

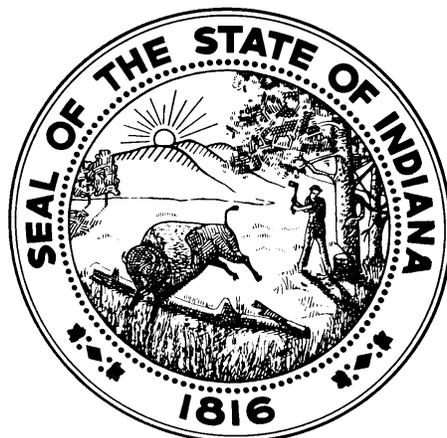
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2008

CITY OF JASPER

DUBOIS COUNTY, INDIANA



**FILED**  
12/22/2009



TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-4
Management's Discussion and Analysis.....	5-15
Basic Financial Statements:	
Government-Wide Financial Statement:	
Statement of Activities and Net Assets – Cash and Investment Basis.....	16
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	17
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds.....	18
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	19
Notes to Financial Statements .....	20-31
Required Supplementary Information:	
Schedules of Funding Progress .....	32
Schedule of Contributions From the Employer and Other Contributing Entities .....	33
Budgetary Comparison Schedules.....	34-37
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	38-41
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds .....	42
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds .....	43
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	44
Schedule of Capital Assets.....	45-46
Schedule of Long-Term Debt .....	47
Other Reports.....	48
Exit Conference.....	49

## SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Juanita S. Boehm	01-01-08 to 12-31-11
Mayor	William J. Schmitt	01-01-08 to 12-31-11
Presiding Officer of the Board of Public Works and Safety	William J. Schmitt	01-01-08 to 12-31-11
Presiding Officer of the Common Council	William J. Schmitt	01-01-08 to 12-31-11
Utilities' General Manager	Gerald W. Hauersperger	01-01-08 to 12-31-09
Water Utility Manager	Michael A. Oeding	01-01-08 to 12-31-09
Wastewater Utility Manager	Thomas Lents Greg E. Hollinden	01-01-08 to 05-31-08 06-01-08 to 12-31-09
Electric Utility Generation Manager	Windell Toby	01-01-08 to 12-31-09
Electric Utility Distribution Manager	Jerald L. Schitter	01-01-08 to 12-31-09
Gas Utility Manager	Michael A. Oeding	01-01-08 to 12-31-09
Utility Controller	Linda McGovren	01-01-08 to 12-31-09
Chairman of the Utility Service Board	Michael A. Schwenk J. Alexander Emmons	01-01-08 to 12-31-08 01-01-09 to 12-31-09



**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, 2008, which collectively comprise the City's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

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

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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.

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

October 29, 2009

**City of Jasper, Indiana**  
**Management's Discussion and Analysis**  
**December 31, 2008**

This discussion and analysis highlights the City of Jasper's financial activities for the year ended December 31, 2008. 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, 2008 were \$38,293,976. Of this amount, \$15,908,711 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 \$4,963,362.
- The City's long-term debt decreased by \$1,667,083.

**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, 2008, with comparative figures from 2007:

	<u>2008</u>	<u>2007</u>
City of Jasper, Indiana Changes in Cash Net Assets (000's omitted)		
<u>Receipts</u>		
Program receipts:		
Charges for services	2,511	2,683
Operating grants and contributions	800	947
Capital grants and contributions	1,668	1,605
Transfers	350	308
General receipts:		
Property taxes	5,619	5,543
Other local sources	3,161	3,148
Other receipts	524	797
Total receipts	<u>14,633</u>	<u>15,031</u>
<u>Disbursements</u>		
General government	3,510	3,241
Public safety	2,170	2,035
Highways and streets	3,227	2,776
Sanitation	535	497
Economic development	682	726
Culture and recreation	2,495	2,830
Principal on long-term debt	320	310
Interest on long-term debt	66	73
Total disbursements	<u>13,005</u>	<u>12,488</u>
Change in cash net assets	1,628	2,543
Beginning cash net assets	<u>17,057</u>	<u>14,514</u>
Ending cash net assets	<u>\$ 18,685</u>	<u>\$ 17,057</u>

## Business-Type Activities

The table below provides a summary of the changes in cash net assets for the year ended December 31, 2008, with comparative figures from 2007.

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

	<u>2008</u>	<u>2007</u>
<u>Receipts</u>		
Program receipts:		
Charges for services	44,669	39,078
Capital grants and contributions	600	258
General receipts:		
Other local sources	189	5,378
Unrestricted investment earnings	<u>476</u>	<u>816</u>
Total receipts	<u>45,934</u>	<u>45,530</u>
<u>Disbursements</u>		
Water	3,360	3,369
Wastewater	3,784	3,097
Electric	25,214	27,696
Gas	9,890	8,776
Transfers out	<u>350</u>	<u>308</u>
Total disbursements	<u>42,598</u>	<u>43,246</u>
Change in cash net assets	3,336	2,284
Beginning cash net assets	<u>16,273</u>	<u>13,989</u>
Ending cash net assets	<u><u>\$ 19,609</u></u>	<u><u>\$ 16,273</u></u>

## Fund Analysis

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

### General Fund:

Cash and Investments increased by \$58,901. This increase was due to normal fluctuations in cash receipts and cash disbursements.

Economic Development Income Tax Fund:

Cash and Investments increased by \$531,037. This increase was due to several projects being postponed to 2009.

Park and Recreation Fund:

Cash and Investments increased by \$296,584. 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 \$4,365 (0.2%) during the year.

The operating and maintenance cash increased by \$23,853. Operating revenues declined by \$152,641 while operating expenses rose by \$57,363. This increase was due in part to funds being transferred from the depreciation fund, as well as normal fluctuations in the timing of cash receipts and disbursements.

The depreciation fund decreased by \$71,581 during 2008. Some of the larger expenditures made during 2008 were for costs associated with the meter replacement program and repairs to the traveling screen. Transfers to the operating and maintenance fund also contributed to the decrease in this fund.

Wastewater:

Overall, the wastewater utility's cash and investment assets decreased by \$444,830 (13.6%) during 2008.

The operating and maintenance cash increased by \$148,671, even though operating revenue declined by \$2,498 and operating expenses were up by \$129,092. During 2008, the debt service reserve requirement was lowered by \$201,505. Funds previously accumulated in the debt service reserve were used for the final principal and interest payment on the 2003 refunding revenue bonds, which reduced the amount that was transferred from the operating and maintenance fund for such purposes. Transfers from the depreciation fund also contributed to the increase in this fund.

As noted above, the debt service reserve fund decreased by \$201,505 during the year as a result of the 2003 refunding revenue bonds reaching full maturity. This money was used for the final bond and interest payment on this particular bond issue.

Depreciation cash decreased by \$261,333 in 2008, due in part to transfers to the operating and maintenance fund. Some of the larger expenditures made from this fund were for the sewer relining project, a utility service truck, a loader backhoe, rebuilding the sludge thickener, and generators for two lift stations.

