

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, 2012 to December 31, 2012



FILED
07/29/2013

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Juanita S. Boehm	01-01-12 to 12-31-15
Mayor	Terry Seitz	01-01-12 to 12-31-15
Presiding Officer of the Board of Public Works and Safety	Terry Seitz	01-01-12 to 12-31-15
Presiding Officer of the Common Council	Terry Seitz	01-01-12 to 12-31-15
Utilities' General Manager	Gerald Hauersperger	01-01-12 to 12-31-13
Water Utility Manager	Michael A. Oeding	01-01-12 to 12-31-13
Wastewater Utility Manager	Greg E. Hollinden	01-01-12 to 12-31-13
Electric Utility Generation Manager	Windell Toby	01-01-12 to 12-31-13
Electric Utility Distribution Manager	Jerald L. Schitter	01-01-12 to 12-31-13
Gas Utility Manager	Michael A. Oeding	01-01-12 to 12-31-13
Utility Controller	Linda McGovren	01-01-12 to 12-31-13
Chairman of the Utility Service Board	Wayne Schuetter	01-01-12 to 12-31-13



INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Jasper (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design 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. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

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

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2012.

Opinion on Regulatory Basis of Accounting

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, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated June 27, 2013, 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* in considering the City's internal control over financial reporting and compliance.

Accompanying Information

Supplementary Information

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 is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards 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 Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, 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.



Bruce Hartman
State Examiner

June 27, 2013



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 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, 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, the financial statement of the City of Jasper (City), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated June 27, 2013, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances 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. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

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. A significant deficiency is a deficiency or combination of deficiencies in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

INDEPENDENT AUDITOR'S 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 is 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*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bruce Hartman
State Examiner

June 27, 2013

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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, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 6,993,776	\$ 7,997,756	\$ 7,873,140	\$ 7,118,392
Motor Vehicle Highway	355,899	497,730	559,174	294,455
Local Road And Street	67,490	83,597	100,000	51,087
Park Nonreverting Operating	61,156	1,838	-	62,994
Economic Development Operating	126,152	180	-	126,332
Law Enforcement Continuing Ed	66,005	18,095	9,976	74,124
Unsafe Building	897	1	-	898
Riverboat	716,851	90,260	-	807,111
Parks And Recreation	2,051,582	2,817,648	2,575,715	2,293,515
Rainy Day	2,617,964	3,980	-	2,621,944
Cumulative Capl Imprv Cigarette Tax	162,589	40,077	40,000	162,666
Cumulative Capital Development	1,144,366	363,564	354,850	1,153,080
Park Nonreverting Capital	87,103	34,908	44,236	77,775
Cumulative Police And Fire	580,997	73,580	423,763	230,814
Cedit Capital Projects	3,267,908	1,732,230	1,044,807	3,955,331
Storm Water Management	939,646	355,662	338,380	956,928
Police Pension	245,895	165,271	166,455	244,711
Fire Pension	91,229	83,461	76,033	98,657
Central Green Park Fund	5,701	3,271	-	8,972
Redevelopment Commission-General Fund	1,792	-	1,280	512
Cemetery Operating	48,716	4,735	-	53,451
Living Memorial Tree Fund	2,087	3	-	2,090
Fire Donation	159,523	1,582	-	161,105
Arnold Habig Community Center Fund	8,767	6,088	-	14,855
Arts Center Expansion Fund	105,611	11,364	598	116,377
Beaver Dam Lake Fund	39,737	48	19,132	20,653
Police Grant Fund	4,031	8,860	7,708	5,183
Park District Bond	409,034	402,375	394,088	417,321
Cumulative Sewer	76,590	110	-	76,700
Internal Service #1	908,826	2,372,452	2,608,153	673,125
Fire Pension Supplemental Trust	54,097	79	-	54,176
Police Pension Supplemental Trust	1,079,801	1,486	-	1,081,287
Cemetery Endowment	5,970	13	13	5,970
Landfill Escrow	412,383	37,857	65,519	384,721
Payroll	91,649	9,666,574	9,711,282	46,941
Elec Operating & Maintenance	12,024,850	29,618,113	29,325,617	12,317,346
Elec Depreciation	3,728,094	949,876	1,487,616	3,190,354
Elec Consumer Deposit	382,429	149,900	105,251	427,078
Elec In Lieu Of Taxes	258,114	158,998	172,222	244,890
Elec Insurance	1,027,533	-	-	1,027,533
Elec Cash Reserve	-	925,788	925,788	-
Wastewtr In Lieu of Taxes	-	70,896	-	70,896
Wastewtr Retainage	-	48,059	48,059	-
Wastewtr Operating & Maintenance	1,043,789	2,919,788	3,198,370	765,207
Wastewtr Bond & Interest	74,063	70,563	70,563	74,063
Wastewtr Depreciation	542,708	1,135,333	1,197,545	480,496
Wastewtr Consumer Deposit	114,147	36,575	32,408	118,314
Wastewtr Insurance	285,750	24,000	-	309,750
Wastewtr Plant Expansion	1,220,068	33,620	-	1,253,688
Wastewtr Pretreatment	202,447	58,533	16,977	244,003
Wastewtr Interceptor Improvement	362,167	-	-	362,167
Water Retainage	35,521	144,360	175,881	4,000
Water Cash Reserve	-	800,000	800,000	-
Water Operating & Maintenance	638,470	4,289,611	4,188,699	739,382
Water Bond & Interest	1,096,375	8,710,045	8,540,861	1,265,559
Water Depreciation	774,083	4,063,023	3,767,934	1,069,172
Water Consumers Deposit	71,694	24,265	20,243	75,716
Water In Lieu Of Taxes	330,050	211,129	221,549	319,630
Water Insurance	200,000	-	-	200,000
Gas Operating & Maintenance	536,554	4,710,061	4,467,446	779,169
Gas Depreciation	103,664	205,470	72,912	236,222
Gas Consumer Deposit	114,190	39,365	31,260	122,295
Gas In Lieu Of Taxes	68,001	41,757	45,442	64,316
Totals	\$ 48,226,581	\$ 86,315,863	\$ 85,326,945	\$ 49,215,499

