	443,834	200,215
Older American Center	171,200	173,700	154,089	19,611
Camp Carnes	9,200	9,200	4,181	5,019
Ruxer Golf Course	270,720	267,220	192,782	74,438
Nondepartmental expenditures & transfers	<u>-</u>	<u>-</u>	<u>8,173</u>	<u>(8,173)</u>

CITY OF JASPER  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006

	Motor Vehicle Highway	Local Road and Street	Local Law Enforcement Continuing Education	Park Nonreverting Operating	Fire Truck Donation	Cemetery Operating	Investment Incentive
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	8,000	-	-	-
Licenses and permits	-	-	3,810	-	-	-	-
Intergovernmental	575,231	79,912	-	-	-	-	-
Charges for services	-	-	2,818	-	1,350	1,380	-
Fines and forfeits	-	-	1,908	-	-	-	-
Other	15,056	5,216	-	2,181	11,166	2,238	10,210
<b>Total receipts</b>	<b>590,287</b>	<b>85,128</b>	<b>8,536</b>	<b>10,181</b>	<b>12,516</b>	<b>3,618</b>	<b>10,210</b>
<b>Disbursements:</b>							
Public safety	-	-	2,647	-	-	-	-
Highways and streets	525,000	100,000	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>525,000</b>	<b>100,000</b>	<b>2,647</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>65,287</b>	<b>(14,872)</b>	<b>5,889</b>	<b>10,181</b>	<b>12,516</b>	<b>3,618</b>	<b>10,210</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>65,287</b>	<b>(14,872)</b>	<b>5,889</b>	<b>10,181</b>	<b>12,516</b>	<b>3,618</b>	<b>10,210</b>
Cash and investment fund balance - beginning	260,024	125,628	19,969	38,750	121,829	36,436	198,136
Cash and investment fund balance - ending	<u>\$ 325,311</u>	<u>\$ 110,756</u>	<u>\$ 25,858</u>	<u>\$ 48,931</u>	<u>\$ 134,345</u>	<u>\$ 40,054</u>	<u>\$ 208,346</u>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	<u>\$ 325,311</u>	<u>\$ 110,756</u>	<u>\$ 25,858</u>	<u>\$ 48,931</u>	<u>\$ 134,345</u>	<u>\$ 40,054</u>	<u>\$ 208,346</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Public safety	\$ -	\$ -	\$ 25,858	\$ -	\$ 134,345	\$ -	\$ -
Highways and streets	325,311	110,756	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	208,346
Culture and recreation	-	-	-	48,931	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	40,054	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 325,311</u></b>	<b><u>\$ 110,756</u></b>	<b><u>\$ 25,858</u></b>	<b><u>\$ 48,931</u></b>	<b><u>\$ 134,345</u></b>	<b><u>\$ 40,054</u></b>	<b><u>\$ 208,346</u></b>

CITY OF JASPER  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Economic Development	DARE	Police Grant	Donation	Rainy Day	Riverboat
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	3,000	-	-	76,143
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	5,602	50	-	132	32,796	13,648
<b>Total receipts</b>	<b>5,602</b>	<b>50</b>	<b>3,000</b>	<b>132</b>	<b>32,796</b>	<b>89,791</b>
<b>Disbursements:</b>						
Public safety	-	-	3,000	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>3,000</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	5,602	50	-	132	32,796	89,791
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	5,602	50	-	132	32,796	89,791
Cash and investment fund balance - beginning	109,686	-	3	2,560	635,051	236,574
Cash and investment fund balance - ending	<u>\$ 115,288</u>	<u>\$ 50</u>	<u>\$ 3</u>	<u>\$ 2,692</u>	<u>\$ 667,847</u>	<u>\$ 326,365</u>
<b>Cash and Investment Assets - December 31</b>						
<b>Restricted assets:</b>						
Cash and investments	<u>\$ 115,288</u>	<u>\$ 50</u>	<u>\$ 3</u>	<u>\$ 2,692</u>	<u>\$ 667,847</u>	<u>\$ 326,365</u>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Public safety	\$ -	\$ 50	\$ 3	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	115,288	-	-	-	-	-
Culture and recreation	-	-	-	2,692	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	667,847	326,365
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 115,288</u></b>	<b><u>\$ 50</u></b>	<b><u>\$ 3</u></b>	<b><u>\$ 2,692</u></b>	<b><u>\$ 667,847</u></b>	<b><u>\$ 326,365</u></b>