The interceptor improvement cash increased by \$15,701. The increase results from interest earnings that were credited to this fund, as well as \$6,000 in availability fees. No expenditures were made from this fund.

The plant expansion cash decreased by \$210,774 during 2008. Expenditures for a new force main along South Newton Street and new drying beds accounted for the decrease. Revenues associated with connection fees and interest earnings were credited to this fund.

Electric:

Effective January 1, 2008, the City entered into a long-term contract with Indiana Municipal Power Agency ("IMPA") to become the City's electric power supplier. The City entered into a separate agreement with IMPA to schedule and dispatch the output of the City's electric power plant, also effective January 1, 2008. As a result of these agreements, assets (cash), liabilities, operating revenues and operating expenses reported for the electric utility were all higher in 2008 than in the previous year.

Total cash and investment assets for the electric utility increased by \$4,414,174 (51.8%).

Cash in the electric operating and maintenance fund increased by \$4,196,114. Operating revenue increased by \$5,185,524, while operating expenses for 2008 rose by \$5,317,294. A substantial portion of the increase in cash at the end of the year is due to the more generous payment terms offered by the City's new power supplier, as compared to the previous supplier's terms. This difference in payment terms allowed the City to pay for the November power purchases in January 2009, thus conserving cash as of December 31, 2008.

The electric utility's depreciation cash increased by \$170,860. Most of the expenditures from this fund were for additions and improvements to the electric distribution system, a new bucket truck with aerial device, a new building to house the meter department, and for the purchase of land acquired from Jasper Chair Company.

Gas:

Overall, the gas utility's cash and investment assets decreased by \$637,413, or 35.9%.

The gas utility's operating and maintenance cash decreased by \$553,881. This decrease was due to normal fluctuations in the timing of cash receipts and cash disbursements.

The gas utility's depreciation cash decreased by \$122,891. Major capital expenditures during 2008 included the South Newton Street connector project, the purchase of a utility dump truck, and costs associated with the meter replacement program.

### General Fund Budgetary Highlights

During 2008, the General Fund budget was revised once. This revision resulted in an overall increase in the budget of \$131,450. The increase was due to higher than anticipated fuel prices and unexpected major equipment repairs. Several large items were ordered towards the end of 2008, therefore, \$572,000 of the unspent 2008 budget was carried over, or encumbered, into 2009.

### Capital Asset and Long-Term Debt Activity

#### Capital Asset Activity:

As of December 31, 2008, the City had \$191,378,000 invested in capital assets, including land, buildings, park facilities, streets, storm sewers, sidewalks, rights-of-way, equipment, and electric, water, sewer, and gas lines. This represents an increase of \$4,327,000, or 2.3%, over last year.

	(000's omitted)					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Totals</b>	
	2008	2007	2008	2007	2008	2007
Land	3,943	3,943	636	615	4,579	4,558
Buildings	11,547	11,544	21,247	21,103	32,794	32,647
Improvements	8,676	8,530	51,043	49,426	59,719	57,956
Equipment	10,775	10,305	19,227	18,940	30,002	29,245
Infrastructure	64,112	62,386	-	-	64,112	62,386
Construction in Progress	155	216	17	43	172	259
<b>Totals</b>	<b>\$ 99,208</b>	<b>\$ 96,924</b>	<b>\$ 92,170</b>	<b>\$ 90,127</b>	<b>\$191,378</b>	<b>\$ 187,051</b>

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

- Infrastructure additions for 2008 totaling \$748,000 consisted of widening and repaving existing streets, totaling \$67,000, repairing storm sewers, totaling \$132,000, and sidewalks and curbs, totaling \$549,000. The balance, \$1,065,000, was acquired through annexations completed in 2008, with the estimated cost of streets and storm sewers totaling \$960,000, and a developer widening and installing city streets, with that cost estimated to be \$105,000.

- Replacing twenty-two golf carts at the two golf courses, for a total cost of \$78,000. A certain number of golf carts are replaced on a rotating schedule every year.
- Purchasing various equipment at the Street Department, including a dump truck, a backhoe, two pickup trucks, a utility truck, an iron worker, a copy machine, a snow plow, and various other equipment, totaling \$284,000.
- Purchasing various equipment at the Park Department, including several mowers, five computers, exercise equipment for the Older American Center, and a utility cart, totaling \$115,000.
- Replacing a concrete drive at Fire Station #2, totaling \$18,000.
- Purchasing a scanning system to electronically archive documents, totaling \$48,000. This cost was shared with the business-type activities.
- Purchasing two new police cars, including related equipment for these cars, two radars, and two in-car cameras, totaling \$47,000.
- Pouring concrete cart paths at the Municipal Golf Course, totaling \$14,000.
- Excavating and paving a parking lot at the corner of 6<sup>th</sup> and Mill Streets, totaling \$93,000.
- Receiving two refurbished train cars and a four-faced clock, donated by local businesses, totaling \$192,000.

The business-type activities recorded approximately \$1,616,000 for additions and on-going improvements to their respective distribution systems, with \$548,000 of this amount being contributed by developers and customers. Although some of these expenditures allowed the City to expand its service area, the majority were for improvements to, or relocation of, existing distribution systems.

Other major capital additions during 2008 include the following:

- \$187,000 for a new bucket truck with aerial device for the electric utility, replacing a similar unit that had been in use for approximately twenty years.
- \$140,000 to replace older-style water and gas meters with meters that incorporate newer, more efficient technology. The replacement program is complete in the electric utility, but is continuing into 2009 for the water and gas utilities.
- \$88,000 for two new drying beds for the wastewater utility.
- \$85,000 for a new building for the electric utility's meter department.
- \$61,000 for rebuilding the sludge thickener for the wastewater utility.
- \$58,000 for two new utility vehicles, replacing one each in the wastewater and gas utilities.
- \$29,000 for a loader backhoe in the wastewater utility.
- \$21,000 for land purchased by the electric utility in conjunction with a property swap with Jasper Chair Company.

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

*Long-term Debt Activity:*

As of December 31, 2008 and 2007, the City's outstanding debt consisted of the following:

	<u>2008</u>	<u>2007</u>
• Park District	\$ 1,970,000	\$ 2,290,000
• Water Utility	\$10,605,000	\$11,302,000
• Wastewater Utility	\$ 745,000	\$ 1,255,000
• Gas Utility	\$ 1,112,006	\$ 1,252,089

During 2008, the governmental activities made principal payments of \$320,000 and interest payments of \$66,060.

During the year, the business-type activities made principal payments of \$1,347,083 and interest payments of \$500,481.

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 \$1,150,000 Transportation Enhancement grant. The City is the fiscal administrator for this grant, which is being used to rebuild the old Eckert Mill. This mill, a replica of an historic structure formerly located along the riverfront area, will be used as a visitor center. This project, constructed on City property, required a 20% local match. The City provided in-kind services to this project. Construction began in the fall of 2008, and was completed in October 2009.