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, storm water, and trash.

The accompanying financial statement presents the financial information for the City.

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 include 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.

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,

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

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).

Other receipts which include amounts received from various sources which can include, but are not limited to the following: utility fees; 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 include 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.

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

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

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

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 statement. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks.

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 Indiana Public Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

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 Indiana Public Retirement System 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 Retirement System (INPRS) 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.

INPRS 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:

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

The City also contributes to an additional pension plan (Volunteer Firefighters Retirement Plan) unique to the City. Information regarding this plan may be obtained from the City.

CITY OF JASPER
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 7. Subsequent Events

On April 10, 2013, the City purchased 59.42 acres of real estate through its Redevelopment Commission for a net purchase price of \$1,028,538. To make this purchase, funds were transferred from the Rainy Day Fund to the Redevelopment Commission – General Fund.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 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 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, 2012

	General	Motor Vehicle Highway	Local Road And Street	Park Nonreverting Operating	Economic Development Operating	Law Enforcement Continuing Ed	Unsafe Building
Cash and investments - beginning	\$ 6,993,776	\$ 355,899	\$ 67,490	\$ 61,156	\$ 126,152	\$ 66,005	\$ 897
Receipts:							
Taxes	4,013,510	-	-	-	-	-	-
Licenses and permits	116,908	-	-	-	-	6,955	-
Intergovernmental	2,775,526	497,172	83,491	-	-	-	-
Charges for services	306,919	-	-	-	-	3,708	-
Fines and forfeits	22,321	-	-	-	-	7,432	-
Other receipts	<u>762,572</u>	<u>558</u>	<u>106</u>	<u>1,838</u>	<u>180</u>	<u>-</u>	<u>1</u>
Total receipts	<u>7,997,756</u>	<u>497,730</u>	<u>83,597</u>	<u>1,838</u>	<u>180</u>	<u>18,095</u>	<u>1</u>
Disbursements:							
Personal services	4,944,675	-	-	-	-	-	-
Supplies	486,944	-	-	-	-	482	-
Other services and charges	1,956,921	-	-	-	-	875	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	484,228	559,174	100,000	-	-	8,619	-
Other disbursements	<u>372</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>7,873,140</u>	<u>559,174</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>9,976</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>124,616</u>	<u>(61,444)</u>	<u>(16,403)</u>	<u>1,838</u>	<u>180</u>	<u>8,119</u>	<u>1</u>
