

B37516

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

ANNUAL FINANCIAL REPORT

2009

CITY OF TERRE HAUTE

VIGO COUNTY, INDIANA



FILED
09/15/2010

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Leslie A. Ellis	01-01-09 to 12-31-10
Mayor	Duke A. Bennett	01-01-08 to 12-31-11
President of the Board of Public Works and Safety	William D. Lower	01-01-09 to 12-31-10
President of the Common Council	Todd Nation Neil Garrison	01-01-09 to 12-31-09 01-01-10 to 12-31-10



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE CITY OF TERRE HAUTE, VIGO COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City of Terre Haute (City), as of and for the year ended December 31, 2009, which collectively comprise the City's primary government basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the City's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 statements are 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. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the City as of December 31, 2009, and the respective changes in financial position and cash flows, where applicable, thereof and for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

The Schedules of Funding Progress, Schedules of Contributions From the Employer and Other Contributing Entities, and Budgetary Comparison Schedules, as listed in the Table of Contents, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

In accordance with Government Auditing Standards, we have also issued our report dated August 19, 2010, 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 and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The City has not presented Management's Discussion and Analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be a part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively compromise the City's basic financial statements. The Combining Schedules, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material aspects in relation to the basic financial statements taken as a whole.

STATE BOARD OF ACCOUNTS

August 19, 2010



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

TO: THE OFFICIALS OF THE CITY OF TERRE HAUTE, VIGO COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Terre Haute (City), as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements and have issued our report thereon dated August 19, 2010. 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 opinions on the financial statements, 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 a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements 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 significant deficiencies or material weaknesses, as defined above.

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

Compliance

As part of obtaining reasonable assurance about whether the City's financial statements 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 and 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

August 19, 2010

CITY OF TERRE HAUTE
STATEMENT OF NET ASSETS
For The Year Ended December 31, 2009

<u>Assets</u>	Primary Government		
	Governmental Activities	Business-Type Activities	Totals
Cash and cash equivalents	\$ 1,905,664	\$ 985,151	\$ 2,890,815
Receivables (net of allowances for uncollectibles):			
Interest	782	-	782
Taxes	1,601,743	-	1,601,743
Accounts	1,462,295	952,110	2,414,405
Other	246,319	-	246,319
Intergovernmental	1,084,785	-	1,084,785
Loans	892,399	-	892,399
Prepaid expense	115,876	19,355	135,231
Deferred debits	669,756	795,312	1,465,068
Restricted assets:			
Cash and cash equivalents	26,337,244	15,888,060	42,225,304
Investments	203,000	-	203,000
Interest receivable	756	5,541	6,297
Capital assets:			
Land, improvements and construction in progress	31,150,903	25,272,349	56,423,252
Other capital assets, net of depreciation	70,778,690	56,776,181	127,554,871
Total assets	136,450,212	100,694,059	237,144,271
<u>Liabilities</u>			
Accounts payable	414,613	109,661	524,274
Accrued payroll and withholdings payable	1,278,527	91,228	1,369,755
Contracts payable	-	55,110	55,110
Accrued interest payable	-	-	-
Deferred revenue	2,023,108	15,567	2,038,675
Payable from restricted assets:			
Accrued bond interest	-	-	-
Revenue bonds - due within one year	192,402	425,000	617,402
Noncurrent liabilities:			
Due within one year:			
General obligation bonds payable	3,035,000	-	3,035,000
Capital lease obligations	359,279	-	359,279
Notes and loans payable	108,899	-	108,899
Due in more than one year:			
General obligation bonds payable (net of discounts or premiums)	27,825,000	-	27,825,000
Compensated absences	1,621,447	139,755	1,761,202
Revenue bonds payable (net of discounts or premiums)	4,142,733	25,775,000	29,917,733
Capital lease obligations	1,256,327	-	1,256,327
Notes and loans payable	213,706	-	213,706
Bond anticipation note payable	7,075,777	-	7,075,777
Net pension obligation	24,825,637	-	24,825,637
Total liabilities	74,372,455	26,611,321	100,983,776
<u>Net Assets</u>			
Invested in capital assets, net of related debt	59,336,076	39,963,470	99,299,546
Restricted for:			
Public safety	1,811,294	-	1,811,294
Highways and streets	2,315,292	-	2,315,292
Sanitation	3,238,342	15,888,060	3,238,342
Economic development	12,215,353	-	12,215,353
Culture and recreation	(1,285,855)	-	(1,285,855)
Debt service	2,249,867	-	2,249,867
Other purposes	7,670,173	-	7,670,173
Unrestricted	(25,472,785)	18,231,208	(7,241,577)
Total net assets	\$ 62,077,757	\$ 74,082,738	\$ 136,160,495

