

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF JASPER

DUBOIS COUNTY, INDIANA

January 1, 2011 to December 31, 2011



FILED
06/08/2012

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Corrections on pgs 2 & 27.

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance With Government Auditing Standards	5-6
Financial Statement:	
Statement of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	8
Notes to Financial Statement	9-14
Supplementary Information:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis	16-25
Schedule of Long-Term Debt	26
Schedule of Capital Assets	27
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance With Requirements That Could Have a Direct and Material Effect on Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133	30-31
Schedule of Expenditures of Federal Awards	34
Note to Schedule of Expenditures of Federal Awards	35
Schedule of Findings and Questioned Costs	36
Auditee Prepared Schedule:	
Summary Schedule of Prior Audit Findings	37
Exit Conference	38

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Juanita S. Boehm	01-01-08 to 12-31-15
Mayor	William J. Schmitt Terry Seitz	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Presiding Officer of the Board Of Public Works and Safety	William J. Schmitt Terry Seitz	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Presiding Officer of the Common Council	William J. Schmitt Terry Seitz	01-01-08 to 12-31-11 01-01-12 to 12-31-15
Utilities' General Manager	Gerald Hauersperger	01-01-11 to 12-31-12
Water Utility Manager	Michael A. Oeding	01-01-11 to 12-31-12
Wastewater Utility Manager	Greg E. Hollinden	01-01-11 to 12-31-12
Electric Utility Generation Manager	Windell Toby	01-01-11 to 12-31-12
Electric Utility Distribution Manager	Jerald L. Schitter	01-01-11 to 12-31-12
Gas Utility Manager	Michael A. Oeding	01-01-11 to 12-31-12
Utility Controller	Linda K. McGovren	01-01-11 to 12-31-12
Chairman of the Utility Service Board	Wayne Schuetter	01-01-11 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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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 AUDITOR'S REPORT

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

We have audited the accompanying financial statement of the City of Jasper (City), for the year ended December 31, 2011. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated May 17, 2012, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statement. Such information has been subjected to the auditing procedures applied in the audit of the financial statement and, in our opinion, is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Long-Term Debt, and Schedule of Capital Assets are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 17, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited the financial statement of the City of Jasper (City), for the year ended December 31, 2011, and have issued our report thereon dated May 17, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL STATEMENT
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the City's financial statement are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 17, 2012

FINANCIAL STATEMENT

The financial statement and accompanying notes were approved by management of the City. The financial statement and notes are presented as intended by the City.