- The City has been awarded an American Recovery and Reinvestment Act grant to redo the walking path along St. Charles Street, from Schuetter Road to Northwood Avenue. This is a 100% grant, with no match required by the City. This project is scheduled to be bid in October, 2009.
- 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 have been renovated, using corporate donations and volunteers to refurbish them. The inaugural trip using these cars was held on August 29, 2009.
- The City has initiated the process to use Community Development Block Grant money to make improvement to blighted storm sewers and sidewalks in the downtown area. A notice to proceed has been issued and construction is expected to begin in late 2009. The total cost of this project is estimated to be \$240,000.
- The City has accepted a bid of \$108,000 to upgrade storm sewers along 42<sup>nd</sup> Street.
- The City is in the process of upgrading its police and fire radio dispatch equipment. A bid of \$194,600 was awarded in June, 2009.
- The City has agreed to become a part of Indiana Department of Environmental Management's (IDEM) Comprehensive Local Environmental Action Network (CLEAN). This network's goal is to improve environmental awareness, increase efficiency, reduce costs and provide for greater operational consistency and improve the City's ability to meet IDEM's compliance requirements. The City will strive to impact the community through energy efficiency and CLEAN practices.
- The City has hired RATIO Architects, Inc. to facilitate the study and preparation of a City-wide comprehensive plan. They have held stakeholder meetings and public hearings, and are in the process of compiling their report.
- In 2009, the City revised the retirement plan for its volunteer firefighters. See the Notes to Financial Statements, Notes IV.E.3, IV.E.4, and IV.E.5 for more detailed information.
- The City continues to study options for upgrading Beaver Lake Dam to Department of Natural Resources guidelines, and to investigate various alternatives to finance these improvements. Upgrades must be completed within a three to four year period. Previous engineering estimates for the various options range from \$830,000 to \$3,630,000.
- The City approved a new electric rate ordinance in February, 2009. Base rates were increased approximately 11.3%, effective with billings beginning in March, 2009. However, for calendar year 2009, the increase in base rates is being partially offset by factoring a \$60,000 monthly credit into the power and energy adjustment that appears on customers' electric bills.
- The City adopted a new water rate ordinance in October, 2009. This ordinance will increase water rates by 37%, effective with December, 2009 utility bills. The current rates have been in effect since January, 2006.
- The City's coal-fired electric generating plant has been idle during much of 2009 due to the high cost of coal relative to the lower market price of electricity.

The City is researching various alternatives with respect to the future of the generating plant, including the feasibility of converting it to use biomass as a fuel source. The City has applied for a federal stimulus grant which could cover some of the cost of converting the plant to biomass, if that alternative is ultimately selected.

- The general economic downturn, coupled with milder temperatures and greater than normal rainfall, has negatively impacted the demand for utility services during much of 2009. Each of the utilities is experiencing a decreased demand for services when compared to comparable periods of 2008.
- The current interest rate environment has also affected the City's income. Interest rates have dropped significantly from their 2008 levels, reducing the amount of interest income the City receives on its excess cash balances.
- The Utility Service Board has approved the purchase of new billing, customer service, and accounting software, which will replace current software that has been in use for approximately ten years. The new software will provide enhanced functionality, reporting capabilities, and security features benefiting employees, management, and utility customers. The proposed software package will include such capabilities as the use of credit cards and on-line bill payments, with implementation expected to begin in the second quarter of 2010.

### **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, 2008

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		
					Governmental Activities	Business-Type Activities	Totals
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 3,510,174	\$ 1,065,132	\$ 700	\$ 75,527	\$ (2,368,815)	\$ -	\$ (2,368,815)
Public safety	2,169,690	55,931	9,562	15,111	(2,089,086)	-	(2,089,086)
Highways and streets	3,227,281	359,743	470,330	78,179	(2,319,029)	-	(2,319,029)
Sanitation	534,842	207,475	-	-	(327,367)	-	(327,367)
Economic development	682,096	-	-	1,479,214	797,118	-	797,118
Culture and recreation	2,494,729	822,634	318,932	19,722	(1,333,441)	-	(1,333,441)
Principal on long-term debt	320,000	-	-	-	(320,000)	-	(320,000)
Interest on long-term debt	66,060	-	-	-	(66,060)	-	(66,060)
<b>Total governmental activities</b>	<b>13,004,872</b>	<b>2,510,915</b>	<b>799,524</b>	<b>1,667,753</b>	<b>(8,026,680)</b>	<b>-</b>	<b>(8,026,680)</b>
<b>Business-type activities:</b>							
Water	3,360,084	3,119,576	-	315,203	-	74,695	74,695
Wastewater	3,784,553	2,996,045	-	248,835	-	(539,673)	(539,673)
Electric	25,213,756	29,194,214	-	-	-	3,980,458	3,980,458
Gas	9,889,906	9,359,087	-	36,339	-	(494,480)	(494,480)
<b>Total business-type activities</b>	<b>42,248,299</b>	<b>44,668,922</b>	<b>-</b>	<b>600,377</b>	<b>-</b>	<b>3,021,000</b>	<b>3,021,000</b>
<b>Total primary government</b>	<b>\$ 55,253,171</b>	<b>\$ 47,179,837</b>	<b>\$ 799,524</b>	<b>\$ 2,268,130</b>	<b>(8,026,680)</b>	<b>3,021,000</b>	<b>(5,005,680)</b>
<b>General receipts:</b>							
Property taxes					5,618,600	-	5,618,600
Other local sources					3,161,057	188,854	3,349,911
Unrestricted investment earnings					524,157	476,374	1,000,531
Transfers					349,932	(349,932)	-
<b>Total general receipts and transfers</b>					<b>9,653,746</b>	<b>315,296</b>	<b>9,969,042</b>
<b>Change in net assets</b>					<b>1,627,066</b>	<b>3,336,296</b>	<b>4,963,362</b>
<b>Net assets - beginning</b>					<b>17,057,794</b>	<b>16,272,820</b>	<b>33,330,614</b>
<b>Net assets - ending</b>					<b>\$ 18,684,860</b>	<b>\$ 19,609,116</b>	<b>\$ 38,293,976</b>
<b>Assets</b>							
Cash and investments					\$ 6,270,906	\$ 9,637,805	\$ 15,908,711
Restricted assets:							
Cash and investments					12,413,954	9,971,311	22,385,265
<b>Total assets</b>					<b>\$ 18,684,860</b>	<b>\$ 19,609,116</b>	<b>\$ 38,293,976</b>
<b>Net Assets</b>							
Restricted for:							
Public safety					\$ 551,285	\$ -	\$ 551,285
Highways and streets					917,465	-	917,465
Sanitation					75,815	-	75,815
Economic development					2,967,415	-	2,967,415
Culture and recreation					2,246,016	-	2,246,016
Debt service					399,914	2,105,229	2,505,143
Other purposes					5,256,044	7,866,082	13,122,126
Unrestricted					6,270,906	9,637,805	15,908,711
<b>Total net assets</b>					<b>\$ 18,684,860</b>	<b>\$ 19,609,116</b>	<b>\$ 38,293,976</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, 2008

