

B37954

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

ANNUAL FINANCIAL REPORT

2009

CITY OF JASPER

DUBOIS COUNTY, INDIANA



FILED
11/30/2010

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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	01-01-09 to 12-31-10
Water Utility Manager	Michael A. Oeding	01-01-09 to 12-31-10
Wastewater Utility Manager	Greg E. Hollinden	01-01-09 to 12-31-10
Electric Utility Generation Manager	Windell Toby	01-01-09 to 12-31-10
Electric Utility Distribution Manager	Jerald L. Schitter	01-01-09 to 12-31-10
Gas Utility Manager	Michael A. Oeding	01-01-09 to 12-31-10
Utility Controller	Linda McGovren	01-01-09 to 12-31-10
Chairman of the Utility Service Board	J. Alexander Emmons Wayne Schuetter	01-01-09 to 12-31-09 01-01-10 to 12-31-10



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, 2009, 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, 2009, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

STATE BOARD OF ACCOUNTS

September 2, 2010

City of Jasper, Indiana
Management's Discussion and Analysis
December 31, 2009

This discussion and analysis highlights the City of Jasper's financial activities for the year ended December 31, 2009. 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, 2009 were \$39,249,380. Of this amount, \$16,261,330 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 \$955,404.
- The City's long-term debt decreased by \$1,052,129.

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 four 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, 2009, with comparative figures from 2008:

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

	<u>2009</u>	<u>2008</u>
<u>Receipts</u>		
Program receipts:		
Charges for services	2,651	2,511
Operating grants and contributions	720	800
Capital grants and contributions	1,663	1,668
Transfers	362	350
General receipts:		
Property taxes	5,877	5,619
Other local sources	3,105	3,161
Other receipts	171	524
Total receipts	<u>14,549</u>	<u>14,633</u>
<u>Disbursements</u>		
General government	4,314	3,510
Public safety	2,198	2,170
Highways and streets	2,803	3,227
Sanitation	550	535
Economic development	913	682
Culture and recreation	2,495	2,495
Principal on long-term debt	330	320
Interest on long-term debt	59	66
Total disbursements	<u>13,662</u>	<u>13,005</u>
Change in cash net assets	887	1,628
Beginning cash net assets	<u>18,685</u>	<u>17,057</u>
Ending cash net assets	<u>\$ 19,572</u>	<u>\$ 18,685</u>

Business-Type Activities

The table below provides a summary of the changes in cash net assets for the year ended December 31, 2009, with comparative figures from 2008.

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

	<u>2009</u>	<u>2008</u>
<u>Receipts</u>		
Program receipts:		
Charges for services	39,186	44,669
Capital grants and contributions	237	600
General receipts:		
Other local sources	343	189
Unrestricted investment earnings	<u>70</u>	<u>476</u>
Total receipts	<u>39,836</u>	<u>45,934</u>
<u>Disbursements</u>		
Water	3,452	3,360
Wastewater	2,754	3,784
Electric	25,841	25,214
Gas	7,359	9,890
Transfers out	<u>362</u>	<u>350</u>
Total disbursements	<u>39,768</u>	<u>42,598</u>
Change in cash net assets	68	3,336
Beginning cash net assets	<u>19,609</u>	<u>16,273</u>
Ending cash net assets	<u><u>\$ 19,677</u></u>	<u><u>\$ 19,609</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 \$412,708. This increase was due to authorized purchasing agents using restraint in procuring items, resulting in unspent appropriations. Also, the City received more County Option Income Tax (COIT) revenue than estimated for 2009.

Economic Development Income Tax Fund:

Cash and Investments increased by \$276,771. This increase was due to receiving more Economic Development Income Tax (EDIT) dollars than anticipated. Also, several proposed projects were not started in 2009.

Park and Recreation Fund:

Cash and Investments increased by \$131,303. This increase was due to authorized purchasing agents using restraint in procuring items, resulting in unspent appropriations.

Rainy Day Fund:

Cash and Investments increased by \$392,933. This increase was due to receipt of excess COIT and EDIT dollars that were required by State law to be deposited into this fund.

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 decreased by \$514,078 (19.0%) during the year.

The operating and maintenance cash increased by \$81,883. During the year, funds were transferred from the depreciation fund as needed. In addition, the water department received \$184,028 in the form of a loan from the electric department in order to maintain the balance required by the City's bond ordinance. Compared to the previous year, operating revenues declined by \$374,305 while operating expenses rose by \$180,193. Various factors contributed to the decrease in revenues, including the general downturn in the local economy, the shutdown of the City's electric generating plant (a major user of water when operating), and above average rainfall during the summer months. As a result of the excessive rains, treatment costs rose due to more chemicals being needed to adequately treat the water supply. The City approved a new water rate schedule, effective December 2, 2009 after a rate study showed the increase was necessary to adequately maintain the water utility.

The depreciation fund decreased by \$619,770 during 2009. As noted above, transfers were made to the operating and maintenance fund. Major expenditures during 2009 include replacing a water main along Church Avenue, and for costs associated with the meter replacement program.

Wastewater:

Overall, the wastewater utility's cash and investment assets increased by \$245,148 (8.7%) during 2009.

The operating and maintenance cash increased by \$29,293, even though operating revenue declined by \$78,647 and operating expenses were up by \$32,632.

Depreciation cash increased by \$187,546 in 2009. Some of the larger expenditures made from this fund were for the manhole relining project, a loader backhoe, and generators for two lift stations.

The plant expansion cash decreased by \$45,171 during 2009. Expenditures for two new drying beds accounted for the decrease. Revenues associated with connection fees and interest earnings were credited to this fund.

Electric:

Total cash and investment assets for the electric utility increased by \$589,901 (4.6%).

Cash in the electric operating and maintenance fund increased by \$133,695. Operating revenue decreased by \$2,408,272, while operating expenses for 2009 declined by \$964,525.

The electric utility's depreciation cash increased by \$395,644. 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 paved parking area, and a loader/backhoe.

Gas:

Overall, the gas utility's cash and investment assets decreased by \$253,203, or 22.3%.