CITY OF JASPER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 7,211,977	\$ 7,335,212	\$ 7,553,413	\$ 6,993,776
Motor Vehicle Highway	392,748	463,151	500,000	355,899
Local Road And Street	69,764	77,726	80,000	67,490
Park Nonreverting Operating	59,505	1,651	-	61,156
Economic Development Operating	125,941	211	-	126,152
Law Enforcement Continuing Ed	60,271	10,448	4,714	66,005
Unsafe Building	896	1	-	897
Riverboat	639,999	76,852	-	716,851
Parks And Recreation	2,057,901	2,362,368	2,368,687	2,051,582
Rainy Day	2,613,454	4,510	-	2,617,964
Excess Levy Deposit	17,172	-	17,172	-
Cumulative Capl Imprv Cigarette Tax	167,611	34,978	40,000	162,589
Cumulative Capital Development	1,150,129	369,237	375,000	1,144,366
Park Nonreverting Capital	62,116	26,709	1,722	87,103
Cumulative Police And Fire	508,291	72,706	-	580,997
Cedit Capital Projects	3,382,221	1,239,065	1,353,378	3,267,908
Storm Water Management	765,957	354,211	180,522	939,646
Police Pension	247,643	159,960	161,708	245,895
Fire Pension	70,216	105,914	84,901	91,229
Central Green Park Fund	-	5,701	-	5,701
Redevelopment Commission-General Fund	-	302,336	300,544	1,792
Cemetery Operating	47,956	4,460	3,700	48,716
Living Memorial Tree Fund	2,083	4	-	2,087
Fire Donation	157,867	1,656	-	159,523
Arnold Habig Community Center Fund	6,722	2,045	-	8,767
Arts Center Expansion Fund	99,717	5,894	-	105,611
Beaver Dam Lake Fund	39,668	69	-	39,737
Investment Incentive Fund	403	-	403	-
Police Grant Fund	3,229	10,260	9,458	4,031
Park District Bond	409,652	394,688	395,306	409,034
Cumulative Sewer	76,462	128	-	76,590
Internal Service #1	1,031,607	1,956,232	2,079,013	908,826
Fire Pension Supplemental Trust	2,501	51,596	-	54,097
Police Pension Supplemental Trust	1,077,934	1,867	-	1,079,801
Cemetery Endowment	5,971	22	23	5,970
Landfill Escrow	403,923	18,304	9,844	412,383
Payroll	93,695	9,464,751	9,466,797	91,649
Elec Operating & Maintenance	11,512,510	29,509,721	29,000,039	12,022,192
Elec Depreciation	3,538,640	1,268,794	1,079,341	3,728,093
Elec Consumer Deposit	361,353	124,752	101,018	385,087
Elec In Lieu Of Taxes	251,854	617,858	611,598	258,114
Elec Insurance	1,027,512	22	-	1,027,534
Elec Cash Reserve	-	1,833,765	1,833,765	-
Wastewtr Operating & Maintenance	838,560	3,171,463	2,967,433	1,042,590
Wastewtr Bond & Interest	74,063	72,313	72,313	74,063
Wastewtr Depreciation	549,225	600,944	607,461	542,708
Wastewtr Consumer Deposit	108,589	36,074	29,319	115,344
Wastewtr Insurance	261,750	24,000	-	285,750
Wastewtr Plant Expansion	1,186,243	33,826	-	1,220,069
Wastewtr Pretreatment	173,205	65,360	36,117	202,448
Wastewtr Interceptor Improvement	357,888	4,279	-	362,167
Water Retainage Fund	-	35,521	-	35,521
Water Operating & Maintenance	573,051	4,403,654	4,338,896	637,809
Water Bond & Interest	1,096,375	1,095,700	1,095,700	1,096,375
Water Depreciation	390,773	1,049,563	666,253	774,083
Water Consumers Deposit	66,920	23,150	17,716	72,354
Water In Lieu Of Taxes	320,392	225,152	215,494	330,050
Water Insurance Fund	200,000	-	-	200,000
Gas Operating & Maintenance	11,941	7,701,935	7,178,193	535,683
Gas Depreciation	65,747	305,903	267,986	103,664
Gas Consumer Deposit	106,941	132,144	124,025	115,060
Gas In Lieu Of Taxes	66,423	116,558	114,980	68,001
Gas Insurance	200,000	-	200,000	-
Gas Cash Reserve	-	920,354	920,354	-
Totals	\$ 46,403,157	\$ 78,287,728	\$ 76,464,306	\$ 48,226,579

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

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT

Note 1. 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 some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, and storm water management.

The accompanying financial statement presents the financial information for the City (primary government), and does not include financial information for any of the City's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the City (primary government).

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), 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 regulatory 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.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the City.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include, but are not limited to, the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

The City may, from time to time, transfer money from one fund to another. These transfers, if any, are included as a part of the receipts and disbursements of the affected funds and as a part of total receipts and disbursements. The transfers are used for cash flow purposes as provided by various statutory provisions.

G. Fund Accounting

Separate funds are established, maintained, and reported by the City. Each fund is used to account for money received from and used for specific sources and uses as determined by various regulations. Restrictions on some funds are set by statute while other funds are internally restricted by the City. The money accounted for in a specific fund may only be available for use for certain, legally restricted purposes. Additionally, some funds are used to account for assets held by the City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

Note 2. Budgets

The operating budget is initially prepared and approved at the local level. The fiscal officer of the City submits a proposed operating budget to the governing board for the following calendar year. The budget is advertised as required by law. Prior to adopting the budget, the governing board conducts public hearings and obtains taxpayer comments. Prior to November 1, the governing board approves the budget for the next year. The budget for funds for which property taxes are levied or highway use taxes are received is subject to final approval by the Indiana Department of Local Government Finance.

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. 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 percent 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 normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

Deposits, made in accordance with state statute (IC 5-13), with financial institutions in the State of Indiana at year end should be 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 statutes authorize 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.

Note 5. Risk Management

The City may be 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.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the City to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the City by recording as a disbursement any replacement items purchased.

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 percent 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:

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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 Indiana Code 5-10.3-11.

C. 1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is 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:

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

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 also contributes to an additional pension plan unique to the City. Information regarding these plans may be obtained from the City.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was prepared and/or approved by management of the City. It is presented as intended by the City.

