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

EXAMINATION REPORT
OF
CITY OF JASONVILLE
GREENE COUNTY, INDIANA
January 1, 2009 to December 31, 2009



FILED
10/27/2010

TABLE OF CONTENTS

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

OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Charlotte M. Thomas	01-01-08 to 12-31-11
President of the City Council	Peggy Sluder	01-01-09 to 12-31-10
Mayor	Roy L. Terrell, Jr.	01-01-08 to 12-31-11
Superintendent of Utilities	Troy Fougrousse	01-01-09 to 12-31-11
President of Board of Public Works and Safety	Roy L. Terrell, Jr.	01-01-08 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial information presented herein of the City of Jasonville (City), for the period of January 1, 2009 to December 31, 2009. The City's management is responsible for the financial information presented herein. Our responsibility is to express an opinion based on our examination.

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

In our opinion, the financial information referred to above presents fairly, in all material respects, the financial information of the City for the year ended December 31, 2009, based on the criteria set forth in the uniform compliance guidelines established by the Indiana State Board of Accounts.

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

STATE BOARD OF ACCOUNTS

August 5, 2010

CITY OF JASONVILLE
SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES
ALL GOVERNMENTAL, PROPRIETARY AND FIDUCIARY FUND TYPES
As Of And For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
Governmental Funds:				
General	\$ 216,580	\$ 518,530	\$ 616,440	\$ 118,670
Motor Vehicle Highway	23,365	112,875	125,635	10,605
Local Road and Street	33,381	11,560	6,362	38,579
Park and Recreation	5,134	37,579	26,469	16,244
Park Donations	5,987	350	6,337	-
Law Enforcement Continuing Education	425	1,610	-	2,035
Riverboat	54,625	17,427	11,903	60,149
Rainy Day	28,686	55,636	14,649	69,673
Revolving Loan fund	14,790	-	-	14,790
Sidewalk Replacement	45,987	11,318	225	57,080
Jasonville Development	3,385	-	-	3,385
Heritage Block	1,570	150	89	1,631
Heritage Museum	262	148	75	335
HDF Revolving Loan	486	15,563	16,049	-
Police Donation	231	927	1,149	9
Police Equipment	6	-	6	-
Cumulative Capital Improvement	25,868	7,635	6,035	27,468
Cumulative Capital Development	10,225	6,107	-	16,332
Special Fire	350	39,137	30,659	8,828
Proprietary Funds:				
Water Utility - Operating	113,155	540,041	534,052	119,144
Water Utility - Donations for Disaster Assistance	836	2	-	838
Water Utility - Depreciation	37,917	-	-	37,917
Water Utility - Customer Deposit	9,165	2,280	1,877	9,568
Gas Utility - Operating	27,119	877,472	889,686	14,905
Gas Utility - Depreciation	425	-	-	425
Gas Utility - Customer Deposit	22,407	4,725	3,876	23,256
Wastewater Utility - Operating	43,354	460,082	486,505	16,931
Wastewater Utility - Bond and Interest	162	198,000	183,800	14,362
Wastewater Utility - Depreciation	148,629	-	48,000	100,629
Wastewater Utility - Customer Deposit	10,780	3,720	2,596	11,904
Wastewater Utility - Debt Service	165,463	39,600	-	205,063
Fiduciary Fund:				
Payroll	-	951,491	951,491	-
	<u>\$ 1,050,755</u>	<u>\$ 3,913,965</u>	<u>\$ 3,963,965</u>	<u>\$ 1,000,755</u>

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

CITY OF JASONVILLE
NOTES TO FINANCIAL INFORMATION

Note 1. Introduction

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

Note 2. Fund Accounting

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

Note 3. Budgets

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

Note 4. Property Taxes

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

Note 5. Deposits and Investments

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

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

CITY OF JASONVILLE
NOTES TO FINANCIAL INFORMATION
(Continued)

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

The contribution requirements of the plan members for PERF are established by the Board of Trustees of PERF.

CITY OF JASONVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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

General infrastructure assets completed in the current period have been reported. Retroactive reporting of general infrastructure assets will occur by January 1, 2011.

General infrastructure assets for proprietary funds are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. 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.

	Ending Balance
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 21,264
Buildings	191,701
Improvements other than buildings	118,231
Machinery and equipment	1,075,057
 Total governmental activities, capital assets not being depreciated	 \$ 1,406,253

	Ending Balance
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 53,944
Buildings	234,813
Improvements other than buildings	1,998,307
Machinery and equipment	307,109
Transportation equipment	52,426
Construction in Progress	124,500
 Total Water Utility capital assets	 2,771,099

Wastewater Utility:	
Capital assets, not being depreciated:	
Land	110,952
Buildings	10,688
Improvements other than buildings	5,789,165
Organization & Engineering	523,110
Machinery and equipment	101,908
 Total Wastewater Utility capital assets	 6,535,823

Gas Utility:	
Capital assets, not being depreciated:	
Land	3,984
Buildings	14,207
Improvements other than buildings	1,112,485
Machinery and equipment	178,671
 Total Gas Utility capital assets	 1,309,347

Total business-type activities capital assets	\$ 10,616,269
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CITY OF JASONVILLE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Notes and loans payable:		
Police Cars	\$ 35,644	\$ 12,372
Fire Truck	<u>276,041</u>	<u>35,642</u>
Total governmental activities debt	<u>\$ 311,685</u>	<u>\$ 48,014</u>
Business-type activities:		
Wastewater Utility:		
Loan Payable:		
Wastewater Improvement and Extensions	<u>\$ 2,015,067</u>	<u>\$ 183,243</u>
Total business-type activities debt	<u>\$ 2,015,067</u>	<u>\$ 183,243</u>

CITY OF JASONVILLE
EXAMINATION RESULTS AND COMMENTS

DELINQUENT WASTEWATER ACCOUNTS

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

IC 36-9-23-33 states in part:

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

(1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

(A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;

(B) a description of the premises, as shown by the records of the county auditor; and

(C) the amount of the delinquent fees, together with the penalty; or

(2) an individual instrument for each lot or parcel of real property on which the fees are delinquent.

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

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

A similar comment appeared in prior reports.

CAPITAL ASSET RECORDS

The City/Town General Fixed Asset Ledger does not contain infrastructure values.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF JASONVILLE
EXIT CONFERENCE

The contents of this report were discussed on August 5, 2010, with Charlotte M. Thomas, Clerk-Treasurer, and Roy L. Terrell, Jr., Mayor. The officials concurred with our findings.