The gas utility's operating and maintenance cash decreased by \$304,960. Operating revenues declined by \$2,768,397, and operating expenses were lower by \$3,162,443. Normal fluctuations in the timing of cash receipts and cash disbursements contributed to this decrease.

The gas utility's depreciation cash increased by \$48,252. Major capital expenditures during 2009 included completion work on the vehicle storage building, the purchase of a loader/backhoe, and costs associated with the meter replacement program.

General Fund Budgetary Highlights

During 2009, the General Fund budget was revised once. This revision resulted in an overall increase in the budget of \$39,506. Several large items were ordered towards the end of 2009, therefore, \$518,000 of the unspent 2009 budget was carried over, or encumbered, into 2010.

Capital Asset and Long-Term Debt Activity

Capital Asset Activity:

As of December 31, 2009, the City had \$194,946,000 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 \$4,181,000, or 2.2%, over last year.

	(000's omitted)					
	Governmental Activities		Business-Type Activities		Totals	
	2009	2008	2009	2008	2009	2008
Land	4,006	3,943	636	636	4,642	4,579
Buildings	11,587	11,547	21,310	21,247	32,897	32,794
Improvements	8,765	8,676	51,761	51,043	60,526	59,719
Equipment	11,330	10,775	19,181	19,227	30,511	30,002
Infrastructure	64,479	63,499	-	-	64,479	63,499
Construction in Progress	1,735	155	156	17	1,891	172
Totals	<u>\$ 101,902</u>	<u>\$ 98,595</u>	<u>\$ 93,044</u>	<u>\$ 92,170</u>	<u>\$ 194,946</u>	<u>\$ 190,765</u>

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

- Infrastructure additions for 2009 totaling \$980,000 consisted of extending the walking path, sidewalks and curbs, totaling \$210,000. Also, streets, rights-of-way, and storm sewers totaling \$770,000 were acquired through annexations completed in 2009.
- Replacing nineteen golf carts at the two golf courses, for a total cost of \$68,000. 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 forklift, shoring equipment and trailer, a cinline melter, a versahandler, a used semi, a snowplow, and various other equipment, totaling \$316,000.
- Purchasing various equipment at the Park Department, including several mowers, three computers, a display case for the Older American Center, and diving boards for the pool, totaling \$57,000.
- Purchasing three new police cars, including related equipment for these cars, two tasers, a radar unit, and various other equipment, totaling \$82,000.
- Pouring concrete cart paths at the Municipal Golf Course, totaling \$14,000.
- Purchasing a new radio dispatch system at the Police Department, totaling \$206,000.
- Receiving a refurbished train car and tables and chairs, donated by local businesses, totaling \$148,000.
- Receiving equipment from various agencies, including 800 mhz and other radios, a desk, and a generator, totaling \$137,000.
- Receiving land and a rebuilt historic barn near the Riverwalk, valued at \$103,000.

- Paving parking lots at various parks, totaling \$193,000.
- Construction in Progress includes work done on the Jasper City Mill and mill wheel, totaling \$1,700,000. This was funded primarily by a Transportation Enhancement grant from the Indiana Department of Transportation.

The business-type activities recorded approximately \$744,000 for additions and on-going improvements to their respective distribution systems, with \$163,000 of this amount being contributed by developers and customers.

Other major capital additions during 2009 include the following:

- \$222,000 for three loader/backhoes, replacing one each in the electric, wastewater and gas utilities.
- \$97,000 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, and is nearing completion in the water and gas utilities.
- \$88,000 for a bucket truck with aerial device for the electric utility.
- \$74,000 for two new drying beds for the wastewater utility.
- \$67,000 to complete a vehicle storage building shared by the gas and water utilities.
- \$38,000 for paving the parking areas adjacent to the electric utility's meter and line warehouse buildings.

As of the end of 2009, the utilities also recorded \$24,000 in costs related to the new software system, and approximately \$127,000 for engineering studies and legal fees associated with the biomass study of the City's electric generating plant. These amounts are reported in the financial statements as construction in progress.

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

Long-term Debt Activity:

As of December 31, 2009 and 2008, the City's outstanding debt consisted of the following:

	<u>2009</u>	<u>2008</u>
• Park District	\$ 1,640,000	\$ 1,970,000
• Water Utility	\$ 10,067,028	\$ 10,605,000
• Wastewater Utility	\$ 700,000	\$ 745,000
• Gas Utility	\$ 972,849	\$ 1,112,006

During 2009, the governmental activities made principal payments of \$330,000 and interest payments of \$58,597.

During the year, the business-type activities made principal payments of \$906,157 and interest payments of \$403,029. The Water Utility incurred additional debt in the form of a loan from the Electric Utility, in the amount of \$184,028.

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

Other Currently Known Facts

- The City has continued its 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 was 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 was bid in October, 2009, and was completed in July, 2010.
- The *Spirit of Jasper*, a tourist train operating under the direction of the Jasper Park and Recreation Department, is now running scheduled excursions to French Lick and Dubois, and is also available for private charter. The locomotive used for most of these excursions is owned and operated by Dubois County Railroad, a subsidiary of the not-for-profit Indiana Railway Museum headquartered in French Lick. The City's three vintage passenger cars have been completely renovated, using corporate donations and volunteers to refurbish them. The City's locomotive continues to be used and maintained by the Indiana Railway Museum. More information on the train and the City-owned train depot can be found at www.spiritofjasper.com.
- The Jasper City Mill is operating, grinding corn meal and selling a variety of other homemade food and gifts. This working mill, which also serves as a Welcome Center, is being operated in cooperation with the Redevelop Old Jasper Action Coalition (ROJAC). ROJAC is working to encourage quality of life and economic development through tourism.
- The City adopted a new comprehensive plan on July 21, 2010. This plan will be a guide for City officials as they manage, control, and protect the future growth and development of the City. The consultants, Ratio Architects, have provided training on how to implement this plan.