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Economic Development Operating	Law Enforcement Continuing Ed	Unsafe Building
Cash and investments - beginning	\$ 7,211,977	\$ 392,748	\$ 69,764	\$ 59,505	\$ 125,941	\$ 60,271	\$ 896
Receipts:							
Taxes	4,036,670	-	-	-	-	-	-
Licenses and permits	31,772	-	-	-	-	4,961	-
Intergovernmental	2,008,843	462,440	77,570	-	-	-	-
Charges for services	297,293	-	-	-	-	3,129	-
Fines and forfeits	17,726	-	-	-	-	2,358	-
Other receipts	942,908	711	156	1,651	211	-	1
Total receipts	7,335,212	463,151	77,726	1,651	211	10,448	1
Disbursements:							
Personal services	4,623,914	-	-	-	-	-	-
Supplies	516,007	-	-	-	-	4,534	-
Other services and charges	1,876,983	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	524,962	500,000	80,000	-	-	-	-
Other disbursements	11,547	-	-	-	-	180	-
Total disbursements	7,553,413	500,000	80,000	-	-	4,714	-
Excess (deficiency) of receipts over disbursements	(218,201)	(36,849)	(2,274)	1,651	211	5,734	1
Cash and investments - ending	\$ 6,993,776	\$ 355,899	\$ 67,490	\$ 61,156	\$ 126,152	\$ 66,005	\$ 897

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Riverboat	Parks And Recreation	Rainy Day	Excess Levy Deposit	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Park Nonreverting Capital
Cash and investments - beginning	\$ 639,999	\$ 2,057,901	\$ 2,613,454	\$ 17,172	\$ 167,611	\$ 1,150,129	\$ 62,116
Receipts:							
Taxes	-	1,480,889	-	-	-	340,272	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	75,722	121,954	-	-	34,748	26,929	-
Charges for services	-	729,150	-	-	-	-	26,594
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,130	30,375	4,510	-	230	2,036	115
Total receipts	<u>76,852</u>	<u>2,362,368</u>	<u>4,510</u>	<u>-</u>	<u>34,978</u>	<u>369,237</u>	<u>26,709</u>
Disbursements:							
Personal services	-	1,186,168	-	-	-	-	-
Supplies	-	256,409	-	-	-	-	-
Other services and charges	-	719,887	-	-	-	-	1,722
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	194,208	-	-	-	375,000	-
Other disbursements	-	12,015	-	17,172	40,000	-	-
Total disbursements	<u>-</u>	<u>2,368,687</u>	<u>-</u>	<u>17,172</u>	<u>40,000</u>	<u>375,000</u>	<u>1,722</u>
Excess (deficiency) of receipts over disbursements	<u>76,852</u>	<u>(6,319)</u>	<u>4,510</u>	<u>(17,172)</u>	<u>(5,022)</u>	<u>(5,763)</u>	<u>24,987</u>
Cash and investments - ending	<u>\$ 716,851</u>	<u>\$ 2,051,582</u>	<u>\$ 2,617,964</u>	<u>\$ -</u>	<u>\$ 162,589</u>	<u>\$ 1,144,366</u>	<u>\$ 87,103</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cumulative Police And Fire	Cedit Capital Projects	Storm Water Management	Police Pension	Fire Pension	Central Green Park Fund	Redevelopment Commission-General Fund
Cash and investments - beginning	\$ 508,291	\$ 3,382,221	\$ 765,957	\$ 247,643	\$ 70,216	\$ -	\$ -
Receipts:							
Taxes	67,022	-	-	-	76,541	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	4,802	1,230,014	-	159,599	6,058	-	-
Charges for services	-	-	351,016	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	882	9,051	3,195	361	23,315	5,701	302,336
Total receipts	72,706	1,239,065	354,211	159,960	105,914	5,701	302,336
Disbursements:							
Personal services	-	-	43,866	161,696	71,595	-	-
Supplies	-	-	2,583	-	-	-	-
Other services and charges	-	49,420	23,619	12	13,306	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	647,958	110,454	-	-	-	300,544
Other disbursements	-	656,000	-	-	-	-	-
Total disbursements	-	1,353,378	180,522	161,708	84,901	-	300,544
Excess (deficiency) of receipts over disbursements	72,706	(114,313)	173,689	(1,748)	21,013	5,701	1,792
Cash and investments - ending	\$ 580,997	\$ 3,267,908	\$ 939,646	\$ 245,895	\$ 91,229	\$ 5,701	\$ 1,792