Cash and investments - ending	<u>\$ 7,118,392</u>	<u>\$ 294,455</u>	<u>\$ 51,087</u>	<u>\$ 62,994</u>	<u>\$ 126,332</u>	<u>\$ 74,124</u>	<u>\$ 898</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Riverboat	Parks And Recreation	Rainy Day	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	Park Nonreverting Capital	Cumulative Police And Fire
Cash and investments - beginning	\$ 716,851	\$ 2,051,582	\$ 2,617,964	\$ 162,589	\$ 1,144,366	\$ 87,103	\$ 580,997
Receipts:							
Taxes	-	1,748,050	-	-	335,836	-	68,018
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	89,084	135,510	-	39,885	26,034	-	5,273
Charges for services	-	861,953	-	-	-	34,806	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,176	72,135	3,980	192	1,694	102	289
Total receipts	90,260	2,817,648	3,980	40,077	363,564	34,908	73,580
Disbursements:							
Personal services	-	1,273,695	-	-	-	-	-
Supplies	-	268,088	-	-	-	-	-
Other services and charges	-	746,564	-	-	-	2,236	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	279,655	-	-	354,850	42,000	423,763
Other disbursements	-	7,713	-	40,000	-	-	-
Total disbursements	-	2,575,715	-	40,000	354,850	44,236	423,763
Excess (deficiency) of receipts over disbursements	90,260	241,933	3,980	77	8,714	(9,328)	(350,183)
Cash and investments - ending	\$ 807,111	\$ 2,293,515	\$ 2,621,944	\$ 162,666	\$ 1,153,080	\$ 77,775	\$ 230,814

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Cedit Capital Projects	Storm Water Management	Police Pension	Fire Pension	Central Green Park Fund	Redevelopment Commission-General Fund	Cemetery Operating
Cash and investments - beginning	\$ 3,267,908	\$ 939,646	\$ 245,895	\$ 91,229	\$ 5,701	\$ 1,792	\$ 48,716
Receipts:							
Taxes	-	-	-	77,370	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	1,720,142	-	164,962	5,998	-	-	-
Charges for services	-	354,228	-	-	-	-	4,600
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	12,088	1,434	309	93	3,271	-	135
Total receipts	<u>1,732,230</u>	<u>355,662</u>	<u>165,271</u>	<u>83,461</u>	<u>3,271</u>	<u>-</u>	<u>4,735</u>
Disbursements:							
Personal services	-	59,694	166,443	63,460	-	-	-
Supplies	-	3,439	-	-	-	85	-
Other services and charges	78,957	24,464	12	12,573	-	375	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	604,067	250,783	-	-	-	820	-
Other disbursements	361,783	-	-	-	-	-	-
Total disbursements	<u>1,044,807</u>	<u>338,380</u>	<u>166,455</u>	<u>76,033</u>	<u>-</u>	<u>1,280</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>687,423</u>	<u>17,282</u>	<u>(1,184)</u>	<u>7,428</u>	<u>3,271</u>	<u>(1,280)</u>	<u>4,735</u>
Cash and investments - ending	<u>\$ 3,955,331</u>	<u>\$ 956,928</u>	<u>\$ 244,711</u>	<u>\$ 98,657</u>	<u>\$ 8,972</u>	<u>\$ 512</u>	<u>\$ 53,451</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Living Memorial Tree Fund	Fire Donation	Arnold Habig Community Center Fund	Arts Center Expansion Fund	Beaver Dam Lake Fund	Police Grant Fund	Park District Bond
Cash and investments - beginning	\$ 2,087	\$ 159,523	\$ 8,767	\$ 105,611	\$ 39,737	\$ 4,031	\$ 409,034
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	8,860	-
Charges for services	-	1,320	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3	262	6,088	11,364	48	-	402,375
Total receipts	3	1,582	6,088	11,364	48	8,860	402,375
Disbursements:							
Personal services	-	-	-	-	-	4,500	-
Supplies	-	-	-	598	-	3,208	-
Other services and charges	-	-	-	-	19,132	-	-
Debt service - principal and interest	-	-	-	-	-	-	394,088
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	-	-	598	19,132	7,708	394,088
Excess (deficiency) of receipts over disbursements	3	1,582	6,088	10,766	(19,084)	1,152	8,287
Cash and investments - ending	\$ 2,090	\$ 161,105	\$ 14,855	\$ 116,377	\$ 20,653	\$ 5,183	\$ 417,321