- The City is participating in the 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 established the Department of Redevelopment, in order to afford the City and its citizens a maximum opportunity for rehabilitation, redevelopment, or economic development of areas by private enterprise and the City. The Jasper Redevelopment Commission, an appointed board, will oversee this department.
- In an effort to maximize the use of street paving dollars, the City is trying different, innovative ways to delay the complete repaving of streets. In 2010, the City has used two different processes of microsurfacing on certain City streets.
- IC 6-1.1-20.6-7.5 was added as a new section to the Indiana Code effective January 1, 2009. This law states that a person is entitled to a "circuit breaker" credit against the person's property tax liability for taxes first due and payable in 2010 and thereafter. The amount of the credit is the amount by which the person's property tax liability attributable to the person's:
 - ◆ homestead exceeds one percent;
 - ◆ residential property or agricultural land exceeds two percent; or
 - ◆ nonresidential real property or personal property exceeds three percent;
 of the gross assessed value of the property. For property taxes payable in 2010, the City of Jasper's circuit breaker effect is \$210,650. The City reduced 2010 appropriations to account for this reduction in property tax dollars to be received.
- Interest rates continue to be near record lows, reducing the amount of interest income the City may earn on its short-term cash investments.
- The City's coal-fired electric generating plant has remained idle during 2010, during which time the City has continued to work diligently with various consultants to investigate different alternatives and funding sources with respect to the future of the generating plant. Requests for Proposals from interested parties are currently under review.
- The City, acting on behalf of the Water Utility, has applied for a U.S. Department of Commerce Economic Development Administration grant to provide funding for improvements to the Beaver Creek Lake Dam. Such improvements are necessary to provide protection from future flooding, and to promote economic development. If approved, the grant could provide up to \$2,228,640 of the estimated \$3,274,000 project costs. Funds for the City's matching portion would come from either existing Water Utility funds, or from the proceeds of a loan from the Electric Utility. These improvements, which are being mandated by the Indiana Department of Environmental Management, are expected to be completed in 2012.

- A grant application in the amount of \$650,000 has been submitted to the Office of Community and Rural Affairs to help fund a wastewater improvement project in the Skyline Subdivision. This would require a match of approximately \$136,365. The grant award is expected to take place as early as September, 2010.
- In 2010, the Utility Service Board entered into an agreement with Tyler Technologies for the purchase of new billing, customer service, and accounting software. The new software will provide enhanced functionality, reporting capabilities, and security features benefiting employees, management, and utility customers. Implementation of the new accounting software is planned for the fourth quarter of 2010, with the billing and customer service modules expected to be implemented in early 2011. Hardware upgrades to support the new software are already in place.
- In July, the Utility Service Board has approved the hiring of a consultant to perform an allocated cost of service study and rate design for the Gas Utility.
- Although the local economy is showing some signs of recovery, utility sales volumes are mixed compared to the same time period in 2009. Through July 2010, wastewater, electric and gas unit sales are up by 0.5%, 2.9%, and 3.1% respectively, while water consumption is down by 4.1% from 2009. When compared to 2008 pre-recession levels, unit sales in all utilities are down from seven to nineteen percent.

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. Further information about the City is also available on its website, located at www.jasperindiana.gov.

CITY OF JASPER
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

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
Primary government:							
Governmental activities:							
General government	\$ 4,314,161	\$ 1,229,052	\$ 169,288	\$ 68,193	\$ (2,847,628)	\$ -	\$ (2,847,628)
Public safety	2,197,974	56,181	2,432	12,374	(2,126,987)	-	(2,126,987)
Highways and streets	2,803,310	364,766	454,203	74,483	(1,909,858)	-	(1,909,858)
Sanitation	549,999	196,210	-	-	(353,789)	-	(353,789)
Economic development	912,961	-	-	1,502,239	589,278	-	589,278
Culture and recreation	2,494,569	804,967	94,572	5,281	(1,589,749)	-	(1,589,749)
Principal on long-term debt	330,000	-	-	-	(330,000)	-	(330,000)
Interest on long-term debt	58,597	-	-	-	(58,597)	-	(58,597)
Total governmental activities	13,661,571	2,651,176	720,495	1,662,570	(8,627,330)	-	(8,627,330)
Business-type activities:							
Water	3,452,074	2,683,734	-	190,301	-	(578,039)	(578,039)
Wastewater	2,754,576	2,883,968	-	8,626	-	138,018	138,018
Electric	25,840,591	26,439,179	-	18,081	-	616,669	616,669
Gas	7,358,771	7,179,118	-	19,471	-	(160,182)	(160,182)
Total business-type activities	39,406,012	39,185,999	-	236,479	-	16,466	16,466
Total primary government	\$ 53,067,583	\$ 41,837,175	\$ 720,495	\$ 1,899,049	(8,627,330)	16,466	(8,610,864)
General receipts:							
Property taxes					5,876,816	-	5,876,816
Other local sources					3,104,862	343,424	3,448,286
Unrestricted investment earnings					170,930	70,236	241,166
Transfers					362,358	(362,358)	-
Total general receipts and transfers					9,514,966	51,302	9,566,268
Change in net assets					887,636	67,768	955,404
Net assets - beginning					18,684,860	19,609,116	38,293,976
Net assets - ending					\$ 19,572,496	\$ 19,676,884	\$ 39,249,380
Assets							
Cash and investments					\$ 6,683,614	\$ 9,577,716	\$ 16,261,330
Restricted assets:							
Cash and investments					12,888,882	10,099,168	22,988,050
Total assets					\$ 19,572,496	\$ 19,676,884	\$ 39,249,380
Net Assets							
Restricted for:							
Public safety					\$ 640,562	\$ -	\$ 640,562
Highways and streets					938,733	-	938,733
Sanitation					76,235	-	76,235
Economic development					3,124,712	-	3,124,712
Culture and recreation					2,382,475	-	2,382,475
Debt service					403,531	1,673,005	2,076,536
Other purposes					3,402,028	8,426,163	11,828,191
Unrestricted					8,604,220	9,577,716	18,181,936
Total net assets					\$ 19,572,496	\$ 19,676,884	\$ 39,249,380