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

CITY OF TERRE HAUTE
STATEMENT OF ACTIVITIES
For The Year Ended December 31, 2009

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 17,841,463	\$ 1,495,736	\$ 2,489,421	\$ 1,478,131	\$ (12,378,175)	\$ -	\$ (12,378,175)
Public safety	24,216,662	1,455,567	916,188	-	(21,844,907)	-	(21,844,907)
Highways and streets	5,551,048	538,909	1,673,708	483,200	(2,855,231)	-	(2,855,231)
Sanitation	641,143	1,274,131	104	-	633,092	-	633,092
Economic development	2,941,159	-	-	4,890,252	1,949,093	-	1,949,093
Culture and recreation	4,797,790	-	54,022	-	(4,743,768)	-	(4,743,768)
Urban redevelopment	1,787,432	-	51,056	-	(1,736,376)	-	(1,736,376)
Interest on long-term debt	2,018,029	-	-	-	(2,018,029)	-	(2,018,029)
Total governmental activities	59,794,726	4,764,343	5,184,499	6,851,583	(42,994,301)	-	(42,994,301)
Business-type activities:							
Wastewater	10,801,549	10,739,869	-	-	-	(61,680)	(61,680)
Total primary government	\$ 70,596,275	\$ 15,504,212	\$ 5,184,499	\$ 6,851,583	(42,994,301)	(61,680)	(43,055,981)
General revenues:							
Property taxes					30,321,355	-	30,321,355
Intergovernmental revenues:							
Financial institutions tax					477,015	-	477,015
Auto and aircraft excise tax					1,776,770	-	1,776,770
Commercial vehicle excise tax					173,233	-	173,233
County adjusted gross income tax					4,926,555	-	4,926,555
Tax increments for redeveloping districts					3,121,495	-	3,121,495
Economic development income tax					5,106,655	-	5,106,655
Surtax and wheel tax					561,224	-	561,224
Property tax replacement credit					1,440,418	-	1,440,418
ABC excise tax					57,716	-	57,716
ABC gallonage tax					119,037	-	119,037
State cigarette tax					198,699	-	198,699
Gaming tax revenue					-	-	-
Contributions by City and employees to health self-insurance					5,117,472	-	5,117,472
Unrestricted Investment earnings					37,469	-	37,469
Special Items:							
Increase in capital assets due to capturing assets purchased in previous years					1,289,879	-	1,289,879
Gain on Sale of Capital Assets					12,640	-	12,640
Other:							
Restricted investment earnings					90,161	38,918	129,079
Miscellaneous					15,405	426,012	441,417
Total general revenues					54,843,198	464,930	55,308,128
Change in net assets					11,848,897	403,250	12,252,147
Net assets - beginning					50,228,860	73,679,488	123,908,348
Net assets - ending					\$ 62,077,757	\$ 74,082,738	\$ 136,160,495

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

CITY OF TERRE HAUTE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009

<u>Assets</u>	<u>General</u>	<u>Rainy Day</u>	<u>Motor Vehicle Highway</u>	<u>Local Road and Street</u>	<u>Cemetery</u>	<u>Transit</u>	<u>Park and Recreation</u>	<u>Sanitary District Bond Fund</u>
Cash and cash equivalents	\$ 1,905,664	\$ 4,795,766	\$ 1,789,554	\$ 368,176	\$ 224,232	\$ 1,144,229	\$ 587,806	\$ 1,926,713
Investments	-	-	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):								
Interest	782	-	-	-	-	-	-	-
Taxes	1,032,874	-	-	-	23,607	38,392	137,627	343,498
Accounts	-	-	-	-	-	-	-	-
Other receivables	246,319	-	-	-	-	227,630	-	-
Intergovernmental	48,306	-	240,474	82,655	149	453,246	429	833
Loans	-	-	-	-	-	-	-	-
Total assets	\$ 3,233,945	\$ 4,795,766	\$ 2,030,028	\$ 450,831	\$ 247,988	\$ 1,863,497	\$ 725,862	\$ 2,271,044
<u>Liabilities and Fund Balances</u>								
Liabilities:								
Accounts payable	\$ 126,199	\$ -	\$ 17,818	\$ 8,787	\$ 3,404	\$ 19,603	\$ 18,670	\$ -
Accrued payroll and withholdings payable	1,071,048	-	55,090	-	13,948	53,056	66,028	-
Deferred revenue	1,047,999	-	93	-	23,756	38,585	138,056	344,331
Total liabilities	2,245,246	-	73,001	8,787	41,108	111,244	222,754	344,331
Fund balances:								
Unreserved, reported in:								
General fund	988,699	-	-	-	-	-	-	-
Special revenue funds	-	4,795,766	1,957,027	442,044	206,880	1,752,253	503,108	-
Debt service funds	-	-	-	-	-	-	-	1,926,713
Capital projects funds	-	-	-	-	-	-	-	-
Total fund balances	988,699	4,795,766	1,957,027	442,044	206,880	1,752,253	503,108	1,926,713
Total liabilities and fund balances	\$ 3,233,945	\$ 4,795,766	\$ 2,030,028	\$ 450,831	\$ 247,988	\$ 1,863,497	\$ 725,862	\$ 2,271,044

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

CITY OF TERRE HAUTE
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2009
(Continued)