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Cumulative Sewer	Internal Service #1	Fire Pension Supplemental Trust	Police Pension Supplemental Trust	Cemetery Endowment	Landfill Escrow
Cash and investments - beginning	\$ 76,590	\$ 908,826	\$ 54,097	\$ 1,079,801	\$ 5,970	\$ 412,383
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	110	2,372,452	79	1,486	13	37,857
Total receipts	110	2,372,452	79	1,486	13	37,857
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	1,284
Other services and charges	-	-	-	-	-	9,275
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	54,960
Other disbursements	-	2,608,153	-	-	13	-
Total disbursements	-	2,608,153	-	-	13	65,519
Excess (deficiency) of receipts over disbursements	110	(235,701)	79	1,486	-	(27,662)
Cash and investments - ending	\$ 76,700	\$ 673,125	\$ 54,176	\$ 1,081,287	\$ 5,970	\$ 384,721

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Payroll	Elec Operating & Maintenance	Elec Depreciation	Elec Consumer Deposit	Elec In Lieu Of Taxes	Elec Insurance
Cash and investments - beginning	\$ 91,649	\$ 12,024,850	\$ 3,728,094	\$ 382,429	\$ 258,114	\$ 1,027,533
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	9,666,574	29,618,113	949,876	149,900	158,998	-
Total receipts	9,666,574	29,618,113	949,876	149,900	158,998	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	9,711,282	29,325,617	1,487,616	105,251	172,222	-
Total disbursements	9,711,282	29,325,617	1,487,616	105,251	172,222	-
Excess (deficiency) of receipts over disbursements	(44,708)	292,496	(537,740)	44,649	(13,224)	-
Cash and investments - ending	\$ 46,941	\$ 12,317,346	\$ 3,190,354	\$ 427,078	\$ 244,890	\$ 1,027,533

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Elec Cash Reserve	Wastewtr In Lieu of Taxes	Wastewtr Retainage	Wastewtr Operating & Maintenance	Wastewtr Bond & Interest	Wastewtr Depreciation
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 1,043,789	\$ 74,063	\$ 542,708
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	<u>925,788</u>	<u>70,896</u>	<u>48,059</u>	<u>2,919,788</u>	<u>70,563</u>	<u>1,135,333</u>
Total receipts	<u>925,788</u>	<u>70,896</u>	<u>48,059</u>	<u>2,919,788</u>	<u>70,563</u>	<u>1,135,333</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	<u>925,788</u>	<u>-</u>	<u>48,059</u>	<u>3,198,370</u>	<u>70,563</u>	<u>1,197,545</u>
Total disbursements	<u>925,788</u>	<u>-</u>	<u>48,059</u>	<u>3,198,370</u>	<u>70,563</u>	<u>1,197,545</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>70,896</u>	<u>-</u>	<u>(278,582)</u>	<u>-</u>	<u>(62,212)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 70,896</u>	<u>\$ -</u>	<u>\$ 765,207</u>	<u>\$ 74,063</u>	<u>\$ 480,496</u>

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Wastewtr Consumer Deposit	Wastewtr Insurance	Wastewtr Plant Expansion	Wastewtr Pretreatment	Wastewtr Interceptor Improvement	Water Retainage
Cash and investments - beginning	\$ 114,147	\$ 285,750	\$ 1,220,068	\$ 202,447	\$ 362,167	\$ 35,521
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	36,575	24,000	33,620	58,533	-	144,360
Total receipts	36,575	24,000	33,620	58,533	-	144,360
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	32,408	-	-	16,977	-	175,881
Total disbursements	32,408	-	-	16,977	-	175,881
Excess (deficiency) of receipts over disbursements	4,167	24,000	33,620	41,556	-	(31,521)
Cash and investments - ending	\$ 118,314	\$ 309,750	\$ 1,253,688	\$ 244,003	\$ 362,167	\$ 4,000