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, 2009

	General	Park and Recreation	Rainy Day	EDIT	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 4,021,561	\$ 1,421,566	\$ -	\$ -	\$ 433,689	\$ 5,876,816
Licenses and permits	34,843	-	-	-	8,350	43,193
Intergovernmental	2,607,124	132,649	381,521	1,502,239	684,975	5,308,508
Charges for services	411,594	677,275	-	-	381,499	1,470,368
Fines and forfeits	22,030	-	-	-	4,586	26,616
Other	323,592	23,296	11,412	27,493	38,760	424,553
Total receipts	7,420,744	2,254,786	392,933	1,529,732	1,551,859	13,150,054
Disbursements:						
General government	2,631,865	-	-	-	192,804	2,824,669
Public safety	2,185,003	-	-	-	12,971	2,197,974
Highways and streets	1,544,411	-	-	-	1,266,339	2,810,750
Sanitation	549,999	-	-	-	-	549,999
Economic development	-	-	-	912,961	-	912,961
Culture and recreation	459,116	2,123,483	-	-	29,930	2,612,529
Debt service:						
Principal	-	-	-	-	330,000	330,000
Interest	-	-	-	-	58,597	58,597
Total disbursements	7,370,394	2,123,483	-	912,961	1,890,641	12,297,479
Excess (deficiency) of receipts over disbursements	50,350	131,303	392,933	616,771	(338,782)	852,575
Other financing sources (uses):						
Transfers in	362,358	-	-	-	390,000	752,358
Transfers out	-	-	-	(340,000)	(50,000)	(390,000)
Total other financing sources (uses)	362,358	-	-	(340,000)	340,000	362,358
Excess of receipts and other financing sources over disbursements and other financing uses	412,708	131,303	392,933	276,771	1,218	1,214,933
Cash and investment fund balance - beginning	6,270,906	1,951,676	1,829,769	2,616,457	4,556,499	17,225,307
Cash and investment fund balance - ending	\$ 6,683,614	\$ 2,082,979	\$ 2,222,702	\$ 2,893,228	\$ 4,557,717	18,440,240
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.						
						1,132,256
Net assets of governmental activities						\$ 19,572,496
Cash and Investment Assets - December 31						
Cash and investments	\$ 6,683,614	\$ -	\$ -	\$ -	\$ -	\$ 6,683,614
Restricted assets:						
Cash and investments	-	2,082,979	2,222,702	2,893,228	4,557,717	11,756,626
Total cash and investment assets - December 31	\$ 6,683,614	\$ 2,082,979	\$ 2,222,702	\$ 2,893,228	\$ 4,557,717	\$ 18,440,240
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 640,562	\$ 640,562
Highways and streets	-	-	-	-	938,733	938,733
Sanitation	-	-	-	-	76,235	76,235
Economic development	-	-	-	2,893,228	231,484	3,124,712
Culture and recreation	-	2,082,979	-	-	299,496	2,382,475
Debt service	-	-	-	-	403,531	403,531
Other purposes	-	-	2,222,702	-	47,070	2,269,772
Unrestricted	6,683,614	-	-	-	1,920,606	8,604,220
Total cash and investment fund balance - December 31	\$ 6,683,614	\$ 2,082,979	\$ 2,222,702	\$ 2,893,228	\$ 4,557,717	\$ 18,440,240

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, 2009

	Water Utility	Wastewater Utility	Electric Utility	Gas Utility	Totals	Internal Service Fund
Operating receipts:						
Utility collections	\$ 2,683,734	\$ 2,883,968	\$ 26,439,179	\$ 7,179,118	\$ 39,185,999	\$ -
Insurance proceeds	-	-	-	-	-	1,445,250
Other	-	-	-	-	-	171,254
Total operating receipts	2,683,734	2,883,968	26,439,179	7,179,118	39,185,999	1,616,504
Operating disbursements:						
Cost of sales and services	1,925,043	2,398,397	25,221,364	7,138,307	36,683,111	-
Equipment and capital improvements	431,808	273,302	619,227	215,963	1,540,300	-
Insurance claims and premiums	-	-	-	-	-	1,983,892
Total operating disbursements	2,356,851	2,671,699	25,840,591	7,354,270	38,223,411	1,983,892
Excess (deficiency) of operating receipts over operating disbursements	326,883	212,269	598,588	(175,152)	962,588	(367,388)
Nonoperating receipts (disbursements):						
Interfund loan/repayment	184,028	-	(44,871)	(139,157)	-	-
Interest and investment receipts	9,668	11,272	46,230	3,066	70,236	40,091
Miscellaneous receipts	52,531	95,858	116,816	78,219	343,424	-
Debt service of principal	(722,000)	(45,000)	-	-	(767,000)	-
Interest and investment disbursement	(373,223)	(25,725)	-	(4,081)	(403,029)	-
Miscellaneous disbursements	-	(12,152)	-	(420)	(12,572)	-
Total nonoperating receipts (disbursements)	(848,996)	24,253	118,175	(62,373)	(768,941)	40,091
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(522,113)	236,522	716,763	(237,525)	193,647	(327,297)
Capital contributions	190,301	8,626	18,081	19,471	236,479	-
Transfers out	(182,266)	-	(144,943)	(35,149)	(362,358)	-
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	(514,078)	245,148	589,901	(253,203)	67,768	(327,297)
Cash and investment fund balance - beginning	2,709,204	2,823,646	12,938,321	1,137,945	19,609,116	1,459,553
Cash and investment fund balance - ending	<u>\$ 2,195,126</u>	<u>\$ 3,068,794</u>	<u>\$ 13,528,222</u>	<u>\$ 884,742</u>	<u>\$ 19,676,884</u>	<u>\$ 1,132,256</u>
Cash and Investment Assets - December 31						
Cash and investments	\$ 398,334	\$ 578,164	\$ 8,449,355	\$ 151,863	\$ 9,577,716	\$ -
Restricted assets:						
Cash and investments	1,796,792	2,490,630	5,078,867	732,879	10,099,168	1,132,256
Total cash and investment assets - December 31	<u>\$ 2,195,126</u>	<u>\$ 3,068,794</u>	<u>\$ 13,528,222</u>	<u>\$ 884,742</u>	<u>\$ 19,676,884</u>	<u>\$ 1,132,256</u>
Cash and Investment Fund Balance - December 31						
Restricted for:						
Debt service	\$ 1,183,192	\$ 489,813	\$ -	\$ -	\$ 1,673,005	\$ -
Other purposes	613,600	2,000,817	5,078,867	732,879	8,426,163	1,132,256
Unrestricted	398,334	578,164	8,449,355	151,863	9,577,716	-
Total cash and investment fund balance - December 31	<u>\$ 2,195,126</u>	<u>\$ 3,068,794</u>	<u>\$ 13,528,222</u>	<u>\$ 884,742</u>	<u>\$ 19,676,884</u>	<u>\$ 1,132,256</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, 2009