CITY OF JASPER  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Storm Water Management	Arnold Habig Community Center	Arts Center Expansion	Beaver Dam Lake	Unsafe Building	Cumulative Building and Fire Equipment
<b>Receipts:</b>						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 57,639
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	4,875
Charges for services	319,346	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	16,458	4,624	52,118	122	820	6,163
<b>Total receipts</b>	<b>335,804</b>	<b>4,624</b>	<b>52,118</b>	<b>122</b>	<b>820</b>	<b>68,677</b>
<b>Disbursements:</b>						
Public safety	-	-	-	-	-	-
Highways and streets	67,275	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>67,275</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>268,529</b>	<b>4,624</b>	<b>52,118</b>	<b>122</b>	<b>820</b>	<b>68,677</b>
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>268,529</b>	<b>4,624</b>	<b>52,118</b>	<b>122</b>	<b>820</b>	<b>68,677</b>
Cash and investment fund balance - beginning	214,789	3,001	964	2,352	-	109,264
Cash and investment fund balance - ending	<u>\$ 483,318</u>	<u>\$ 7,625</u>	<u>\$ 53,082</u>	<u>\$ 2,474</u>	<u>\$ 820</u>	<u>\$ 177,941</u>
<b>Cash and Investment Assets - December 31</b>						
<b>Restricted assets:</b>						
Cash and investments	<u>\$ 483,318</u>	<u>\$ 7,625</u>	<u>\$ 53,082</u>	<u>\$ 2,474</u>	<u>\$ 820</u>	<u>\$ 177,941</u>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 177,941
Highways and streets	483,318	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	7,625	53,082	2,474	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	820	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 483,318</u></b>	<b><u>\$ 7,625</u></b>	<b><u>\$ 53,082</u></b>	<b><u>\$ 2,474</u></b>	<b><u>\$ 820</u></b>	<b><u>\$ 177,941</u></b>

CITY OF JASPER  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2006  
 (Continued)

	Cumulative Capital Improvement	Cumulative Capital Development	Park Nonreverting Capital	Cumulative Sewer	Park Bond Debt Service	Totals
<b>Receipts:</b>						
Taxes	\$ -	\$ 376,941	\$ -	\$ -	\$ -	\$ 434,580
Special assessments	-	-	-	-	-	8,000
Licenses and permits	-	-	-	-	-	3,810
Intergovernmental	43,227	31,882	-	-	-	814,270
Charges for services	-	-	33,417	-	-	358,311
Fines and forfeits	-	-	-	-	-	1,908
Other	8,065	50,813	11,133	3,421	19,485	271,517
<b>Total receipts</b>	<b>51,292</b>	<b>459,636</b>	<b>44,550</b>	<b>3,421</b>	<b>19,485</b>	<b>1,892,396</b>
<b>Disbursements:</b>						
Public safety	-	-	-	-	-	5,647
Highways and streets	-	549,592	-	-	-	1,241,867
Culture and recreation	-	-	25,786	-	-	25,786
Debt service:						
Principal	-	-	-	-	300,000	300,000
Interest	-	-	-	-	79,335	79,335
<b>Total disbursements</b>	<b>-</b>	<b>549,592</b>	<b>25,786</b>	<b>-</b>	<b>379,335</b>	<b>1,652,635</b>
Excess (deficiency) of receipts over disbursements	51,292	(89,956)	18,764	3,421	(359,850)	239,761
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	370,535	370,535
Transfers out	(50,000)	-	-	-	-	(50,000)
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>370,535</b>	<b>320,535</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	1,292	(89,956)	18,764	3,421	10,685	560,296
Cash and investment fund balance - beginning	192,345	1,054,320	74,365	66,392	390,570	3,893,008
Cash and investment fund balance - ending	<u>\$ 193,637</u>	<u>\$ 964,364</u>	<u>\$ 93,129</u>	<u>\$ 69,813</u>	<u>\$ 401,255</u>	<u>\$ 4,453,304</u>
<b>Cash and Investment Assets - December 31</b>						
<b>Restricted assets:</b>						
Cash and investments	<u>\$ 193,637</u>	<u>\$ 964,364</u>	<u>\$ 93,129</u>	<u>\$ 69,813</u>	<u>\$ 401,255</u>	<u>\$ 4,453,304</u>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 338,197
Highways and streets	-	-	-	-	-	919,385
Sanitation	-	-	-	69,813	-	69,813
Economic development	-	-	-	-	-	323,634
Culture and recreation	-	-	93,129	-	-	207,933
Debt service	-	-	-	-	401,255	401,255
Other purposes	193,637	964,364	-	-	-	2,193,087
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 193,637</u></b>	<b><u>\$ 964,364</u></b>	<b><u>\$ 93,129</u></b>	<b><u>\$ 69,813</u></b>	<b><u>\$ 401,255</u></b>	<b><u>\$ 4,453,304</u></b>