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Cash Reserve	Water Operating & Maintenance	Water Bond & Interest	Water Depreciation	Water Consumers Deposit	Water In Lieu Of Taxes
Cash and investments - beginning	\$ -	\$ 638,470	\$ 1,096,375	\$ 774,083	\$ 71,694	\$ 330,050
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other receipts	800,000	4,289,611	8,710,045	4,063,023	24,265	211,129
Total receipts	800,000	4,289,611	8,710,045	4,063,023	24,265	211,129
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Other disbursements	800,000	4,188,699	8,540,861	3,767,934	20,243	221,549
Total disbursements	800,000	4,188,699	8,540,861	3,767,934	20,243	221,549
Excess (deficiency) of receipts over disbursements	-	100,912	169,184	295,089	4,022	(10,420)
Cash and investments - ending	\$ -	\$ 739,382	\$ 1,265,559	\$ 1,069,172	\$ 75,716	\$ 319,630

CITY OF JASPER
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2012
 (Continued)

	Water Insurance	Gas Operating & Maintenance	Gas Depreciation	Gas Consumer Deposit	Gas In Lieu Of Taxes	Totals
Cash and investments - beginning	\$ 200,000	\$ 536,554	\$ 103,664	\$ 114,190	\$ 68,001	\$ 48,226,581
Receipts:						
Taxes	-	-	-	-	-	6,242,784
Licenses and permits	-	-	-	-	-	123,863
Intergovernmental	-	-	-	-	-	5,551,937
Charges for services	-	-	-	-	-	1,567,534
Fines and forfeits	-	-	-	-	-	29,753
Other receipts	-	4,710,061	205,470	39,365	41,757	72,799,992
Total receipts	-	4,710,061	205,470	39,365	41,757	86,315,863
Disbursements:						
Personal services	-	-	-	-	-	6,512,467
Supplies	-	-	-	-	-	764,128
Other services and charges	-	-	-	-	-	2,851,384
Debt service - principal and interest	-	-	-	-	-	394,088
Capital outlay	-	-	-	-	-	3,162,919
Other disbursements	-	4,467,446	72,912	31,260	45,442	71,641,959
Total disbursements	-	4,467,446	72,912	31,260	45,442	85,326,945
Excess (deficiency) of receipts over disbursements	-	242,615	132,558	8,105	(3,685)	988,918
Cash and investments - ending	\$ 200,000	\$ 779,169	\$ 236,222	\$ 122,295	\$ 64,316	\$ 49,215,499

CITY OF JASPER
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Jasper Electric Utility	\$ 3,639,210	\$ 1,720,277
Jasper Wastewater Utility	196,979	204,050
Jasper Water Utility	371,533	262,324
Jasper Gas Utility	530,189	498,976
Governmental activities	-	-
Totals	<u>\$ 4,737,911</u>	<u>\$ 2,685,627</u>

CITY OF JASPER
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Pitney Bowes	Postage meter lease	\$ 672	05-01-10	04-30-15
Total of annual lease payments		<u>\$ 672</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities: Revenue bonds	Baseball/softball park & soccer complex	\$ 580,000	\$ 401,783
Jasper Wastewater Utility: Notes and loans payable	2001 SRF Loan - East Southwest Sewer Extensions	550,000	34,625
Jasper Water Utility: Revenue bonds	Refunding Revenue Bonds - Water Treatment Plant and Other Water Improvement Projects	7,665,000	999,299
Notes and loans payable	Interfund Loan - Local Share/Match for Beaver Dam Lake Improvement Project	800,000	-
Total Jasper Water Utility		<u>8,465,000</u>	<u>999,299</u>
Jasper Gas Utility: Notes and loans payable	Interfund Loan - Purchase of Gas Transportation Contract	560,351	-
Notes and loans payable	Interfund Loan - Prepayment of Purchased Gas & Other	200,000	-
Total Jasper Gas Utility		<u>760,351</u>	<u>-</u>
Totals		<u>\$ 10,355,351</u>	<u>\$ 1,435,707</u>

CITY OF JASPER
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

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.