<u>Assets</u>	Sanitary District Project No. 19	Sanitary District Project No. 21	Cumulative Capital Development	Cumulative Capital Improvement	Economic Development Income Tax	Other Governmental Funds	Totals
Cash and cash equivalents	\$ 16,289	\$ 42,730	\$ 1,882,590	\$ 155,537	\$ 3,058,816	\$ 10,091,539	\$ 27,989,641
Investments	-	-	-	-	-	203,000	203,000
Receivables (net of allowances for uncollectibles):							
Interest	-	8	-	-	-	726	1,516
Taxes	-	-	25,745	-	-	-	1,601,743
Accounts	-	-	-	-	-	1,624,772	1,624,772
Other receivables	-	-	-	-	-	-	473,949
Intergovernmental	-	-	93	30,965	-	5	857,155
Loans	-	-	-	-	432,987	459,412	892,399
Total assets	\$ 16,289	\$ 42,738	\$ 1,908,428	\$ 186,502	\$ 3,491,803	\$ 12,379,454	\$ 33,644,175
<u>Liabilities and Fund Balances</u>							
Liabilities:							
Accounts payable	\$ -	\$ -	\$ 9,041	\$ 4,935	\$ 95,679	\$ 110,477	\$ 414,613
Accrued payroll and withholdings payable	-	-	-	-	-	19,219	1,278,389
Deferred revenue	-	-	25,838	30,965	-	5	1,649,628
Total liabilities	-	-	34,879	35,900	95,679	129,701	3,342,630
Fund balances:							
Unreserved, reported in:							
General fund	-	-	-	-	-	-	988,699
Special revenue funds	-	-	1,873,549	-	-	12,249,753	23,780,380
Debt service funds	-	-	-	-	-	-	1,926,713
Capital projects funds	16,289	42,738	-	150,602	3,396,124	-	3,605,753
Total fund balances	16,289	42,738	1,873,549	150,602	3,396,124	12,249,753	30,301,545
Total liabilities and fund balances	\$ 16,289	\$ 42,738	\$ 1,908,428	\$ 186,502	\$ 3,491,803	\$ 12,379,454	

Amounts reported for governmental activities in the Statement of Net Assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	101,929,593
Other long-term assets are not available to pay for current-period expenditures and, therefore, are deferred in the funds.	785,632
Allowances for doubtful accounts are recognized for governmental activities in the Statement of Net Assets, but are not reported in the funds.	(535,957)
Internal service funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Net Assets.	253,151
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(45,830,570)
Net pension obligations are not due and payable in the current period and, therefore, are not reported in the funds.	(24,825,637)

Net assets of governmental activities \$ 62,077,757

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

CITY OF TERRE HAUTE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009

	General	Rainy Day	Motor Vehicle Highway	Local Road and Street	Cemetery	Transit
Revenues:						
Taxes	\$ 17,960,634	\$ -	\$ 1,845,162	\$ -	\$ 460,566	\$ 931,271
Licenses and permits	239,616	-	4,440	-	-	-
Investment Income	-	-	-	-	-	-
Intergovernmental	6,253,231	1,040,516	2,334,301	474,772	39,725	1,967,109
Charges for services	864,672	-	-	-	117,999	513,065
Fines and forfeits	388,556	-	-	-	-	-
Other	162,172	-	46,509	8,428	6,285	2,357
Total revenues	25,868,881	1,040,516	4,230,412	483,200	624,575	3,413,802
Expenditures:						
Current:						
General government	8,373,195	-	-	-	744,099	2,605,741
Public safety	22,532,668	-	-	-	-	-
Highways and streets	967,447	-	3,164,138	720,569	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Total expenditures	31,873,310	-	3,164,138	720,569	744,099	2,605,741
Excess (deficiency) of revenues over (under) expenditures	(6,004,429)	1,040,516	1,066,274	(237,369)	(119,524)	808,061
Other financing sources (uses):						
Transfers in	2,187,748	-	-	-	1,503	-
Transfers out	-	(370,000)	-	-	-	-
Total other financing sources and uses	2,187,748	(370,000)	-	-	1,503	-
Special item:						
Proceeds from sale of assets	-	-	-	-	-	-
Net change in fund balances	(3,816,681)	670,516	1,066,274	(237,369)	(118,021)	808,061
Fund balances - beginning	4,805,380	4,125,250	890,753	679,413	324,901	944,192
Fund balances - ending	\$ 988,699	\$ 4,795,766	\$ 1,957,027	\$ 442,044	\$ 206,880	\$ 1,752,253

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

CITY OF TERRE HAUTE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009
(Continued)

	Park and Recreation	Sanitary District Bond Fund	Sanitary District Project No. 19	Sanitary District Project No. 21	Cumulative Capital Development
Revenues:					
Taxes	\$ 1,713,365	\$ 6,991,793	\$ -	\$ -	\$ 418,565
Licenses and permits	-	-	-	-	-
Investment Income	-	-	-	-	-
Intergovernmental	405,969	524,223	-	-	36,302
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	40,549	17	-	216	-
Total revenues	2,159,883	7,516,033	-	216	454,867
Expenditures:					
Current:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	3,090,190	-	-	-	-
Urban redevelopment	-	-	-	-	-
Debt service:					
Principal	-	6,305,000	-	-	-
Interest	-	1,394,187	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	352,027
Urban redevelopment	-	-	-	-	-
Sanitation	-	-	379,610	75,826	-
Buildings	-	-	-	-	-
Total expenditures	3,090,190	7,699,187	379,610	75,826	352,027
Excess (deficiency) of revenues over (under) expenditures	(930,307)	(183,154)	(379,610)	(75,610)	102,840
Other financing sources (uses):					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-
Special item:					
Proceeds from sale of assets	-	-	-	-	-
Net change in fund balances	(930,307)	(183,154)	(379,610)	(75,610)	102,840
Fund balances - beginning	1,433,415	2,109,867	395,899	118,348	1,770,709
Fund balances - ending	\$ 503,108	\$ 1,926,713	\$ 16,289	\$ 42,738	\$ 1,873,549

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

CITY OF TERRE HAUTE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2009
(Continued)