	General	Park and Recreation	EDIT	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 3,644,356	\$ 1,506,182	\$ -	\$ 468,062	\$ 5,618,600
Special assessments	-	-	-	1,288	1,288
Licenses and permits	26,898	-	-	7,365	34,263
Intergovernmental	2,525,088	139,714	1,479,214	1,154,471	5,298,487
Charges for services	534,062	646,802	-	385,635	1,566,499
Fines and forfeits	27,096	-	-	921	28,017
Other	390,330	92,749	62,731	306,906	852,716
<b>Total receipts</b>	<b>7,147,830</b>	<b>2,385,447</b>	<b>1,541,945</b>	<b>2,324,648</b>	<b>13,399,870</b>
<b>Disbursements:</b>					
General government	2,484,364	-	-	25,175	2,509,539
Public safety	2,149,759	-	-	19,931	2,169,690
Highways and streets	1,785,497	-	-	1,448,384	3,233,881
Sanitation	534,842	-	-	-	534,842
Economic development	-	-	682,096	-	682,096
Culture and recreation	484,399	2,088,863	-	38,467	2,611,729
Debt service:					
Principal	-	-	-	320,000	320,000
Interest	-	-	-	66,060	66,060
<b>Total disbursements</b>	<b>7,438,861</b>	<b>2,088,863</b>	<b>682,096</b>	<b>1,918,017</b>	<b>12,127,837</b>
Excess (deficiency) of receipts over disbursements	(291,031)	296,584	859,849	406,631	1,272,033
<b>Other financing sources (uses):</b>					
Transfers in	349,932	-	-	378,812	728,744
Transfers out	-	-	(328,812)	(50,000)	(378,812)
<b>Total other financing sources (uses)</b>	<b>349,932</b>	<b>-</b>	<b>(328,812)</b>	<b>328,812</b>	<b>349,932</b>
Excess of receipts and other financing sources over disbursements and other financing uses	58,901	296,584	531,037	735,443	1,621,965
Cash and investment fund balance - beginning	6,212,005	1,655,092	2,085,420	5,650,825	15,603,342
Cash and investment fund balance - ending	<u>\$ 6,270,906</u>	<u>\$ 1,951,676</u>	<u>\$ 2,616,457</u>	<u>\$ 6,386,268</u>	<u>17,225,307</u>
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.					
					1,459,553
Net assets of governmental activities					<u>\$ 18,684,860</u>
<b>Cash and Investment Assets - December 31</b>					
Cash and investments	\$ 6,270,906	\$ -	\$ -	\$ -	\$ 6,270,906
Restricted assets:					
Cash and investments	-	1,951,676	2,616,457	6,386,268	10,954,401
<b>Total cash and investment assets - December 31</b>	<u>\$ 6,270,906</u>	<u>\$ 1,951,676</u>	<u>\$ 2,616,457</u>	<u>\$ 6,386,268</u>	<u>\$ 17,225,307</u>
<b>Cash and Investment Fund Balance - December 31</b>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ 551,285	\$ 551,285
Highways and streets	-	-	-	917,465	917,465
Sanitation	-	-	-	75,815	75,815
Economic development	-	-	2,616,457	350,958	2,967,415
Culture and recreation	-	1,951,676	-	294,340	2,246,016
Debt service	-	-	-	399,914	399,914
Other purposes	-	-	-	3,796,491	3,796,491
Unrestricted	6,270,906	-	-	-	6,270,906
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 6,270,906</u>	<u>\$ 1,951,676</u>	<u>\$ 2,616,457</u>	<u>\$ 6,386,268</u>	<u>\$ 17,225,307</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, 2008

	Water Utility	Wastewater Utility	Electric Utility	Gas Utility	Totals	Internal Service Funds
Operating receipts:						
Utility collections	\$ 3,119,576	\$ 2,996,045	\$ 29,194,214	\$ 9,359,087	\$ 44,668,922	\$ -
Insurance proceeds	-	-	-	-	-	1,449,718
Other	-	-	-	-	-	7,064
Total operating receipts	<u>3,119,576</u>	<u>2,996,045</u>	<u>29,194,214</u>	<u>9,359,087</u>	<u>44,668,922</u>	<u>1,456,782</u>
Operating disbursements:						
Cost of sales and services	1,880,434	2,339,524	24,449,986	9,520,888	38,190,832	-
Equipment and capital improvements	384,198	890,795	749,700	336,409	2,361,102	-
Insurance claims and premiums	-	-	-	-	-	1,515,315
Total operating disbursements	<u>2,264,632</u>	<u>3,230,319</u>	<u>25,199,686</u>	<u>9,857,297</u>	<u>40,551,934</u>	<u>1,515,315</u>
Excess (deficiency) of operating receipts over operating disbursements	<u>854,944</u>	<u>(234,274)</u>	<u>3,994,528</u>	<u>(498,210)</u>	<u>4,116,988</u>	<u>(58,533)</u>
Nonoperating receipts (disbursements):						
Interfund loan/repayment	-	-	140,083	(140,083)	-	-
Interest and investment receipts	75,906	85,482	289,678	25,308	476,374	63,634
Miscellaneous receipts	30,480	9,361	144,627	4,386	188,854	-
Debt service of principal	(697,000)	(478,628)	-	-	(1,175,628)	-
Interest and investment disbursement	(397,705)	(70,167)	-	(32,609)	(500,481)	-
Miscellaneous disbursements	(747)	(5,439)	(14,070)	-	(20,256)	-
Total nonoperating receipts (disbursements)	<u>(989,066)</u>	<u>(459,391)</u>	<u>560,318</u>	<u>(142,998)</u>	<u>(1,031,137)</u>	<u>63,634</u>
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	<u>(134,122)</u>	<u>(693,665)</u>	<u>4,554,846</u>	<u>(641,208)</u>	<u>3,085,851</u>	<u>5,101</u>
Capital contributions	315,203	248,835	-	36,339	600,377	-
Transfers out	(176,716)	-	(140,672)	(32,544)	(349,932)	-
Excess (deficiency) of receipts and contributions over disbursements and transfers out	<u>4,365</u>	<u>(444,830)</u>	<u>4,414,174</u>	<u>(637,413)</u>	<u>3,336,296</u>	<u>5,101</u>
Cash and investment fund balance - beginning	<u>2,704,839</u>	<u>3,268,476</u>	<u>8,524,147</u>	<u>1,775,358</u>	<u>16,272,820</u>	<u>1,454,452</u>
Cash and investment fund balance - ending	<u>\$ 2,709,204</u>	<u>\$ 2,823,646</u>	<u>\$ 12,938,321</u>	<u>\$ 1,137,945</u>	<u>\$ 19,609,116</u>	<u>\$ 1,459,553</u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ 316,451	\$ 548,871	\$ 8,315,660	\$ 456,823	\$ 9,637,805	\$ -
Restricted assets:						
Cash and investments	<u>2,392,753</u>	<u>2,274,775</u>	<u>4,622,661</u>	<u>681,122</u>	<u>9,971,311</u>	<u>1,459,553</u>
Total cash and investment assets - December 31	<u>\$ 2,709,204</u>	<u>\$ 2,823,646</u>	<u>\$ 12,938,321</u>	<u>\$ 1,137,945</u>	<u>\$ 19,609,116</u>	<u>\$ 1,459,553</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Debt service	\$ 1,802,962	\$ 302,267	\$ -	\$ -	\$ 2,105,229	\$ -
Other purposes	589,791	1,972,508	4,622,661	681,122	7,866,082	1,459,553
Unrestricted	<u>316,451</u>	<u>548,871</u>	<u>8,315,660</u>	<u>456,823</u>	<u>9,637,805</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 2,709,204</u>	<u>\$ 2,823,646</u>	<u>\$ 12,938,321</u>	<u>\$ 1,137,945</u>	<u>\$ 19,609,116</u>	<u>\$ 1,459,553</u>