	<u>Pension Trust Funds</u>	<u>Private-Purpose Trust Funds</u>	<u>Agency Funds</u>
Additions:			
Contributions:			
Employer	\$ 511,327	\$ -	
State	<u>183,630</u>	<u>-</u>	
Total contributions	<u>694,957</u>	<u>-</u>	
Investment earnings:			
Interest	<u>8,497</u>	<u>2,264</u>	
Total additions	<u>703,454</u>	<u>2,264</u>	
Deductions:			
Benefits	1,046,690	-	
Refunds of contributions	81	-	
Administrative and general	<u>30,785</u>	<u>24,629</u>	
Total deductions	<u>1,077,556</u>	<u>24,629</u>	
Deficiency of total additions over total deductions	(374,102)	(22,365)	
Cash and investment fund balance - beginning	<u>1,804,889</u>	<u>459,499</u>	
Cash and investment fund balance - ending	<u>\$ 1,430,787</u>	<u>\$ 437,134</u>	<u>\$ 98,583</u>

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

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

The rainy day fund is used to account for transfers of unused and unencumbered funds under Indiana Code 36-1-8-5. The rainy day funds may be used solely for the operation of the City and its various departments, including, but not limited to, salaries and wages, costs of services, supplies, equipment, capital improvements, repairs, and similar expenditures.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

The economic development income tax (EDIT) Fund is used to account for economic development income tax receipts and disbursements.

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

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

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

Agency funds account for assets held by the City as an agent for employee withholdings, donations 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.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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 and its enterprise funds. 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.

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

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may 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.

4. 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.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

5. Long-Term Debt

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

6. 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."

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 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

Interfund activity, if any, is 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 loans and 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. Prior to November 1, 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.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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. IC 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The City does not have a deposit policy for custodial credit risk. At December 31, 2009, the City had deposit balances in the amount of \$41,201,844.

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, 2009, were as follows:

Transfer From	Transfer To	2009
Water Utility Fund	General Fund	\$ 182,266
Electric Utility Fund	General Fund	144,943
Gas Utility Fund	General Fund	35,149
EDIT Fund	Other governmental funds	340,000
Other governmental funds	Other governmental funds	50,000
Total		\$ 752,358

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; 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.

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. The City purchases commercial insurance for claims in excess of the \$75,000 coverage provided by the fund. Interfund premiums are paid into the fund by all affected funds with payrolls and are

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

B. 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%.

C. 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 October 21, 2009.

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.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

D. 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

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the City during the period were \$578,500.

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

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On-behalf Payments

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Public Employees' Retirement Fund as provided under IC 5-10.3-11. The State of Indiana has contributed \$183,630 on behalf of the City. On behalf contributions from the State of Indiana approximated the amount paid out for benefits.

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

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 during the period were \$195,920.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 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 had retired with at least 20 years of service, but had not reached age 55 as of January 1, 2009, received a onetime lump sum payment, approved by Local Resolution 2009-6. This lump sum distribution was 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 2009 and prior years, to provide the required disclosure information under Statement 27 of the Governmental Accounting Standards Board (GASB).

4. Volunteer Firefighters' Defined Contribution Retirement 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. The City will 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. The firefighter's account balance is vested based on a 20 year vesting schedule.

All active firefighters as of January 1, 2009, received a onetime contribution into this new retirement plan, as well as a lump sum cash payout, as approved by Local Resolution 2009-5. These amounts were 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.

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

CITY OF JASPER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Indiana Code 36-8-6 and 36-8-8 and in the volunteer fire pension plan. The supplemental pension trusts were funded through distributions from the general fund as recommended by the Pension Fund Board and approved by the common council based on actuarial studies and the availability of funds. The fire pension supplemental trust fund was used to pay the lump-sum distributions and onetime contributions, as described in Notes III and IV. As of December 31, 2009, the amount accumulated in the police pension supplemental trust and the fire pension supplemental trust was \$1,074,737 and \$2,493, 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)
07-01-07	\$ 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%)
07-01-09	9,185,488	12,510,382	(3,324,894)	73%	7,345,262	(45%)

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)
01-01-04	\$ 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
01-01-09	245,386	2,932,100	(2,686,714)	8%	-	No Covered Payroll

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

1925 Police Officers' Pension Plan			
	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed
1925 Police Officers' Pension Plan	12-31-04	\$ 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%
	12-31-09	219,100	84%