	Cumulative Capital Improvement	Economic Development Income Tax	Cherry Street Project	Other Governmental Funds	Total Governmental Funds
Revenues:					
Taxes	\$ -	\$ -	\$ -	\$ 3,121,495	\$ 33,442,851
Licenses and permits	-	-	-	10,236	254,292
Investment Income	-	-	-	1,883	1,883
Intergovernmental	148,845	5,744,700	1,478,131	5,529,974	25,977,798
Charges for services	-	-	-	3,092,641	4,588,377
Fines and forfeits	-	-	-	92,636	481,192
Other	-	432,987	-	648,969	1,348,489
Total revenues	148,845	6,177,687	1,478,131	12,497,834	66,094,882
Expenditures:					
Current:					
General government	-	-	-	98,216	11,821,251
Public safety	-	-	-	1,508,372	24,041,040
Highways and streets	-	-	-	551,084	5,403,238
Sanitation	-	-	-	664,372	664,372
Economic development	-	-	-	836,163	836,163
Culture and recreation	-	-	-	1,565,510	4,655,700
Urban redevelopment	184,225	1,352,394	-	1,778,872	3,315,491
Debt service:					
Principal	-	-	484,223	131,810	6,921,033
Interest	-	-	411,264	212,578	2,018,029
Capital outlay:					
Highways and streets	81,769	4,867,577	-	462,224	5,763,597
Urban redevelopment	-	-	-	2,495,208	2,495,208
Sanitation	-	-	-	-	455,436
Buildings	-	-	115,770	210,660	326,430
Total expenditures	265,994	6,219,971	1,011,257	10,515,069	68,716,988
Excess (deficiency) of revenues over (under) expenditures	(117,149)	(42,284)	466,874	1,982,765	(2,622,106)
Other financing sources (uses):					
Transfers in	-	-	-	-	2,189,251
Transfers out	-	-	-	(2,189,251)	(2,559,251)
Total other financing sources and uses	-	-	-	(2,189,251)	(370,000)
Special item:					
Proceeds from sale of assets	-	-	-	12,640	12,640
Net change in fund balances	(117,149)	(42,284)	466,874	(193,846)	(2,979,466)
Fund balances - beginning	267,751	3,438,408	(466,874)	12,443,599	33,281,011
Fund balances - ending	\$ 150,602	\$ 3,396,124	\$ -	\$ 12,249,753	\$ 30,301,545

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

CITY OF TERRE HAUTE
 RECONCILIATION OF THE STATEMENT OF REVENUES,
 EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
 TO THE STATEMENT OF ACTIVITIES
 For The Year Ended December 31, 2009

Amounts reported for governmental activities in the Statement of Activities are different because:

Net change in fund balances - total governmental funds (Statement of Revenues, Expenditures and Changes in Fund Balances)	\$ (2,979,466)
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	8,291,531
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	(535,957)
The issuance of long-term debt (e.g., bonds, leases) provide current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. Also, governmental funds report the effect of issuance costs, premiums, discounts and similar items when debt is first issued, whereas these amounts are deferred and amortized in the Statement of Activities. This amount is the net effect of these differences in the treatment of long-term debt and related items.	7,057,924
Net pension obligations are considered long-term obligations of the general government, but are not current expenditures.	48,724
Some expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.	457,144
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue (expense) of the internal service funds is reported with governmental activities.	<u>(491,003)</u>
Change in net assets of governmental activities (statement of activities)	<u>\$ 11,848,897</u>

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

CITY OF TERRE HAUTE
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2009

<u>Assets</u>	<u>Wastewater Utility</u>	<u>Internal Service Fund</u>
Current assets:		
Cash and cash equivalents	\$ 985,151	\$ 253,267
Interest receivable	-	22
Accounts receivable (net of allowance)	952,110	-
Prepaid items	<u>19,355</u>	<u>-</u>
Total current assets	<u>1,956,616</u>	<u>253,289</u>
Noncurrent assets:		
Restricted cash, cash equivalents and investments:		
Revenue bond covenant accounts	15,888,060	-
Interest receivable	<u>5,541</u>	<u>-</u>
Total restricted assets	<u>15,893,601</u>	<u>-</u>
Deferred debits	<u>795,312</u>	<u>-</u>
Capital assets:		
Land, improvements to land and construction in progress	25,272,349	-
Other capital assets (net of accumulated depreciation)	<u>56,776,181</u>	<u>-</u>
Total capital assets	<u>82,048,530</u>	<u>-</u>
Total noncurrent assets	<u>98,737,443</u>	<u>-</u>
Total assets	<u>100,694,059</u>	<u>253,289</u>
<u>Liabilities</u>		
Current liabilities:		
Accounts payable	109,661	-
Contracts payable	55,110	-
Accrued payroll and withholdings payable	91,228	138
Deferred revenue	15,567	-
Current liabilities payable from restricted assets:		
Revenue bonds payable	<u>425,000</u>	<u>-</u>
Total current liabilities	<u>696,566</u>	<u>138</u>
Noncurrent liabilities:		
Revenue bonds payable (net of unamortized discounts or premiums)	25,775,000	-
Compensated absences	<u>139,755</u>	<u>-</u>
Total noncurrent liabilities	<u>25,914,755</u>	<u>-</u>
Total liabilities	<u>26,611,321</u>	<u>138</u>
<u>Net Assets</u>		
Invested in capital assets, net of related debt	55,848,530	-
Restricted for debt service	250	-
Restricted for construction	15,887,810	-
Restricted for employee health benefits	-	253,151
Unrestricted	<u>2,346,148</u>	<u>-</u>
Total net assets	<u>\$ 74,082,738</u>	<u>\$ 253,151</u>