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Cemetery Operating	Living Memorial Tree Fund	Fire Donation	Arnold Habig Community Center Fund	Arts Center Expansion Fund	Beaver Dam Lake Fund	Investment Incentive Fund
Cash and investments - beginning	\$ 47,956	\$ 2,083	\$ 157,867	\$ 6,722	\$ 99,717	\$ 39,668	\$ 403
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	2,926	-	-	-	-	-	-
Charges for services	1,380	-	1,320	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	154	4	336	2,045	5,894	69	-
Total receipts	4,460	4	1,656	2,045	5,894	69	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	3,700	-	-	-	-	-	403
Other disbursements	-	-	-	-	-	-	-
Total disbursements	3,700	-	-	-	-	-	403
Excess (deficiency) of receipts over disbursements	760	4	1,656	2,045	5,894	69	(403)
Cash and investments - ending	\$ 48,716	\$ 2,087	\$ 159,523	\$ 8,767	\$ 105,611	\$ 39,737	\$ -

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Police Grant Fund	Park District Bond	Cumulative Sewer	Internal Service #1	Fire Pension Supplemental Trust	Police Pension Supplemental Trust	Cemetery Endowment
Cash and investments - beginning	\$ 3,229	\$ 409,652	\$ 76,462	\$ 1,031,607	\$ 2,501	\$ 1,077,934	\$ 5,971
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	9,181	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,079	394,688	128	1,956,232	51,596	1,867	22
Total receipts	<u>10,260</u>	<u>394,688</u>	<u>128</u>	<u>1,956,232</u>	<u>51,596</u>	<u>1,867</u>	<u>22</u>
Disbursements:							
Personal services	4,650	-	-	-	-	-	-
Supplies	3,308	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	395,306	-	-	-	-	-
Capital outlay	1,500	-	-	-	-	-	-
Other disbursements	-	-	-	2,079,013	-	-	23
Total disbursements	<u>9,458</u>	<u>395,306</u>	<u>-</u>	<u>2,079,013</u>	<u>-</u>	<u>-</u>	<u>23</u>
Excess (deficiency) of receipts over disbursements	<u>802</u>	<u>(618)</u>	<u>128</u>	<u>(122,781)</u>	<u>51,596</u>	<u>1,867</u>	<u>(1)</u>
Cash and investments - ending	<u>\$ 4,031</u>	<u>\$ 409,034</u>	<u>\$ 76,590</u>	<u>\$ 908,826</u>	<u>\$ 54,097</u>	<u>\$ 1,079,801</u>	<u>\$ 5,970</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Landfill Escrow	Payroll	Elec Operating & Maintenance	Elec Depreciation	Elec Consumer Deposit	Elec In Lieu Of Taxes
Cash and investments - beginning	\$ 403,923	\$ 93,695	\$ 11,512,510	\$ 3,538,640	\$ 361,353	\$ 251,854
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	18,304	9,464,751	29,509,721	1,268,794	124,752	617,858
Total receipts	<u>18,304</u>	<u>9,464,751</u>	<u>29,509,721</u>	<u>1,268,794</u>	<u>124,752</u>	<u>617,858</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	116	-	-	-	-	-
Other services and charges	9,728	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	9,466,797	29,000,039	1,079,341	101,018	611,598
Total disbursements	<u>9,844</u>	<u>9,466,797</u>	<u>29,000,039</u>	<u>1,079,341</u>	<u>101,018</u>	<u>611,598</u>
Excess (deficiency) of receipts over disbursements	<u>8,460</u>	<u>(2,046)</u>	<u>509,682</u>	<u>189,453</u>	<u>23,734</u>	<u>6,260</u>
Cash and investments - ending	<u>\$ 412,383</u>	<u>\$ 91,649</u>	<u>\$ 12,022,192</u>	<u>\$ 3,728,093</u>	<u>\$ 385,087</u>	<u>\$ 258,114</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Elec Insurance	Elec Cash Reserve	Wastewtr Operating & Maintenance	Wastewtr Bond & Interest	Wastewtr Depreciation	Wastewtr Consumer Deposit
Cash and investments - beginning	\$ 1,027,512	\$ -	\$ 838,560	\$ 74,063	\$ 549,225	\$ 108,589
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>22</u>	<u>1,833,765</u>	<u>3,171,463</u>	<u>72,313</u>	<u>600,944</u>	<u>36,074</u>
Total receipts	<u>22</u>	<u>1,833,765</u>	<u>3,171,463</u>	<u>72,313</u>	<u>600,944</u>	<u>36,074</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	72,313	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>1,833,765</u>	<u>2,967,433</u>	<u>-</u>	<u>607,461</u>	<u>29,319</u>
Total disbursements	<u>-</u>	<u>1,833,765</u>	<u>2,967,433</u>	<u>72,313</u>	<u>607,461</u>	<u>29,319</u>
Excess (deficiency) of receipts over disbursements	<u>22</u>	<u>-</u>	<u>204,030</u>	<u>-</u>	<u>(6,517)</u>	<u>6,755</u>
Cash and investments - ending	<u>\$ 1,027,534</u>	<u>\$ -</u>	<u>\$ 1,042,590</u>	<u>\$ 74,063</u>	<u>\$ 542,708</u>	<u>\$ 115,344</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Wastewtr Insurance	Wastewtr Plant Expansion	Wastewtr Pretreatment	Wastewtr Interceptor Improvement	Water Retainage Fund	Water Operating & Maintenance
Cash and investments - beginning	\$ 261,750	\$ 1,186,243	\$ 173,205	\$ 357,888	\$ -	\$ 573,051
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	24,000	33,826	65,360	4,279	35,521	4,403,654
Total receipts	24,000	33,826	65,360	4,279	35,521	4,403,654
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	-	-	36,117	-	-	4,338,896
Total disbursements	-	-	36,117	-	-	4,338,896
Excess (deficiency) of receipts over disbursements	24,000	33,826	29,243	4,279	35,521	64,758
Cash and investments - ending	\$ 285,750	\$ 1,220,069	\$ 202,448	\$ 362,167	\$ 35,521	\$ 637,809