CITY OF JASPER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 6,270,906	\$ 6,270,906	\$ 6,270,906	\$ -
Resources (inflows):				
Property taxes	3,997,059	3,997,059	4,021,561	24,502
Excise taxes	368,558	368,558	386,753	18,195
County Option Income Tax	2,007,745	2,007,745	2,007,745	-
Licenses and permits	12,500	12,500	34,843	22,343
Fines & forfeitures	12,000	12,000	22,030	10,030
Charges for services	633,676	633,676	748,673	114,997
Grants	50,700	50,700	176,145	125,445
Other Reimbursements	80,500	80,500	30,150	(50,350)
Arts Department revenue	243,700	243,700	210,182	(33,518)
Miscellaneous	5,200	5,200	49,805	44,605
Interest received	70,000	70,000	95,192	25,192
Transfers from other funds	-	-	23	23
Amounts available for appropriation	<u>13,752,544</u>	<u>13,752,544</u>	<u>14,054,008</u>	<u>301,464</u>
Charges to appropriations (outflows):				
Common Council	1,914,423	1,914,423	1,070,819	843,604
Mayor's Office	143,175	143,175	130,629	12,546
Public Works	1,155,006	1,176,534	869,200	307,334
Clerk-Treasurer	194,690	195,690	163,797	31,893
Legal	97,600	97,600	44,211	53,389
City Hall	137,700	137,700	96,989	40,711
Safety-Personnel Director	128,100	128,100	79,224	48,876
City Engineer	95,248	95,248	59,758	35,490
Police Department	1,973,449	1,973,449	1,875,727	97,722
Fire Department	423,800	423,800	297,275	126,525
Storm Sewer	681,671	704,671	571,107	133,564
Refuse Department	237,000	237,000	177,896	59,104
Sanitation-Recycling Department	458,900	458,900	372,103	86,797
Streets & Alleys	1,558,708	1,558,708	973,304	585,404
Planning Commission	166,300	166,300	119,972	46,328
Housing Board	500	500	-	500
Arts Department	574,178	574,178	459,116	115,062
Nondepartmental expenditures & transfers	-	-	9,267	(9,267)
Total charges to appropriations	<u>9,940,448</u>	<u>9,985,976</u>	<u>7,370,394</u>	<u>2,615,582</u>
Budgetary fund balance, December 31	<u>\$ 3,812,096</u>	<u>\$ 3,766,568</u>	<u>\$ 6,683,614</u>	<u>\$ 2,917,046</u>

CITY OF JASPER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
EDIT FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 2,616,457	\$ 2,616,457	\$ 2,616,457	\$ -
Resources (inflows):				
Economic Dev Income Tax Received	1,502,239	1,502,239	1,502,239	-
Interest received	20,000	20,000	27,493	7,493
Amounts available for appropriation	<u>4,138,696</u>	<u>4,138,696</u>	<u>4,146,189</u>	<u>7,493</u>
Charges to appropriations (outflows):				
Connecting Walkway	39,000	239,000	76,712	162,288
Land	150,000	150,000	-	150,000
Building & Structures-Auditorium Seating	100,000	-	-	-
Contractual Services	60,000	60,000	49,420	10,580
Bond payment	340,000	340,000	340,000	-
Buildings & Structures	100,000	100,000	80,687	19,313
Land Improvements	50,000	50,000	-	50,000
Police Dept.-Equipment	-	300,000	206,142	93,858
Street Materials	500,000	500,000	500,000	-
Common Drive Extension	350,000	350,000	-	350,000
Total charges to appropriations	<u>1,689,000</u>	<u>2,089,000</u>	<u>1,252,961</u>	<u>836,039</u>
Budgetary fund balance, December 31	<u>\$ 2,449,696</u>	<u>\$ 2,049,696</u>	<u>\$ 2,893,228</u>	<u>\$ 843,532</u>

CITY OF JASPER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
PARK FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 1,951,676	\$ 1,951,676	\$ 1,951,676	\$ -
Resources (inflows):				
Property taxes	1,411,179	1,411,179	1,421,566	10,387
Excise taxes	117,549	117,549	121,135	3,586
Park receipts	52,500	52,500	48,001	(4,499)
Swimming Pool receipts	40,200	40,200	41,149	949
Golf Course receipts	453,500	453,500	435,583	(17,917)
Concession Stands	49,200	49,200	50,024	824
Contractual Services	12,500	12,500	25,000	12,500
Grants	-	-	11,515	11,515
Miscellaneous	47,500	47,500	88,185	40,685
Interest received	5,200	5,200	12,628	7,428
Amounts available for appropriation	<u>4,141,004</u>	<u>4,141,004</u>	<u>4,206,462</u>	<u>65,458</u>
Charges to appropriations (outflows):				
Park General	1,522,737	1,551,737	1,220,553	331,184
Swimming Pool	151,506	155,506	109,844	45,662
Municipal Golf Course	681,991	683,991	440,782	243,209
Older American Center	201,300	200,300	147,265	53,035
Camp Carnes	12,300	12,300	4,035	8,265
Ruxer Golf Course	287,556	286,556	184,503	102,053
Train & Train Depot	-	89,400	9,528	79,872
Nondepartmental expenditures & transfers	-	-	6,973	(6,973)
Total charges to appropriations	<u>2,857,390</u>	<u>2,979,790</u>	<u>2,123,483</u>	<u>856,307</u>
Budgetary fund balance, December 31	<u>\$ 1,283,614</u>	<u>\$ 1,161,214</u>	<u>\$ 2,082,979</u>	<u>\$ 921,765</u>

CITY OF JASPER
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
RAINY DAY FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original & Encumbrances	Final		
Budgetary Fund balance, January 1	\$ 1,829,769	\$ 1,829,769	\$ 1,829,769	\$ -
Resources (inflows):				
Supplemental COIT Distribution	-	-	214,348	214,348
Supplemental EDIT Distribution	-	-	167,174	167,174
Interest received	40,000	40,000	11,411	(28,589)
Amounts available for appropriation	<u>1,869,769</u>	<u>1,869,769</u>	<u>2,222,702</u>	<u>352,933</u>
Charges to appropriations (outflows):				
Total charges to appropriations	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Budgetary fund balance, December 31	<u>\$ 1,869,769</u>	<u>\$ 1,869,769</u>	<u>\$ 2,222,702</u>	<u>\$ 352,933</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, 2009