	Ending Balance
Governmental activities:	
Land	\$ 4,344,649
Infrastructure	66,914,463
Buildings	13,384,860
Improvements other than buildings	9,147,474
Machinery, equipment, and vehicles	12,099,219
Construction in progress	184,358
Total governmental activities	106,075,023
Electric Utility:	
Land	155,978
Buildings	4,147,025
Improvements other than buildings	19,650,415
Machinery, equipment, and vehicles	7,229,754
Construction in progress	1,195,973
Total Electric Utility	32,379,145
Wastewater Utility:	
Land	195,639
Buildings	6,902,921
Improvements other than buildings	17,311,668
Machinery, equipment, and vehicles	7,286,961
Construction in progress	1,006,987
Total Wastewater Utility	32,704,176
Water Utility:	
Land	292,054
Buildings	10,473,758
Improvements other than buildings	11,377,611
Machinery, equipment, and vehicles	4,437,044
Construction in progress	3,950,731
Total Water Utility	30,531,198
Gas Utility:	
Land	16,904
Buildings	76,463
Improvements other than buildings	5,443,859
Machinery, equipment, and vehicles	817,221
Total Gas Utility	6,354,447
Total capital assets	\$ 208,043,989

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

Report on Compliance for Each Major Federal Program

We have audited the City of Jasper's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2012. 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.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. 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 on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the type of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bruce Hartman
State Examiner

June 27, 2013

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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, 2012

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Commerce</u>				
Economic Development Cluster				
Economic Adjustment Assistance	Direct Grant	11.307		
Beaver Creek Lake Dam Improvement			06-79-05603	\$ 1,871,436
Total - Economic Development Cluster				<u>1,871,436</u>
Total - Department of Commerce				<u>1,871,436</u>
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster	Indiana Office of Community and Rural Affairs			
Community Development Block Grants/State's Program				
and Non-Entitlement Grants in Hawaii		14.228		
Beaver Creek Lake Dam Improvement			DR2-09-183	564,654
Northside Sewer Improvement			CF-11-108	<u>535,565</u>
Total - CDBG - State-Administered CDBG Cluster				<u>1,100,219</u>
Total - Department of Housing and Urban Development				<u>1,100,219</u>
<u>Department of Justice</u>				
JAG Program Cluster				
Edward Byrne Memorial Justice Assistance Grant Program	Indiana Criminal Justice Institute	16.738	2009-DJ-BX-0049	<u>65,665</u>
Total - JAG Program Cluster				<u>65,665</u>
Bulletproof Vest Partnership Program	Direct Grant	16.607	FY 2008	140
			FY 2010	<u>2,470</u>
Total - Bulletproof Vest Partnership Program				<u>2,610</u>
Total - Department of Justice				<u>68,275</u>
<u>Department of Transportation</u>				
Highway Safety Cluster	Indiana Criminal Justice Institute			
Safety Belt Performance Grants		20.609	OP-12-04-02-70	<u>4,500</u>
Total - Department of Transportation				<u>4,500</u>
<u>National Endowment for the Arts</u>				
Promotion of the Arts-Partnership Agreements	Indiana Arts Commission	45.025		
Regional Arts Partner			AOSII-120003	2,808
			RIG-AOSII-12003	<u>8,426</u>
Total- Promotion of the Arts-Partnership Agreements				<u>11,234</u>
Total - National Endowment for the Arts				<u>11,234</u>
<u>Department of Education</u>				
Arts in Education	John F. Kennedy Center for Performing Arts	84.351		<u>1,167</u>
Total - Department of Education				<u>1,167</u>
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance				
Presidentially Declared Disasters)	Indiana Department of Homeland Security	97.036	DR1997-DR-IN	<u>8,993</u>
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067		<u>50,000</u>
Total - Department of Homeland Security				<u>58,993</u>
Total federal awards expended				<u>\$ 3,115,824</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:	Adverse as to GAAP; Unqualified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Program:

_____ Name of Federal Program or Cluster _____
Economic Development Cluster

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

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
EXIT CONFERENCE

The contents of this report were discussed on June 27, 2013, with Juanita S. Boehm, Clerk-Treasurer, and Terry Seitz, Mayor. Our audit disclosed no material items that warrant comment at this time.