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Water Bond & Interest	Water Depreciation	Water Consumers Deposit	Water In Lieu Of Taxes	Water Insurance Fund	Gas Operating & Maintenance
Cash and investments - beginning	\$ 1,096,375	\$ 390,773	\$ 66,920	\$ 320,392	\$ 200,000	\$ 11,941
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>1,095,700</u>	<u>1,049,563</u>	<u>23,150</u>	<u>225,152</u>	<u>-</u>	<u>7,701,935</u>
Total receipts	<u>1,095,700</u>	<u>1,049,563</u>	<u>23,150</u>	<u>225,152</u>	<u>-</u>	<u>7,701,935</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	1,095,700	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>666,253</u>	<u>17,716</u>	<u>215,494</u>	<u>-</u>	<u>7,178,193</u>
Total disbursements	<u>1,095,700</u>	<u>666,253</u>	<u>17,716</u>	<u>215,494</u>	<u>-</u>	<u>7,178,193</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>383,310</u>	<u>5,434</u>	<u>9,658</u>	<u>-</u>	<u>523,742</u>
Cash and investments - ending	<u>\$ 1,096,375</u>	<u>\$ 774,083</u>	<u>\$ 72,354</u>	<u>\$ 330,050</u>	<u>\$ 200,000</u>	<u>\$ 535,683</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Gas Depreciation	Gas Consumer Deposit	Gas In Lieu Of Taxes	Gas Insurance	Gas Cash Reserve	Totals
Cash and investments - beginning	\$ 65,747	\$ 106,941	\$ 66,423	\$ 200,000	\$ -	\$ 46,403,157
Receipts:						
Taxes	-	-	-	-	-	6,001,394
Licenses and permits	-	-	-	-	-	36,733
Intergovernmental	-	-	-	-	-	4,220,786
Charges for services	-	-	-	-	-	1,409,882
Fines and forfeits	-	-	-	-	-	20,084
Other receipts	<u>305,903</u>	<u>132,144</u>	<u>116,558</u>	<u>-</u>	<u>920,354</u>	<u>66,598,849</u>
Total receipts	<u>305,903</u>	<u>132,144</u>	<u>116,558</u>	<u>-</u>	<u>920,354</u>	<u>78,287,728</u>
Disbursements:						
Personal services	-	-	-	-	-	6,091,889
Supplies	-	-	-	-	-	782,957
Other services and charges	-	-	-	-	-	2,694,677
Debt service - principal and interest	-	-	-	-	-	1,563,319
Capital outlay	-	-	-	-	-	2,738,729
Other disbursements	<u>267,986</u>	<u>124,025</u>	<u>114,980</u>	<u>200,000</u>	<u>920,354</u>	<u>62,592,735</u>
Total disbursements	<u>267,986</u>	<u>124,025</u>	<u>114,980</u>	<u>200,000</u>	<u>920,354</u>	<u>76,464,306</u>
Excess (deficiency) of receipts over disbursements	<u>37,917</u>	<u>8,119</u>	<u>1,578</u>	<u>(200,000)</u>	<u>-</u>	<u>1,823,422</u>
Cash and investments - ending	<u>\$ 103,664</u>	<u>\$ 115,060</u>	<u>\$ 68,001</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,226,579</u>