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, 2008

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Employer	\$ 245,635	\$ -	
State	192,403	-	
Total contributions	438,038	-	
Investment earnings:			
Interest	46,341	13,469	
Total additions	484,379	13,469	
Deductions:			
Benefits	188,054	-	
Administrative and general	57,338	12,343	
Total deductions	245,392	12,343	
Excess of total additions over total deductions	238,987	1,126	
Cash and investment fund balance - beginning	1,565,902	458,373	
Cash and investment fund balance - ending	\$ 1,804,889	\$ 459,499	\$ 114,041

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 nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

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

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 income tax.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The City reports the following major proprietary funds:

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

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

The 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 accounts for 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 firefighters' pensions, which accumulate resources for pension benefit payments.

The private-purpose trust fund reports a trust arrangement 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, donation for local match, 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. Property Taxes

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

3. 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.

4. 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.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

5. Equity Classification

Government-Wide Statements

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

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

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

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

F. Internal and Interfund Balances and Activities

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

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

Government-Wide Financial Statements

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

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

II. Stewardship, Compliance and Accountability

Budgetary Information

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

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

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

III. Detailed Notes on All Funds

A. Deposits

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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a deposit policy for custodial credit risk; however, the City is not exposed to custodial credit risk at this time. At December 31, 2008, 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, 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>
Water Fund	General Fund	\$ 176,716
Electric Fund	General Fund	140,672
Gas Fund	General Fund	32,544
EDIT Fund	Other governmental funds	328,812
Other governmental funds	Other governmental funds	<u>50,000</u>
 Total		 <u><u>\$ 728,744</u></u>

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

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; job related illnesses or injuries to employees; 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. Risk financing is not utilized for the other risks of loss.

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. Interfund premiums are paid into the fund by all affected 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.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

B. Subsequent Events

State Pension Relief Fund

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

Electric Utility Rate Increase

The Common Council adopted Ordinance 2008-34 at its meeting on February 18, 2009, to increase the Electric Utility rates effective for those electric billings due March 1, 2009. The increase amounted to 6.75% for residential customers and 10% for commercial customers.

Water Utility Rate Increase

The Common Council adopted Ordinance 2009-31 at its meeting on October 21, 2009, to increase the Water Utility rates effective December 2009. The increase amounted to 37%.

C. Contingent Liabilities

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 1500 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 have 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, and amended on November 14, 2007.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Wastewater Utility

The current rate structure was approved by the City Council on April 23, 2008.

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 February 18, 2009.

Gas Utility

On June 12, 1991, the City Council adopted Ordinance 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.

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

b. 1925 Police Officers' Pension Plan

Plan Description

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

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

	<u>PERF</u>	<u>1925 Police Officers' Pension</u>
Annual required contribution	\$ 538,093	\$ 223,500
Interest on net pension obligation	(14,300)	79,000
Adjustment to annual required contribution	<u>16,296</u>	<u>(99,700)</u>
Annual pension cost	540,089	202,800
Contributions made	<u>558,717</u>	<u>263,251</u>
Increase (decrease) in net pension obligation	(18,628)	(60,451)
Net pension obligation, beginning of year	<u>(197,247)</u>	<u>1,316,678</u>
Net pension obligation, end of year	<u>\$ (215,875)</u>	<u>\$ 1,256,227</u>

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	PERF	1925 Police Officers' Pension
Contribution rates:		
City	8%	0%
Plan members	3%	6%
Actuarial valuation date	07-01-06	01-01-05
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 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

	PERF	1925 Police Officers' Pension
<u>Actuarial Assumptions</u>		
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	06-30-06	\$ 528,649	92%	\$ (188,751)
	06-30-07	510,184	102%	(197,247)
	06-30-08	540,089	103%	(215,875)
1925 Police Officers' Pension Plan	12-31-06	198,400	81%	1,271,013
	12-31-07	199,400	77%	1,316,678
	12-31-08	202,800	130%	1,256,227

CITY OF JASPER  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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

	1925 Police Officers' Pension
Retirees and beneficiaries currently receiving benefits	6

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 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' salary and the City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2008, 2007, and 2006, were \$204,177, \$193,502, and \$182,060, respectively, equal to the required contributions for each year.

3. Volunteer Firefighters' Defined Benefit Pension Plan

Plan Description

Local Ordinance 1988-30 (repealed by Ordinance 1998-39) 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

CITY OF JASPER  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

the age of 55 and has 20 or more years of service may retire with a service annuity. The annuities range in amount from \$170 per month after 20 years of service to a maximum of \$270 per month after 30 years of service. 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 qualifying surviving spouse. Ordinance 1998-39 was amended by Local Ordinance 2009-11 effective January 1, 2009, to re-define the eligibility of benefits as only those retired firefighters or spouses of retired or deceased firefighters who were receiving benefits from the pension fund as of January 1, 2009.

Firefighters who have retired with at least 20 years of service, but have not reached age 55 as of January 1, 2009, will receive a onetime lump sum payment, approved by Local Resolution 2009-6. This lump sum distribution is equal to the present value of the annual benefit computed under the provisions of the previously enacted Volunteer Fire Department Pension Fund, plus \$100 for each year of service.

The current pension plan is being funded through the local tax rate. The City has elected not to have an actuarial valuation performed for 2008 and prior years, to provide the required disclosure information under Statement 27 of the Governmental Accounting Standards Board (GASB).

4. Volunteer Firefighters' Defined Contribution Pension Plan

Plan Description

Effective January 1, 2009, Local Ordinance 2009-13 established a new defined contribution retirement plan for the benefit of the Jasper Volunteer Fire Department. The Plan is a length of service award plan under Section 457(e)(11)(A)(ii) of the Internal Revenue Code. All active volunteer firefighters are eligible to participate and will be entitled to a one time contribution into this new retirement plan, as well as a lump sum cash payout, as approved by Local Resolution 2009-5. These amounts are based on an actuarial study using the present value of each firefighter's annual benefit under the provisions of the previously enacted Volunteer Fire Department Pension Fund, plus \$100 for each year of service. The City will then make an annual contribution to the plan of up to \$1,000 per firefighter. The annual amount will be based on each firefighter's attendance at all fire runs, monthly meetings, and monthly training.

