

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

EXAMINATION REPORT

OF

CITY OF JASONVILLE

GREENE COUNTY, INDIANA

January 1, 2007 to December 31, 2007



**FILED**  
10/21/2008



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Officials .....	2
Independent Accountant's Report.....	3
Financial Information:	
Schedule of Receipts, Disbursements, and Cash and Investment Balances .....	4
Notes to Financial Information .....	5-6
Supplementary Information:	
Schedule of Capital Assets.....	7-8
Schedule of Long-Term Debt .....	9
Examination Results and Comments:	
Delinquent Wastewater Accounts.....	10
Errors on Claims .....	11
Exit Conference.....	12

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Charlotte M. Thomas	01-01-04 to 12-31-11
President of the City Council	Peggy Sluder	01-01-07 to 12-31-08
Mayor	Dorman W. Clark Roy Terrell	01-01-04 to 12-31-07 01-01-08 to 12-31-11
Superintendent of Utilities	Troy Fougrousse	01-01-07 to 12-31-08
President of the Board of Public Works and Safety	Dorman W. Clark Roy Terrell	01-01-07 to 12-31-07 01-01-08 to 12-31-08



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF JASONVILLE, GREENE COUNTY, INDIANA

We have examined the financial information presented herein of the City of Jasonville (City), for the period of January 1, 2007 to December 31, 2007. The Town's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial information presented herein and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2007, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

The Schedule of Capital Assets and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial information. They have not been subjected to the examination procedures applied to the basic financial information and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

September 18, 2008

CITY OF JASONVILLE  
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES  
ALL GOVERNMENTAL, PROPRIETARY, AND FIDUCIARY FUND TYPES  
As Of And For The Year Ended December 31, 2007

	Cash and Investments 01-01-07	Receipts	Disbursements	Cash and Investments 12-31-07
<b>Governmental Funds:</b>				
General	\$ 62,067	\$ 405,855	\$ 467,657	\$ 265
Motor Vehicle Highway	49,516	133,051	129,186	53,381
Local Road and Street	8,680	12,663	-	21,343
Park and Recreation	16,950	16,041	24,615	8,376
Law Enforcement Continuing Education	3	1,151	328	826
Riverboat	35,821	15,701	-	51,522
Rainy Day	-	11,167	-	11,167
Revolving Loan Fund	14,790	-	-	14,790
Sidewalk Replacement	26,445	11,188	1,620	36,013
Log House	225	-	225	-
Jasonville Development	3,385	-	-	3,385
Heritage Block	1,570	-	-	1,570
Heritage Museum	5,418	225	5,381	262
HDF Revolving Loan	15,303	-	13	15,290
CDBG Housing	-	14,923	14,923	-
Police Donation	-	75	-	75
Police Grant	-	1,200	3,635	(2,435)
Cumulative Capital Improvement	15,336	8,746	2,875	21,207
Cumulative Capital Development	26,412	5,378	14,228	17,562
Special Fire	2,134	250	2,134	250
<b>Proprietary Funds:</b>				
Water Utility - Operating	28,487	450,383	444,815	34,055
Water Utility - Depreciation	169,393	424	-	169,817
Water Utility - Customer Deposit	8,424	2,500	1,409	9,515
Wastewater Utility - Operating	177,344	521,092	540,362	158,074
Wastewater Utility - Bond and Interest	11,074	102,640	69,592	44,122
Wastewater Utility - Depreciation	157,614	-	-	157,614
Wastewater Utility - Customer Deposit	9,925	3,733	2,021	11,637
Wastewater Utility - CDBG	77,270	-	77,270	-
Wastewater Utility - Debt Service	92,400	40,245	114,000	18,645
Gas Utility - Operating	345,808	1,059,868	1,137,310	268,366
Gas Utility - Depreciation	9,425	-	-	9,425
Gas Utility - Customer Deposit	21,239	6,600	3,450	24,389
<b>Fiduciary Fund:</b>				
Payroll	-	901,525	901,525	-
<b>Totals</b>	<u>\$ 1,392,458</u>	<u>\$ 3,726,624</u>	<u>\$ 3,958,574</u>	<u>\$ 1,160,508</u>

The accompanying notes are an integral part of the financial information.

CITY OF JASONVILLE  
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

The City was established under the laws of the State of Indiana. The City provides the following services: public safety, health and social services, culture and recreation, general administrative services, water, gas, and wastewater.

Note 2. Fund Accounting

The City uses funds to report on its cash and investments and the results of its operations on a cash basis. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain governmental functions or activities.

Note 3. Budgets

The operating budget is initially prepared and approved at the local level. In addition, funds for which property taxes are levied or highway use taxes are received are subject to final approval by the Indiana Department of Local Government Finance.

Note 4. Property Taxes

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

Note 5. Deposits and Investments

Deposits, made in accordance with Indiana Code 5-13, with financial institutions in the State of Indiana at year end were entirely insured by the Federal Depository Insurance Corporation or by the Indiana Public Deposit Insurance Fund. This includes any deposit accounts issued or offered by a qualifying financial institution.

State statute (IC 5-13-9) authorizes the City 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.

CITY OF JASONVILLE  
NOTES TO FINANCIAL INFORMATION  
(Continued)

Note 6. Pension Plan

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 this 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 members' 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. 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 the plan members for PERF are established by the Board of Trustees of PERF.

CITY OF JASONVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2007

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 2010.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 21,264
Buildings	191,701
Improvements other than buildings	118,231
Machinery and equipment	<u>812,457</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,143,653</u>

	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 52,344
Transportation Equipment	52,426
Buildings	234,813
Improvements other than buildings	1,966,407
Machinery and equipment	<u>307,109</u>
 Total Water Utility capital assets	 <u>2,613,099</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	110,952
Buildings	10,688
Improvements other than buildings	5,789,165
Machinery and equipment	<u>615,606</u>
 Total Wastewater Utility capital assets	 <u>6,526,411</u>

Gas Utility:

Capital assets, not being depreciated:

Land	3,984
Transportation Equipment	73,931
Buildings	14,207
Improvements other than buildings	1,112,485
Machinery and equipment	<u>105,132</u>

Total Gas Utility capital assets 1,309,739

Total business-type activities  
capital assets \$ 10,449,249

CITY OF JASONVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT  
 December 31, 2007

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type Activities:		
Wastewater Utility		
Loan Payable:		
Wastewater Improvements and Extensions	\$ 2,253,067	\$ 197,262

CITY OF JASONVILLE  
EXAMINATION RESULTS AND COMMENTS

DELINQUENT WASTEWATER ACCOUNTS

Delinquent Wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

Indiana Code 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

- (1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the following:
  - (A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;
  - (B) a description of the premises, as shown by the records of the county auditor; and
  - (C) the amount of the delinquent fees, together with the penalty; or
- (2) an individual instrument for each lot or parcel of real property on which the fees are delinquent."

"(c) The officer shall record a copy of each list or each individual instrument with the county recorder . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May. . . ."

A similar comment appeared in prior reports.

CITY OF JASONVILLE  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

ERRORS ON CLAIMS

The following deficiencies were noted on claims during the examination period:

- (1) Ten percent of claims tested were not adequately itemized.
- (2) Five percent of claims tested did not show evidence goods or services were received.

Indiana Code 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and
- (5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

CITY OF JASONVILLE  
EXIT CONFERENCE

The contents of this report were discussed on September 18, 2008, with Roy Terrell, Mayor; Charlotte M. Thomas, Clerk-Treasurer; and Peggy Sluder, President of the City Council. The officials concurred with our findings.