	Motor Vehicle Highway	Local Road and Street	Local Law Enforcement Continuing Education	Park Nonreverting Operating	Fire Truck Donation	Cemetery Operating	Investment Incentive
Receipts:							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	8,350	-	-	-	-
Intergovernmental	454,203	74,483	-	-	-	-	-
Charges for services	-	-	1,385	-	1,320	2,300	-
Fines and forfeits	-	-	4,586	-	-	-	-
Other	2,388	448	-	651	978	367	660
Total receipts	456,591	74,931	14,321	651	2,298	2,667	660
Disbursements:							
General government	-	-	-	-	-	254	120,824
Public safety	-	-	4,050	-	-	-	-
Highways and streets	475,668	100,000	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Total disbursements	475,668	100,000	4,050	-	-	254	120,824
Excess (deficiency) of receipts over disbursements	(19,077)	(25,069)	10,271	651	2,298	2,413	(120,164)
Other financing sources (uses):							
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(19,077)	(25,069)	10,271	651	2,298	2,413	(120,164)
Cash and investment fund balance - beginning	345,212	80,111	38,086	56,639	153,707	44,657	226,081
Cash and investment fund balance - ending	\$ 326,135	\$ 55,042	\$ 48,357	\$ 57,290	\$ 156,005	\$ 47,070	\$ 105,917
Cash and Investment Assets - December 31							
Restricted assets:							
Cash and investments	\$ 326,135	\$ 55,042	\$ 48,357	\$ 57,290	\$ 156,005	\$ 47,070	\$ 105,917
Cash and Investment Fund Balance - December 31							
Restricted for:							
Public safety	\$ -	\$ -	\$ 48,357	\$ -	\$ 156,005	\$ -	\$ -
Highways and streets	326,135	55,042	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Economic development	-	-	-	-	-	-	105,917
Culture and recreation	-	-	-	57,290	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	47,070	-
Unrestricted	-	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 326,135	\$ 55,042	\$ 48,357	\$ 57,290	\$ 156,005	\$ 47,070	\$ 105,917

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, 2009
 (Continued)

	Economic Development	DARE	Police Grant	Donation	Riverboat	Storm Water Management
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	6,635	-	75,722	-
Charges for services	-	-	-	-	-	348,285
Fines and forfeits	-	-	-	-	-	-
Other	690	-	2,432	11	2,598	2,597
Total receipts	690	-	9,067	11	78,320	350,882
Disbursements:						
General government	-	-	-	519	-	-
Public safety	-	-	8,921	-	-	-
Highways and streets	-	-	-	-	-	285,468
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	-	-	8,921	519	-	285,468
Excess (deficiency) of receipts over disbursements	690	-	146	(508)	78,320	65,414
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	690	-	146	(508)	78,320	65,414
Cash and investment fund balance - beginning	124,877	150	2,032	2,585	484,229	492,142
Cash and investment fund balance - ending	\$ 125,567	\$ 150	\$ 2,178	\$ 2,077	\$ 562,549	\$ 557,556
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	\$ 125,567	\$ 150	\$ 2,178	\$ 2,077	\$ 562,549	\$ 557,556
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ 150	\$ 2,178	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	557,556
Sanitation	-	-	-	-	-	-
Economic development	125,567	-	-	-	-	-
Culture and recreation	-	-	-	2,077	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	-	562,549	-
Total cash and investment fund balance - December 31	\$ 125,567	\$ 150	\$ 2,178	\$ 2,077	\$ 562,549	\$ 557,556

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, 2009
 (Continued)

	Arnold Habig Community Center	Arts Center Expansion	Beaver Dam Lake	Unsafe Building	Levy Excess	Cumulative Building and Fire Equipment
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 68,839
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	5,739
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	294	5,726	191	5	6,232	1,984
Total receipts	294	5,726	191	5	6,232	76,562
Disbursements:						
General government	-	-	-	-	71,207	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	3,883	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	3,883	-	-	-	71,207	-
Excess (deficiency) of receipts over disbursements	(3,589)	5,726	191	5	(64,975)	76,562
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,589)	5,726	191	5	(64,975)	76,562
Cash and investment fund balance - beginning	10,291	87,700	39,359	888	71,207	357,310
Cash and investment fund balance - ending	<u>\$ 6,702</u>	<u>\$ 93,426</u>	<u>\$ 39,550</u>	<u>\$ 893</u>	<u>\$ 6,232</u>	<u>\$ 433,872</u>
<u>Cash and Investment Assets - December 31</u>						
Restricted assets:						
Cash and investments	<u>\$ 6,702</u>	<u>\$ 93,426</u>	<u>\$ 39,550</u>	<u>\$ 893</u>	<u>\$ 6,232</u>	<u>\$ 433,872</u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 433,872
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	6,702	93,426	39,550	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-
Unrestricted	-	-	-	893	6,232	-
Total cash and investment fund balance - December 31	<u>\$ 6,702</u>	<u>\$ 93,426</u>	<u>\$ 39,550</u>	<u>\$ 893</u>	<u>\$ 6,232</u>	<u>\$ 433,872</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, 2009
 (Continued)

	Cumulative Capital Improvement	Cumulative Capital Development	Park Nonreverting Capital	Cumulative Sewer	Park Bond Debt Service	Totals
Receipts:						
Taxes	\$ -	\$ 364,850	\$ -	\$ -	\$ -	\$ 433,689
Licenses and permits	-	-	-	-	-	8,350
Intergovernmental	37,103	31,090	-	-	-	684,975
Charges for services	-	-	28,209	-	-	381,499
Fines and forfeits	-	-	-	-	-	4,586
Other	863	6,488	523	420	2,214	38,760
Total receipts	37,966	402,428	28,732	420	2,214	1,551,859
Disbursements:						
General government	-	-	-	-	-	192,804
Public safety	-	-	-	-	-	12,971
Highways and streets	-	405,203	-	-	-	1,266,339
Culture and recreation	-	-	26,047	-	-	29,930
Debt service:						
Principal	-	-	-	-	330,000	330,000
Interest	-	-	-	-	58,597	58,597
Total disbursements	-	405,203	26,047	-	388,597	1,890,641
Excess (deficiency) of receipts over disbursements	37,966	(2,775)	2,685	420	(386,383)	(338,782)
Other financing sources (uses):						
Transfers in	-	-	-	-	390,000	390,000
Transfers out	(50,000)	-	-	-	-	(50,000)
Total other financing sources (uses)	(50,000)	-	-	-	390,000	340,000
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(12,034)	(2,775)	2,685	420	3,617	1,218
Cash and investment fund balance - beginning	188,800	1,176,941	97,766	75,815	399,914	4,556,499
Cash and investment fund balance - ending	\$ 176,766	\$ 1,174,166	\$ 100,451	\$ 76,235	\$ 403,531	\$ 4,557,717
Cash and Investment Assets - December 31						
Restricted assets:						
Cash and investments	\$ 176,766	\$ 1,174,166	\$ 100,451	\$ 76,235	\$ 403,531	\$ 4,557,717
Cash and Investment Fund Balance - December 31						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 640,562
Highways and streets	-	-	-	-	-	938,733
Sanitation	-	-	-	76,235	-	76,235
Economic development	-	-	-	-	-	231,484
Culture and recreation	-	-	100,451	-	-	299,496
Debt service	-	-	-	-	403,531	403,531
Other purposes	-	-	-	-	-	47,070
Unrestricted	176,766	1,174,166	-	-	-	1,920,606
Total cash and investment fund balance - December 31	\$ 176,766	\$ 1,174,166	\$ 100,451	\$ 76,235	\$ 403,531	\$ 4,557,717