5. Police Pension and Fire Pension Supplemental Trusts

Plan Descriptions

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. The fire pension supplemental trust fund will be used to pay the lump-sum distributions and one time contributions, as described in Notes 3 and 4. As of December 31, 2008, the amount accumulated in the police pension supplemental trust and the fire pension supplemental trust was \$1,069,481 and \$373,964, 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)
07-01-06	\$ 8,135,268	\$ 10,248,737	\$ (2,113,469)	79%	\$ 6,445,174	(33%)
07-01-07	9,293,431	11,298,348	(2,004,917)	82%	6,849,807	(29%)
07-01-08	9,818,611	11,711,523	(1,892,912)	84%	7,083,467	(27%)

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)
01-01-03	\$ 234,905	\$ 2,876,400	\$ (2,641,495)	8%	\$ -	No Covered Payroll
01-01-04	213,730	3,034,000	(2,820,270)	7%	-	No Covered Payroll
01-01-05	179,842	2,379,200	(2,199,358)	8%	-	No Covered Payroll
01-01-06	129,087	3,009,200	(2,880,113)	4%	-	No Covered Payroll
01-01-07	127,550	3,006,900	(2,879,350)	4%	-	No Covered Payroll
01-01-08	137,086	3,039,300	(2,902,214)	5%	-	No Covered Payroll

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

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1925 Police Officers' Pension Plan	12-31-03	\$ 331,400	39%
	12-31-04	346,600	35%
	12-31-05	168,000	63%
	12-31-06	215,200	75%
	12-31-07	217,900	71%
	12-31-08	223,500	118%

CITY OF JASPER  
REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 6,212,005	\$ 6,212,005	\$ 6,212,005	\$ -
Resources (inflows):				
Property taxes	3,649,481	3,649,481	3,644,355	(5,126)
Excise taxes	372,582	372,582	382,498	9,916
County Option Income Tax	1,986,139	1,986,139	1,986,139	-
Licenses and permits	12,500	12,500	26,898	14,398
Fines & forfeitures	12,000	12,000	27,096	15,096
Charges for services	620,332	620,332	738,454	118,122
Grants	43,500	43,500	117,597	74,097
Other Reimbursements	59,000	59,000	26,611	(32,389)
Arts Department revenue	244,000	244,000	220,540	(23,460)
Miscellaneous	5,200	5,200	70,589	65,389
Interest received	70,000	70,000	256,417	186,417
Transfers from other funds			568	568
Amounts available for appropriation	<u>13,286,739</u>	<u>13,286,739</u>	<u>13,709,767</u>	<u>423,028</u>
Charges to appropriations (outflows):				
Common Council	1,820,600	1,941,900	1,082,097	859,803
Mayor's Office	145,775	148,275	136,432	11,843
Public Works	1,117,807	1,130,557	695,283	435,274
Clerk-Treasurer	210,900	210,900	178,311	32,589
Legal	97,500	97,500	38,707	58,793
City Hall	183,950	183,950	129,652	54,298
Safety-Personnel Director	99,350	99,350	58,550	40,800
City Engineer	85,900	85,900	62,720	23,180
Police Department	1,869,880	1,895,580	1,790,127	105,453
Fire Department	372,800	376,300	287,632	88,668
Storm Sewer	775,650	780,650	632,455	148,195
Refuse Department	200,000	200,000	164,903	35,097
Sanitation-Recycling Department	432,800	442,800	369,939	72,861
Streets & Alleys	1,557,708	1,557,709	1,153,042	404,667
Planning Commission	112,150	112,150	101,617	10,533
Housing Board	500	500	-	500
Arts Department	586,900	537,684	484,399	53,285
Nondepartmental expenditures & transfers			72,995	(72,995)
Total charges to appropriations	<u>9,670,170</u>	<u>9,801,705</u>	<u>7,438,861</u>	<u>2,362,844</u>
Budgetary fund balance, December 31	<u>\$ 3,616,569</u>	<u>\$ 3,485,034</u>	<u>\$ 6,270,906</u>	<u>\$ 2,785,872</u>

CITY OF JASPER  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 PARK FUND

YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 1,655,092	\$ 1,655,092	\$ 1,655,092	\$ -
Resources (inflows):				
Property taxes	1,513,086	1,513,086	1,506,181	(6,905)
Excise taxes	144,116	144,116	138,563	(5,553)
Park receipts	50,000	50,000	53,107	3,107
Swimming Pool receipts	34,200	34,200	50,811	16,611
Golf Course receipts	463,500	463,500	450,765	(12,735)
Concession Stands	48,200	48,200	50,299	2,099
Contractual Services	12,500	12,500	2,000	(10,500)
Grants	14,000	14,000	1,152	(12,848)
Miscellaneous	32,000	32,000	102,578	70,578
Interest received	5,200	5,200	29,991	24,791
Amounts available for appropriation	<u>3,971,894</u>	<u>3,971,894</u>	<u>4,040,539</u>	<u>68,645</u>
Charges to appropriations (outflows):				
Park General	1,542,400	1,622,425	1,163,687	458,738
Swimming Pool	155,200	155,200	104,290	50,910
Municipal Golf Course	664,073	643,073	447,567	195,506
Older American Center	205,312	210,812	170,384	40,428
Camp Carnes	11,800	11,300	6,224	5,076
Ruxer Golf Course	295,133	268,133	190,207	77,926
Nondepartmental expenditures & transfers			6,504	(6,504)
Total charges to appropriations	<u>2,873,918</u>	<u>2,910,943</u>	<u>2,088,863</u>	<u>822,080</u>
Budgetary fund balance, December 31	<u>\$ 1,097,976</u>	<u>\$ 1,060,951</u>	<u>\$ 1,951,676</u>	<u>\$ 890,725</u>

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CITY OF JASPER  
 REQUIRED SUPPLEMENTARY INFORMATION  
 BUDGETARY COMPARISON SCHEDULE  
 EDIT FUND  
 YEAR ENDED DECEMBER 31, 2008

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 2,085,420	\$ 2,085,420	\$ 2,085,420	\$ -
Resources (inflows):				
Economic Dev Income Tax Received	1,479,214	1,479,214	1,479,214	0
Interest received	20,000	20,000	62,731	42,731
Amounts available for appropriation	<u>3,584,634</u>	<u>3,584,634</u>	<u>3,627,365</u>	<u>42,731</u>
Charges to appropriations (outflows):				
Connecting Walkway	150,000	150,000	37,325	112,675
Land	100,000	-	-	-
Building & Structures-Auditorium Seating	2,685	2,685	2,685	-
Contractual Services	60,000	60,000	49,420	10,580
Bond payment	340,000	340,000	328,812	11,188
West 15th St. Improvements	100,000	-	-	-
Land Improvements	10,915	160,915	92,666	68,249
Police Dept.-Equipment	300,000	300,000	-	300,000
Street Materials	500,000	500,000	500,000	-
Common Drive Extension	300,000	-	-	-
Total charges to appropriations	<u>1,863,600</u>	<u>1,513,600</u>	<u>1,010,908</u>	<u>502,692</u>
Budgetary fund balance, December 31	<u>\$ 1,721,034</u>	<u>\$ 2,071,034</u>	<u>\$ 2,616,457</u>	<u>\$ 545,423</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, 2008