CITY OF JASPER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2011

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Revenue bonds:		
2004 Park Bonds	\$ 945,000	\$ 394,088
Business-type activities:		
Water Utility:		
Loans payable	\$ 8,366,000	\$ 147,245
Wastewater Utility:		
Loans payable	600,000	35,500
Gas Utility:		
Interfund loans payable	885,231	-
Total business-type activities debt	\$ 9,851,231	\$ 182,745

CITY OF JASPER
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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:	
Land	\$ 4,321,704
Infrastructure	65,366,109
Buildings	13,324,183
Improvements other than buildings	9,113,162
Machinery and equipment	11,587,526
Construction in progress	<u>31,187</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 103,743,871</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Land	\$ 292,054
Construction in progress	1,106,943
Buildings	10,473,758
Improvements other than buildings	11,223,508
Machinery and equipment	<u>4,262,929</u>
Total Water Utility capital assets	<u>27,359,192</u>
Wastewater Utility:	
Land	195,639
Construction in progress	140,404
Buildings	6,902,921
Improvements other than buildings	17,023,551
Machinery and equipment	<u>7,358,608</u>
Total Wastewater Utility capital assets	<u>31,621,123</u>
Electric Utility:	
Land	130,850
Construction in progress	618,808
Buildings	3,857,153
Improvements other than buildings	19,268,237
Machinery and equipment	<u>7,184,016</u>
Total Electric Utility capital assets	<u>31,059,064</u>
Gas Utility:	
Land	16,904
Construction in progress	31,545
Buildings	76,463
Improvements other than buildings	5,409,543
Machinery and equipment	<u>785,313</u>
Total Gas Utility capital assets	<u>6,319,768</u>
Total business-type activities capital assets	<u>\$ 96,359,147</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Jasper (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the year ended December 31, 2011. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City's compliance with those requirements.

In our opinion, the City complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2011.

Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the City's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

This report is intended solely for the information and use of the City's management, Common Council, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

May 17, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were approved by management of the City. The schedule and note are presented as intended by the City.

CITY OF JASPER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Direct Grant			
Economic Development Cluster			
Economic Adjustment Assistance	11.307	EDA#06-79-05603	\$ 134,321
Total for cluster			<u>134,321</u>
Total for federal grantor agency			<u>134,321</u>
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community & Rural Affairs			
CDBG - State-Administered CDBG Cluster			
Community Development Block Grants/ State's Program and Non-Entitlement Grants in Hawaii	14.228	DR-09-183	369,706
Total for cluster			<u>369,706</u>
Total for federal grantor agency			<u>369,706</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205	DES#040165	5,550
Total for cluster			<u>5,550</u>
Pass-Through Indiana Criminal Justice Institute			
Highway Safety Cluster			
Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants			
Operation Pull Over (OPO) Enforcement Program	20.601	OP-11-02-01-90 OP-12-04-02-70	3,150 1,500
Total for cluster			<u>4,650</u>
Total for federal grantor agency			<u>10,200</u>
<u>NATIONAL ENDOWMENT FOR THE ARTS</u>			
Pass-Through Arts Midwest			
Promotion of the Arts-Partnership Agreements	45.025	ImaginOcean FY11-103273:Alpin Hong	1,700 600
Pass-Through Indiana Arts Commission			
Promotion of the Arts-Partnership Agreements	45.025	RIG11-AOSII-110014 AOSII-120003	2,503 8,426
Total for program			<u>13,229</u>
Total for federal grantor agency			<u>13,229</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1997-DR-IN	36,736
Total for federal grantor agency			<u>36,736</u>
Total federal awards expended			<u>\$ 564,192</u>

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF JASPER
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Jasper and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF JASPER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____
CDBG – State-Administered CDBG Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000.00

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF JASPER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF JASPER
EXIT CONFERENCE

The contents of this report were discussed on May 17, 2012, with Terry Seitz, Mayor; Juanita S. Boehm, Clerk-Treasurer; Sharon Sanders, Financial Coordinator; Gerald Hayersperger, Utilities General Manager; Linda K. McGovren, Utility Controller; and Ashley Kiefer, Office Manager of Jasper Municipal Utilities. Our audit disclosed no material items that warrant comment at this time.