CITY OF JASPER
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 PENSION TRUST FUNDS
 For The Year Ended December 31, 2009

	Police Pension	Fire Pension	Police Pension Supplemental Trust	Fire Pension Supplemental Trust	Totals
Additions:					
Contributions:					
Employer	\$ -	\$ 499,327	\$ -	\$ 12,000	\$ 511,327
State	183,630	-	-	-	183,630
Total contributions	<u>183,630</u>	<u>499,327</u>	<u>-</u>	<u>12,000</u>	<u>694,957</u>
Investment receipts:					
Interest	1,197	515	5,256	1,529	8,497
Total additions	<u>184,827</u>	<u>499,842</u>	<u>5,256</u>	<u>13,529</u>	<u>703,454</u>
Deductions:					
Benefits	159,950	501,740	-	385,000	1,046,690
Refunds of contributions	70	11	-	-	81
Administrative and general	12	30,773	-	-	30,785
Total deductions	<u>160,032</u>	<u>532,524</u>	<u>-</u>	<u>385,000</u>	<u>1,077,556</u>
Excess (deficiency) of total additions over total deductions	24,795	(32,682)	5,256	(371,471)	(374,102)
Cash and investment fund balance - beginning	<u>245,386</u>	<u>116,058</u>	<u>1,069,481</u>	<u>373,964</u>	<u>1,804,889</u>
Cash and investment fund balance - ending	<u>\$ 270,181</u>	<u>\$ 83,376</u>	<u>\$ 1,074,737</u>	<u>\$ 2,493</u>	<u>\$ 1,430,787</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, 2009

	Cemetery Endowment	Landfill Close-Down	Totals
Additions:			
Investment earnings:			
Interest	\$ 70	\$ 2,194	\$ 2,264
Deductions:			
Administrative and general	69	24,560	24,629
Excess (deficiency) of total additions over total deductions	1	(22,366)	(22,365)
Cash and investment fund balance - beginning	5,970	453,529	459,499
Cash and investment fund balance - ending	\$ 5,971	\$ 431,163	\$ 437,134

CITY OF JASPER
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	<u>Payroll</u>	<u>ROJAC</u>	<u>Regional Arts Grant</u>	<u>Totals</u>
Additions:				
Agency fund additions	\$ 9,977,723	\$ 92,561	\$ 2,059	\$ 10,072,343
Deductions:				
Agency fund deductions	<u>9,963,792</u>	<u>92,561</u>	<u>31,448</u>	<u>10,087,801</u>
Excess (deficiency) of total additions over total deductions	13,931	-	(29,389)	(15,458)
Cash and investment fund balance - beginning	<u>81,388</u>	<u>-</u>	<u>32,653</u>	<u>114,041</u>
Cash and investment fund balance - ending	<u>\$ 95,319</u>	<u>\$ -</u>	<u>\$ 3,264</u>	<u>\$ 98,583</u>

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

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	\$ 4,006,160
Infrastructure	64,478,927
Buildings	11,587,226
Improvements other than buildings	8,764,228
Machinery and equipment	11,330,478
Construction in progress	<u>1,734,846</u>
 Total governmental activities, capital assets not being depreciated	 <u><u>\$ 101,901,865</u></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.

CITY OF JASPER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009
 (Continued)

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 292,054
Construction in progress	6,355
Capital assets, being depreciated:	
Buildings	10,473,758
Improvements other than buildings	11,024,970
Machinery and equipment	<u>4,224,873</u>
Total Water Utility capital assets	<u>\$ 26,022,010</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 195,639
Construction in progress	11,403
Capital assets, being depreciated:	
Buildings	6,902,921
Improvements other than buildings	16,705,293
Machinery and equipment	<u>7,272,988</u>
Total Wastewater Utility capital assets	<u>\$ 31,088,244</u>
Electric Utility:	
Capital assets, not being depreciated:	
Land	\$ 130,850
Construction in progress	133,685
Capital assets, being depreciated:	
Buildings	3,857,153
Improvements other than buildings	18,643,571
Machinery and equipment	<u>6,951,250</u>
Total Electric Utility capital assets	<u>\$ 29,716,509</u>
Gas Utility:	
Capital assets, not being depreciated:	
Land	\$ 16,904
Construction in progress	4,400
Capital assets, being depreciated:	
Buildings	76,463
Improvements other than buildings	5,387,197
Machinery and equipment	<u>732,198</u>
Total Gas Utility capital assets	<u>\$ 6,217,162</u>

CITY OF JASPER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

Description of Debt	Ending Principal Balance	Due Within One Year
Governmental activities:		
Revenue bonds:		
2004 Park Bonds	\$ 1,640,000	\$ 340,000
Business-type activities:		
Water Utility:		
Interfund loans payable	\$ 184,028	\$ -
Loans payable	9,883,000	-
Total Water Utility	10,067,028	-
Wastewater Utility:		
Loans payable	700,000	25,000
Gas Utility:		
Interfund loans payable	972,849	-
Total business-type activities debt	\$ 11,739,877	\$ 25,000

CITY OF JASPER
EXIT CONFERENCE

The contents of this report were discussed on September 2, 2010, with Juanita S. Boehm, Clerk-Treasurer, and William J. Schmitt, Mayor. Our audit disclosed no material items that warrant comment at this time.