CITY OF JASPER  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2006

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Police Pension Supplemental Trust</u>	<u>Fire Pension Supplemental Trust</u>	<u>Total</u>
Additions:					
Contributions:					
Employer	\$ 161,215	\$ 58,541	\$ 60,000	\$ 12,000	\$ 291,756
Investment receipts:					
Interest	<u>4,590</u>	<u>2,726</u>	<u>42,624</u>	<u>10,694</u>	<u>60,634</u>
Total additions	<u>165,805</u>	<u>61,267</u>	<u>102,624</u>	<u>22,694</u>	<u>352,390</u>
Deductions:					
Benefits	167,170	26,107	-	-	193,277
Administrative and general	<u>172</u>	<u>24,357</u>	<u>-</u>	<u>-</u>	<u>24,529</u>
Total deductions	<u>167,342</u>	<u>50,464</u>	<u>-</u>	<u>-</u>	<u>217,806</u>
Excess (deficiency) of total additions over total deductions	(1,537)	10,803	102,624	22,694	134,584
Cash and investment fund balance - beginning	<u>129,087</u>	<u>64,328</u>	<u>797,198</u>	<u>201,343</u>	<u>1,191,956</u>
Cash and investment fund balance - ending	<u>\$ 127,550</u>	<u>\$ 75,131</u>	<u>\$ 899,822</u>	<u>\$ 224,037</u>	<u>\$ 1,326,540</u>

CITY OF JASPER  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For The Year Ended December 31, 2006

	Cemetery Endowment	Landfill Close-Down	Total
Additions:			
Investment earnings:			
Interest	\$ -	\$ 23,340	\$ 23,340
Deductions:			
Benefits	-	13,669	13,669
Excess of total additions over total deductions	-	9,671	9,671
Cash and investment fund balance - beginning	5,970	459,680	465,650
Cash and investment fund balance - ending	\$ 5,970	\$ 469,351	\$ 475,321

CITY OF JASPER  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006

	Payroll	Regional Arts Grant	Total
Additions:			
Agency fund additions	\$ 9,250,394	\$ 61,617	\$ 9,312,011
Deductions:			
Agency fund deductions	9,237,577	59,491	9,297,068
Excess of total additions over total deductions	12,817	2,126	14,943
Cash and investment fund balance - beginning	57,899	27,130	85,029
Cash and investment fund balance - ending	\$ 70,716	\$ 29,256	\$ 99,972



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CITY OF JASPER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2006

**Governmental Activities:**

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

General infrastructure assets completed in the current and prior years have been reported. Retroactive reporting of general infrastructure assets will occur by January 1, 2007.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,943,160
Infrastructure	6,060,428
Buildings	11,457,330
Improvements other than buildings	8,306,403
Machinery and equipment	9,981,206
Construction in progress	<u>89,666</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 39,838,193</u>

**Business-Type Activities:**

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 enterprise fund financial statements are as follows:

	<u>Capitalization Threshold</u>	<u>Depreciation Method</u>	<u>Estimated Useful Life</u>
Buildings	\$ 1,000	Straight-line	67 years
Improvements other than buildings	1,000	Straight-line	20 to 99 years
Machinery and equipment	1,000	Straight-line	5 to 30 years

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



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CITY OF JASPER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2006

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 292,314
Construction in progress	13,685
Capital assets, being depreciated:	
Buildings	10,427,252
Improvements other than buildings	10,295,887
Machinery and equipment	<u>4,137,981</u>
Total Water Utility capital assets	<u>25,167,119</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	195,639
Capital assets, being depreciated:	
Buildings	6,898,962
Improvements other than buildings	15,859,225
Machinery and equipment	<u>7,249,837</u>
Total Wastewater Utility capital assets	<u>30,203,663</u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	110,050
Capital assets, being depreciated:	
Buildings	3,766,220
Improvements other than buildings	17,537,807
Machinery and equipment	<u>6,706,152</u>
Total Electric Utility capital assets	<u>28,120,229</u>
Gas Utility:	
Capital assets, not being depreciated:	
Land	16,904
Construction in progress	122,537
Capital assets, being depreciated:	
Buildings	10,926
Improvements other than buildings	4,910,105
Machinery and equipment	<u>720,655</u>
Total Gas Utility capital assets	<u>5,781,127</u>



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CITY OF JASPER  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 For The Year Ended December 31, 2006

	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities:		
Revenue bonds:		
2004 Park bonds	\$ 2,600,000	\$ 310,000
Business-type Activities:		
Water Utility		
Loans payable	\$ 11,974,000	\$ -
Wastewater Utility		
Revenue bonds:		
2003 Refunding bonds	915,000	225,000
Loans payable	835,000	20,000
Total Wastewater Utility	<u>1,750,000</u>	<u>245,000</u>
Water Utility		
Interfund loans payable	\$ 1,343,022	\$ -
Electric Utility:		
Revenue bonds:		
2003 Refunding bonds	735,000	365,000
Total business-type activities:	<u>\$ 15,802,022</u>	<u>\$ 610,000</u>

CITY OF JASPER  
OTHER REPORT

The annual report presented herein was prepared in addition to another official report including the individual City offices listed below:

Water, Wastewater, Electric, and Gas Utilities

CITY OF JASPER  
EXIT CONFERENCE

The contents of this report were discussed on June 21, 2007, with William J. Schmitt, Mayor; and Juanita S. Boehm, Clerk-Treasurer. Our audit disclosed no material items that warrant comment at this time.