	Motor Vehicle Highway	Local Road and Street	Local Law Enforcement Continuing Education	Park Nonreverting Operating	Fire Truck Donation	Cemetery Operating	Investment Incentive
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	1,288	-	-	-
Licenses and permits	-	-	7,365	-	-	-	-
Intergovernmental	468,125	78,179	-	-	-	-	-
Charges for services	-	-	1,493	-	1,320	2,760	-
Fines and forfeits	-	-	921	-	-	-	-
Other	10,324	3,777	-	1,578	4,604	1,728	6,744
<b>Total receipts</b>	<b>478,449</b>	<b>81,956</b>	<b>9,779</b>	<b>2,866</b>	<b>5,924</b>	<b>4,488</b>	<b>6,744</b>
Disbursements:							
General government	-	-	-	-	-	-	175
Public safety	-	-	2,486	-	-	-	-
Highways and streets	495,638	100,000	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>495,638</b>	<b>100,000</b>	<b>2,486</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>175</b>
Excess (deficiency) of receipts over disbursements	(17,189)	(18,044)	7,293	2,866	5,924	4,488	6,569
Other financing sources (uses):							
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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(17,189)	(18,044)	7,293	2,866	5,924	4,488	6,569
Cash and investment fund balance - beginning	362,401	98,155	30,793	53,773	147,783	40,169	219,512
Cash and investment fund balance - ending	<u>\$ 345,212</u>	<u>\$ 80,111</u>	<u>\$ 38,086</u>	<u>\$ 56,639</u>	<u>\$ 153,707</u>	<u>\$ 44,657</u>	<u>\$ 226,081</u>
<u>Cash and Investment Assets - December 31</u>							
Restricted assets:							
Cash and investments	<u>\$ 345,212</u>	<u>\$ 80,111</u>	<u>\$ 38,086</u>	<u>\$ 56,639</u>	<u>\$ 153,707</u>	<u>\$ 44,657</u>	<u>\$ 226,081</u>
<u>Cash and Investment Fund Balance - December 31</u>							
Restricted for:							
Public safety	\$ -	\$ -	\$ 38,086	\$ -	\$ 153,707	\$ -	\$ -
Highways and streets	345,212	80,111	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	226,081
Culture and recreation	-	-	-	56,639	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	44,657	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 345,212</u></b>	<b><u>\$ 80,111</u></b>	<b><u>\$ 38,086</u></b>	<b><u>\$ 56,639</u></b>	<b><u>\$ 153,707</u></b>	<b><u>\$ 44,657</u></b>	<b><u>\$ 226,081</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, 2008  
 (Continued)

	Economic Development	DARE	Police Grant	Donation	Rainy Day	Riverboat	Storm Water Management
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Special assessments	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	8,285	-	441,626	75,904	-
Charges for services	-	-	-	-	-	-	349,770
Fines and forfeits	-	-	-	-	-	-	-
Other	3,525	-	9,562	73	48,257	12,519	13,669
<b>Total receipts</b>	<b>3,525</b>	<b>-</b>	<b>17,847</b>	<b>73</b>	<b>489,883</b>	<b>88,423</b>	<b>363,439</b>
Disbursements:							
General government	-	-	-	-	-	25,000	-
Public safety	-	-	17,445	-	-	-	-
Highways and streets	-	-	-	-	-	-	350,466
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>17,445</b>	<b>-</b>	<b>-</b>	<b>25,000</b>	<b>350,466</b>
Excess (deficiency) of receipts over disbursements	3,525	-	402	73	489,883	63,423	12,973
Other financing sources (uses):							
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>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,525	-	402	73	489,883	63,423	12,973
Cash and investment fund balance - beginning	121,352	150	1,630	2,512	1,339,886	420,806	479,169
Cash and investment fund balance - ending	<u>\$ 124,877</u>	<u>\$ 150</u>	<u>\$ 2,032</u>	<u>\$ 2,585</u>	<u>\$ 1,829,769</u>	<u>\$ 484,229</u>	<u>\$ 492,142</u>
<b>Cash and Investment Assets - December 31</b>							
Restricted assets:							
Cash and investments	<u>\$ 124,877</u>	<u>\$ 150</u>	<u>\$ 2,032</u>	<u>\$ 2,585</u>	<u>\$ 1,829,769</u>	<u>\$ 484,229</u>	<u>\$ 492,142</u>
<b>Cash and Investment Fund Balance - December 31</b>							
Restricted for:							
Public safety	\$ -	\$ 150	\$ 2,032	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	492,142
Sanitation	-	-	-	-	-	-	-
Economic development	124,877	-	-	-	-	-	-
Culture and recreation	-	-	-	2,585	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	1,829,769	484,229	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 124,877</u></b>	<b><u>\$ 150</u></b>	<b><u>\$ 2,032</u></b>	<b><u>\$ 2,585</u></b>	<b><u>\$ 1,829,769</u></b>	<b><u>\$ 484,229</u></b>	<b><u>\$ 492,142</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, 2008  
 (Continued)

	Arnold Habig Community Center	Arts Center Expansion	Beaver Dam Lake	Unsafe Building	Levy Excess	Cumulative Building and Fire Equipment
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 74,247
Special assessments	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	6,825
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	281	21,819	31,744	25	71,207	7,944
<b>Total receipts</b>	<b>281</b>	<b>21,819</b>	<b>31,744</b>	<b>25</b>	<b>71,207</b>	<b>89,016</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	2,350	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>2,350</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	281	21,819	29,394	25	71,207	89,016
Other financing sources (uses):						
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	281	21,819	29,394	25	71,207	89,016
Cash and investment fund balance - beginning	10,010	65,881	9,965	863	-	268,294
Cash and investment fund balance - ending	<u>\$ 10,291</u>	<u>\$ 87,700</u>	<u>\$ 39,359</u>	<u>\$ 888</u>	<u>\$ 71,207</u>	<u>\$ 357,310</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 10,291</u>	<u>\$ 87,700</u>	<u>\$ 39,359</u>	<u>\$ 888</u>	<u>\$ 71,207</u>	<u>\$ 357,310</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 357,310
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	10,291	87,700	39,359	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	888	71,207	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 10,291</u>	<u>\$ 87,700</u>	<u>\$ 39,359</u>	<u>\$ 888</u>	<u>\$ 71,207</u>	<u>\$ 357,310</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, 2008  
 (Continued)