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

CITY OF TERRE HAUTE
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
For The Year Ended December 31, 2009

	<u>Wastewater Utility</u>	<u>Internal Service Fund</u>
Operating revenues:		
Measured revenue	\$ 10,739,869	\$ -
Other	<u>426,012</u>	<u>5,117,472</u>
Total operating revenues	<u>11,165,881</u>	<u>5,117,472</u>
Operating expenses:		
Administration and general	1,250	-
Insurance claims and premiums	-	5,608,475
Salaries and wages	2,907,059	-
Materials and supplies	728,806	-
Contractual services	4,573,452	-
Insurance expense	1,347	-
Bad debt expense	-	-
Depreciation and amortization	<u>1,415,350</u>	<u>-</u>
Total operating expenses	<u>9,627,264</u>	<u>5,608,475</u>
Operating income (loss)	<u>1,538,617</u>	<u>(491,003)</u>
Nonoperating revenues (expenses):		
Interest and investment revenue	38,917	-
Transfer from other Funds	-	370,000
Interest expense	(1,134,518)	-
Amortization of bond issuance costs	<u>(39,767)</u>	<u>-</u>
Total nonoperating revenue (expenses)	<u>(1,135,368)</u>	<u>370,000</u>
Change in net assets	403,249	(121,003)
Total net assets - beginning	<u>73,679,489</u>	<u>374,154</u>
Total net assets - ending	<u>\$ 74,082,738</u>	<u>\$ 253,151</u>

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

CITY OF TERRE HAUTE
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For The Year Ended December 31, 2009

	<u>Wastewater Utility</u>	<u>Internal Service Fund</u>
Cash flows from operating activities:		
Receipts from customers and users	\$ 10,883,272	\$ -
Payments to suppliers	(5,426,130)	-
Payments to employees	(2,964,105)	-
Employer and employee contributions	-	5,117,450
Insurance claims	-	(5,608,224)
Other receipts	<u>383,097</u>	<u>-</u>
Net cash provided (used) by operating activities	<u>2,876,134</u>	<u>(490,774)</u>
Cash flows from noncapital financing activities:		
Transfer from other Funds	<u>-</u>	<u>370,000</u>
Cash flows from capital and related financing activities:		
Acquisition and construction of capital assets	(4,034,590)	-
Principal paid on capital debt	(825,000)	-
Interest paid on capital debt	<u>(1,134,518)</u>	<u>-</u>
Net cash used by capital and related financing activities	<u>(5,994,108)</u>	<u>-</u>
Cash flows from investing activities:		
Interest received	<u>68,635</u>	<u>-</u>
Net decrease in cash and cash equivalents	(3,049,339)	(120,774)
Cash and cash equivalents, January 1 (Including \$17,266,690 for the Wastewater Utility reported in restricted accounts)		
	<u>19,922,550</u>	<u>374,042</u>
Cash and cash equivalents, December 31 (Including \$15,888,060 for the Wastewater Utility reported in restricted accounts)		
	<u>\$ 16,873,211</u>	<u>\$ 253,268</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating income	<u>\$ 1,538,617</u>	<u>\$ (491,003)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation expense	1,415,350	-
Bad debt expense	-	-
Insurance expense	1,347	-
Decrease in assets:		
Accounts receivable	103,103	91
Increase (decrease) in liabilities:		
Accounts payable	22,200	-
Contracts payable	(144,822)	-
Deferred revenue	(2,615)	-
Compensated absences	(142,392)	-
Accrued payroll	<u>85,346</u>	<u>138</u>
Total adjustments	<u>1,337,517</u>	<u>229</u>
Net cash provided (used) by operating activities	<u>\$ 2,876,134</u>	<u>\$ (490,774)</u>

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

CITY OF TERRE HAUTE
STATEMENT OF FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
December 31, 2009

<u>Assets</u>	Pension Trust Funds	Agency Funds
Cash and cash equivalents	\$ 1,190,441	\$ 157,661
Receivables:		
Interest and dividends	-	48
Taxes	50,107	-
Intergovernmental	<u>217</u>	<u>-</u>
Total receivables	<u>50,324</u>	<u>48</u>
Total assets	<u>1,240,765</u>	<u>157,709</u>
 <u>Liabilities</u>		
Accounts payable	100	-
Deferred revenue	50,324	-
Accrued payroll and withholdings payable	31,700	-
Due to State	-	40,140
Trust payable	<u>-</u>	<u>117,569</u>
Total liabilities	<u>82,124</u>	<u>\$ 157,709</u>
 <u>Net Assets</u>		
Held in trust for:		
Employees' pension benefits and other purposes	<u>1,158,641</u>	
Total net assets	<u>\$ 1,158,641</u>	

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

CITY OF TERRE HAUTE
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

<u>Additions</u>	<u>Pension Trust Funds</u>
Contributions:	
Taxes	\$ -
Intergovernmental	5,386
Pension relief	4,485,864
Plan members	<u>-</u>
Total additions	<u>4,491,250</u>
 <u>Deductions</u>	
Benefits	4,910,301
Administrative expense	<u>26,511</u>
Total deductions	<u>4,936,812</u>
Changes in net assets	(445,562)
Net assets - beginning	<u>1,604,203</u>
Net assets - ending	<u>\$ 1,158,641</u>

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

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The City of Terre Haute (primary government) was established under the laws of the State of Indiana. The primary government operates under a Council-Mayor form of government and provides the following services: public safety (police and fire), highways and streets, health, culture and recreation, public improvements, planning and zoning, general administrative services, public transportation, sewer, and urban redevelopment and housing.

The accompanying financial statements present the activities of the primary government. There are no significant component units which require inclusion.

Related Organizations

The primary government's officials are also responsible for appointing the members of the boards of other organizations, but the primary government's accountability for these organizations, does not extend beyond making the appointments. The primary government appoints the board members of the Terre Haute Housing Authority and the Crossroads of America Youth Orchestra.

B. Government-Wide and Fund Financial Statements

Government-wide financial statements (i.e., the Statement of Net Assets and the Statement of Changes in Net Assets) report information on all of the non-fiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which direct expenses of a given function or segments are offset by program revenues. Direct expenses are clearly identifiable with a specific function or segment. Program revenues include (1) charges to customers or applicants who purchase, use or directly benefit from goods, services or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For the purpose, the primary government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when the primary government receives cash.

The primary government reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The rainy day fund is used to account for the unused and unencumbered funds raised by a general or special tax levy on the taxable property which remain after the purposes of the tax levy have been fulfilled; or a supplemental distribution of CAGIT, COIT or EDIT. The funds may be used only for emergencies as stated in the City Code Section 2-136.

The motor vehicle highway fund is used to account for state gasoline tax distributions. It is principally used for the direct expenses incurred in the construction, reconstruction, or maintenance of arterial and local roads and streets.

The cemetery fund is used to account for the operating receipts and disbursements in connection with city owned cemeteries.

The transit fund is used to account for the operating receipts and disbursements in connection with the primary government providing public transportation services.

The park and recreation fund is used to account for the operating receipts and disbursements made in connection with the primary government providing recreation programs and facilities.

The sanitary district bond fund is used to account for those funds used to accumulate resources for, and the payment of, long-term debt principal and interest issued by the primary government's sanitary district.

The sanitary district project 19 fund is used to account for the financial resources to be used for the purpose of paying the costs of improvements and extensions to the sewage system of the primary government's sanitary district.

The local road and street fund is used to account for the state local road and street distribution. It is principally to be used for the purpose of paying the costs of maintenance and improvements to the arterial and local roads and streets.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The cumulative capital development fund is used to account for the receipts and disbursements of taxes levied under state statute for capital projects uses. It is principally used for the acquisition and construction of major capital facilities.

The cumulative capital improvement fund is used to account for the receipts and disbursements of taxes levied under state statute for capital project uses. It is principally used for the acquisition and construction of major capital facilities.

The economic development income tax fund is used to account for the receipts and disbursements of the City's share of the county economic development income tax revenues. It is principally used for economic development projects, but may also be used for the construction or acquisition of capital projects for which the City is empowered to issue general obligation bonds or establish a fund under any statute listed in Indiana Code 6-1.1-18.5-9-8.

The primary government reports the following major proprietary fund:

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

Additionally, the primary government reports the following fund types:

The internal service fund accounts for general liability and employee health insurance coverage provided to other departments on a cost-reimbursement basis.

The pension trust funds account for the activities of the 1925 police and 1937 fire pension funds which accumulate resources for pension benefit payments.

Agency funds account for assets held by the primary government as an agent for the State of Indiana, Vigo County and various individuals.

Private-sector standards of accounting and financial reports issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The primary government has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the primary government and the Wastewater Utility. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

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

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Proprietary funds distinguish operating revenues from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the enterprise funds are charges to customer for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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

D. Assets, Liabilities and Net Assets or Equity

1. Deposits and Investments

The primary government's cash and cash equivalents are considered to be cash on hand, demand deposits and short-term investments with original maturities of three months or less from the date of acquisition.

State statute (Indiana Code 5-13-9) authorizes the primary government 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.

Nonparticipating certificates of deposit, demand deposits and similar nonparticipating negotiable instruments that are not reported as cash and cash equivalents are reported as investments at costs.

Money market investments that mature within one year or less at the date of their acquisition are reported at amortized cost. Other money market investments are reported at fair value.

Investments income, including changes in the fair value of investments, is reported as revenue in the operating statement.

2. Interfund Transactions and Balances

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "interfund receivables/payables" (i.e., the current and noncurrent portion of interfund loans). All other outstanding balances between funds are reported as "interfund services provided/used." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

3. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the primary government in June and in December. State statutes (Indiana Code 6-1.1-17-16) require the Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% of the true

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

tax value (determined in accordance with rules and regulations adopted by the Department of Local Government Finance). Taxes may be paid in two equal installments that become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the primary government prior to December 31 of the year collected. Delinquent property taxes outstanding at year end for governmental and/or proprietary funds, net of allowances for uncollectible accounts, are recorded as a receivable with an offset to deferred revenue since the amounts are not considered available.

4. Prepaid Items

Certain Payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

5. Restricted Assets

Certain proceeds of the enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the statement of net assets balance sheet because their use is restricted by bond covenants.

6. Capital Assets

Capital assets, which include property, plant, equipment and infrastructure assets (e.g., roads, bridges, sidewalks and similar items), are reported in the applicable governmental or business-type activities column in the government-wide financial statements.