	Cumulative Capital Improvement	Cumulative Capital Development	Park Nonreverting Capital	Cumulative Sewer	Park Bond Debt Service	Totals
Receipts:						
Taxes	\$ -	\$ 393,815	\$ -	\$ -	\$ -	\$ 468,062
Special assessments	-	-	-	-	-	1,288
Licenses and permits	-	-	-	-	-	7,365
Intergovernmental	39,350	36,177	-	-	-	1,154,471
Charges for services	-	-	30,292	-	-	385,635
Fines and forfeits	-	-	-	-	-	921
Other	4,886	35,693	3,372	2,261	11,314	306,906
<b>Total receipts</b>	<b>44,236</b>	<b>465,685</b>	<b>33,664</b>	<b>2,261</b>	<b>11,314</b>	<b>2,324,648</b>
Disbursements:						
General government	-	-	-	-	-	25,175
Public safety	-	-	-	-	-	19,931
Highways and streets	-	502,280	-	-	-	1,448,384
Culture and recreation	-	-	36,117	-	-	38,467
Debt service:						
Principal	-	-	-	-	320,000	320,000
Interest	-	-	-	-	66,060	66,060
<b>Total disbursements</b>	<b>-</b>	<b>502,280</b>	<b>36,117</b>	<b>-</b>	<b>386,060</b>	<b>1,918,017</b>
Excess (deficiency) of receipts over disbursements	44,236	(36,595)	(2,453)	2,261	(374,746)	406,631
Other financing sources (uses):						
Transfers in	-	-	-	-	378,812	378,812
Transfers out	(50,000)	-	-	-	-	(50,000)
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>378,812</b>	<b>328,812</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(5,764)	(36,595)	(2,453)	2,261	4,066	735,443
Cash and investment fund balance - beginning	194,564	1,213,536	100,219	73,554	395,848	5,650,825
Cash and investment fund balance - ending	\$ 188,800	\$ 1,176,941	\$ 97,766	\$ 75,815	\$ 399,914	\$ 6,386,268
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 188,800	\$ 1,176,941	\$ 97,766	\$ 75,815	\$ 399,914	\$ 6,386,268
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 551,285
Highways and streets	-	-	-	-	-	917,465
Sanitation	-	-	-	75,815	-	75,815
Economic development	-	-	-	-	-	350,958
Culture and recreation	-	-	97,766	-	-	294,340
Debt service	-	-	-	-	399,914	399,914
Other purposes	188,800	1,176,941	-	-	-	3,796,491
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 188,800</b>	<b>\$ 1,176,941</b>	<b>\$ 97,766</b>	<b>\$ 75,815</b>	<b>\$ 399,914</b>	<b>\$ 6,386,268</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, 2008

	Police Pension	Fire Pension	Police Pension Supplemental Trust	Fire Pension Supplemental Trust	Totals
Additions:					
Contributions:					
Employer	\$ 70,181	\$ 87,236	\$ 30,000	\$ 58,218	\$ 245,635
State	<u>192,403</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>192,403</u>
Total contributions	<u>262,584</u>	<u>87,236</u>	<u>30,000</u>	<u>58,218</u>	<u>438,038</u>
Investment receipts:					
Interest	<u>3,619</u>	<u>2,847</u>	<u>30,427</u>	<u>9,448</u>	<u>46,341</u>
Total additions	<u>266,203</u>	<u>90,083</u>	<u>60,427</u>	<u>67,666</u>	<u>484,379</u>
Deductions:					
Benefits	155,393	32,661	-	-	188,054
Administrative and general	<u>2,510</u>	<u>54,828</u>	<u>-</u>	<u>-</u>	<u>57,338</u>
Total deductions	<u>157,903</u>	<u>87,489</u>	<u>-</u>	<u>-</u>	<u>245,392</u>
Excess of total additions over total deductions	108,300	2,594	60,427	67,666	238,987
Cash and investment fund balance - beginning	<u>137,086</u>	<u>113,464</u>	<u>1,009,054</u>	<u>306,298</u>	<u>1,565,902</u>
Cash and investment fund balance - ending	<u>\$ 245,386</u>	<u>\$ 116,058</u>	<u>\$ 1,069,481</u>	<u>\$ 373,964</u>	<u>\$ 1,804,889</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, 2008

	<u>Cemetery Endowment</u>	<u>Landfill Close-Down</u>	<u>Totals</u>
Additions:			
Investment earnings:			
Interest	\$ 185	\$ 13,284	\$ 13,469
Deductions:			
Administrative and general	474	11,869	12,343
Excess (deficiency) of total additions over total deductions	(289)	1,415	1,126
Cash and investment fund balance - beginning	6,259	452,114	458,373
Cash and investment fund balance - ending	<u>\$ 5,970</u>	<u>\$ 453,529</u>	<u>\$ 459,499</u>

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

	<u>Payroll</u>	<u>ROJAC</u>	<u>Regional Arts Grant</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 9,546,541	\$ 49,386	\$ 64,536	\$ 9,660,463
Deductions:				
Agency fund deductions	<u>9,506,132</u>	<u>49,386</u>	<u>66,761</u>	<u>9,622,279</u>
Excess (deficiency) of total additions over total deductions	40,409	-	(2,225)	38,184
Cash and investment fund balance - beginning	<u>40,979</u>	<u>-</u>	<u>34,878</u>	<u>75,857</u>
Cash and investment fund balance - ending	<u>\$ 81,388</u>	<u>\$ -</u>	<u>\$ 32,653</u>	<u>\$ 114,041</u>



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

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 3,943,160
Infrastructure	64,112,121
Buildings	11,547,226
Improvements other than buildings	8,675,761
Machinery and equipment	10,775,402
Construction in progress	<u>154,948</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 99,208,618</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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Primary Government	Ending Balance
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 292,314
Construction in progress	5,198
Capital assets, being depreciated:	
Buildings	10,471,233
Improvements other than buildings	10,666,982
Machinery and equipment	<u>4,217,010</u>
Total Water Utility capital assets	<u><u>25,652,737</u></u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	195,639
Construction in progress	4,362
Capital assets, being depreciated:	
Buildings	6,907,402
Improvements other than buildings	16,644,523
Machinery and equipment	<u>7,404,783</u>
Total Wastewater Utility capital assets	<u><u>31,156,709</u></u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	130,850
Construction in progress	4,847
Capital assets, being depreciated:	
Buildings	3,857,153
Improvements other than buildings	18,349,568
Machinery and equipment	<u>6,862,674</u>
Total Electric Utility capital assets	<u><u>29,205,092</u></u>
Gas Utility:	
Capital assets, not being depreciated:	
Land	16,904
Construction in progress	2,746
Capital assets, being depreciated:	
Buildings	10,926
Improvements other than buildings	5,381,772
Machinery and equipment	<u>742,533</u>
Total Gas Utility capital assets	<u><u>\$ 6,154,881</u></u>



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

Description of Debt	Ending Principal Balance	Due Within One Year
Governmental Activities:		
Revenue bonds:		
2004 Park Bonds	\$ 1,970,000	\$ 330,000
Business-type Activities:		
Water Utility		
Loans payable	10,605,000	-
Wastewater Utility		
Loans payable	745,000	20,000
Gas Utility		
Interfund loans payable	1,112,006	-
Total business-type activities debt	\$ 12,462,006	\$ 20,000

CITY OF JASPER  
OTHER REPORTS

The annual report presented herein was prepared in addition to the official report prepared for 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 October 29, 2009, with William J. Schmitt, Mayor; and Juanita S. Boehm, Clerk-Treasurer. Our audit disclosed no material items that warrant comment at this time.