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

Capitalization thresholds (the dollar values above which asset acquisitions are added to the capital asset accounts), depreciation methods and estimated useful lives of capital assets reported in the government-wide statements and proprietary funds are as follows:

	Capitalization Threshold	Depreciation Method	Estimated Useful Life
Buildings	\$ 5,000	Straight-line	40 to 44 years
Improvements other than buildings	5,000	Straight-line	25 to 67 years
Machinery and equipment	5,000	Straight-line	5 to 44 years

For depreciated assets, the cost of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

7. Compensated Absences

Vacation, sick and personal leave policies for primary government employees are described as follows:

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Street Department Employees (Union Members)

- (a) Sick Leave – Employees earn sick leave at the rate of 6 days per year after completing a 90 day period of employment. Unused sick leave may be accumulated to a maximum of 45 days. Unused sick days over the accumulated 30 days can be paid for by the City the last pay period in December, at the employee's request, not to exceed 8 days in any one year. Accumulated sick leave is paid to employees through cash payments upon termination.
- (b) Vacation Leave – Employees earn vacation leave at rates from 5 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.
- (c) Personal Leave – Employees earn personal leave at the rate of 4 days per year, not to exceed 2 days per each four month period. Personal leave does not accumulate from year to year.

Cemetery Employees (Union Members)

- (a) Sick Leave – Employees earn sick leave at the rate of 6 days per year after completing a 30 day period of employment. Unused sick leave may be accumulated to a maximum of 45 days. Accumulated sick leave is paid to employees through cash payments upon termination.
- (b) Vacation Leave – Employees earn vacation leave at the rate of 5 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.
- (c) Personal Leave – Employees earn personal leave at the rate of 4 days per year, not to exceed 2 days per each four month period. Personal leave does not accumulate from year to year.

Department of Redevelopment Employees

- (a) Sick Leave – Employees earn sick leave at the rate of 1 day per month. Unused sick leave may be accumulated to a maximum of 30 days. Accumulated sick leave is not paid to employees.
- (b) Vacation Leave – Employees earn vacation leave at rates from 10 days to 15 days per year based upon the number of years of service. Vacation leave may be accumulated to a maximum of 30 days. Accumulated vacation leave is paid to employees through cash payments upon termination.
- (c) Personal Leave – Employees earn personal leave at the rate of 2 days per year. Personal leave does not accumulate.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Firefighters

- (a) Sick Leave – Employees earn sick leave at the rate of 1 shift day (8 hours) per month for 8 – hour shift employees of ½ of a shift day (12 hours) per month for 24 hour shift employees. Unused sick leave may be accumulated to a maximum of 720 hours for an 8 hour shift employees or 1080 hours for 24 shift employees. Accumulated sick leave is paid to employees through cash payments upon termination at the last earned hourly rate times 2/3 of the accumulated sick leave.
- (b) Vacation Leave – Employees earn vacation leave at rates from 5 days to 22 days per year based upon the number of years of service. Each vacation day shall represent 1 full duty shift day of 24 hours. Vacation leave does not accumulate from year to year.
- (c) Personal Leave – Employees earn personal leave at the rate of 3 shift days per year. Personal leave does not accumulate from year to year.

Police Officers

- (a) Sick Leave – Employees earn sick leave at the rate of 1 day per month. Unused sick leave may be accumulated to a maximum of 90 days. Accumulated sick leave is paid to employees through cash payments upon termination at the rate of 1 sick day for every 3 accumulated sick days.
- (b) Vacation Leave – Employees earn vacation leave at rates from 5 days to 25 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.
- (c) Personal Leave – Employees earn personal leave at the rate of 3 days per year. In addition, any officer who is on call and has his or her off-duty actions restricted for 15 days or more a year shall receive an additional 4 personal days for a total of 7. Personal leave does not accumulate from year to year.

Transportation System Employees (Union Members)

- (a) Sick Leave – Employees earn sick leave at the rate of 1 day per month. Unused sick leave may be accumulated to a maximum of 36 days. Accumulated sick leave is paid to employees through cash payments on December 20th at their option.
- (b) Vacation Leave – Employees earn vacation leave at rates from 5 days to 25 days per year based upon the number of years of service. Vacation leave does accumulate from year to year, not to exceed 2 weeks.
- (c) Personal Leave – Employees do not earn personal leave.

Wastewater Utility Employees (Union Members)

- (a) Sick Leave – Employees earn sick leave at the rate of 6 days per year. Accumulated sick leave in excess of 30 days is paid to employees through cash payments upon termination.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

- (b) Vacation Leave – Employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave does not accumulate from year to year.
- (c) Personal Leave – Employees earn personal leave at the rate of 6 days per year. Personal leave does not accumulate from year to year.

All Other Employees

- (a) Sick Leave – Employees earn sick leave at the rate of 8 days per year. Unused sick leave may be accumulated to a maximum of 45 days. Accumulated sick leave is not paid to employees.
- (b) Vacation Leave – Employees earn vacation leave at rates from 5 days to 20 days per year based upon the number of years of service. Vacation leave may be accumulated to a maximum of 30 days. Accumulated vacation leave is paid to employees through cash payments upon termination.
- (c) Personal Leave – Employees earn personal leave at the rate of 3 days per year. Personal leave does not accumulate from year to year.

Vacation and sick leave is accrued when incurred.

8. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuance are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

9. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

On or before August 31, the City Controller submits to the Common Council a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the Common Council to obtain taxpayer comments. In September of each year, the Common Council through the passage of an ordinance approves the budget for the next year. Copies of the budget ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Department of Local Government Finance. The budget becomes legally enacted after the City Controller receives approval of the Department of Local Government Finance.

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

Expenditures did not exceed appropriations for any funds or any departments within the General Fund, which required legally, approved budgets.

B. Deficit Fund Equity

At December 31, 2009, the following funds reported deficits in fund equity:

	<u>Deficit</u>
Governmental funds:	
Rea Park Non-Reverting Fund	\$ (446,795)
Hulman Links Non-Reverting Fund	(1,322,647)

Fund equity deficits arose primarily from expenditures or expenses exceeding revenues due to the underestimate of current requirements; these deficits will be repaid from future revenues.

III. Detailed Notes on All Funds

A. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-18-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. Balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Receivables

The following receivables accounts have timing and credit characteristics different from typical accounts receivable:

Type:	Funds	Amount
Loans receivable:	Community Development	\$ 2,822
	Non-Federal Income	98,409
	HOME Program Grant	358,181
	EDIT	<u>432,987</u>
Total		<u>\$ 892,399</u>

C. Capital Assets

Capital asset activity for the year ended December 31, 2009, was as follows:

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land	\$ 6,763,355	\$ 1,669,581	\$ 26,997	\$ 8,405,939
Construction in progress	<u>36,020,391</u>	<u>8,210,506</u>	<u>21,485,933</u>	<u>22,744,964</u>
Total capital assets, not being depreciated	<u>42,783,746</u>	<u>9,880,087</u>	<u>21,512,930</u>	<u>31,150,903</u>
Capital assets, being depreciated:				
Buildings	25,722,065	959,944	-	26,682,009
Improvements other than buildings	32,466,780	21,289,044	300,000	53,455,824
Machinery and equipment	<u>14,507,753</u>	<u>1,299,444</u>	<u>1,155,425</u>	<u>14,651,772</u>
Totals	<u>72,696,598</u>	<u>23,548,432</u>	<u>1,455,425</u>	<u>94,789,605</u>
Less accumulated depreciation for:				
Buildings	6,614,166	828,163	-	7,442,329
Improvements other than buildings	5,848,024	886,202	300,000	6,434,226
Machinery and equipment	<u>9,876,215</u>	<u>1,187,895</u>	<u>929,750</u>	<u>10,134,360</u>
Totals	<u>22,338,405</u>	<u>2,902,260</u>	<u>1,229,750</u>	<u>24,010,915</u>
Total capital assets, being depreciated, net	<u>50,358,193</u>	<u>20,646,172</u>	<u>225,675</u>	<u>70,778,690</u>
Total governmental activities capital assets, net	<u>\$ 93,141,939</u>	<u>\$ 30,526,259</u>	<u>\$ 21,738,605</u>	<u>\$ 101,929,593</u>

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Primary Government	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated:				
Land	\$ 57,751	\$ 24,769	-	\$ 82,520
Construction in progress	25,745,359	3,804,317	4,359,846	25,189,830
Total capital assets, not being depreciated	<u>25,803,110</u>	<u>3,829,086</u>	<u>4,359,846</u>	<u>25,272,350</u>
Capital assets, being depreciated:				
Buildings	2,645,107	-	-	2,645,107
Improvements other than buildings	79,198,072	4,397,521	-	83,595,593
Machinery and equipment	5,309,820	405,239	237,410	5,477,649
Totals	<u>87,152,999</u>	<u>4,802,760</u>	<u>237,410</u>	<u>91,718,349</u>
Less accumulated depreciation for:				
Buildings	2,645,108	-	-	2,645,108
Improvements other than buildings	28,413,056	1,213,902	-	29,626,958
Machinery and equipment	2,468,656	362,282	160,834	2,670,104
Totals	<u>33,526,820</u>	<u>1,576,184</u>	<u>160,834</u>	<u>34,942,170</u>
Total capital assets, being depreciated, net	<u>53,626,179</u>	<u>3,226,576</u>	<u>76,576</u>	<u>56,776,179</u>
Total business-type activities capital assets, net	<u>\$ 79,429,289</u>	<u>\$ 7,055,662</u>	<u>\$ 4,436,422</u>	<u>\$ 82,048,529</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental activities:	
General government/public safety	\$ 1,414,653
Culture and Recreation	<u>257,857</u>
Total depreciation expense - governmental activities	<u>\$ 1,672,510</u>
Business - type activities:	
Wastewater	<u>\$ 1,415,350</u>

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Construction Commitments

Construction work in progress is composed of the following:

Project	Authorized	2009	Committed	Funding
Governmental funds:				
General Fund	\$ 12,879	\$ 8,879	\$ 4,000	\$ -
Motor Vehicle Highway	400,000	29,007	370,993	-
Sanitary District Project 19	6,397,414	6,397,414	-	-
Sanitary District Project 20	14,320,000	-	14,320,000	-
Sanitary District Project 21	20,000,000	8,039,107	11,960,893	-
Jadcore Construction	1,000,000	666,956	333,044	-
CCD Projects	500,000	483,990	16,010	-
EDIT Projects	5,507,042	5,507,042	-	-
Fire Training Center	1,000,000	26,163	973,837	-
Collett Park Project	282,171	-	282,171	-
Sanitary Dist Gen	76,639	8,168	68,472	-
CDBG	1,303,308	9,800	1,293,508	-
Ft Harrison	1,178,065	1,170,065	8,000	-
St Rd 46	528,998	398,374	130,624	-
Total governmental funds	<u>52,506,516</u>	<u>22,744,965</u>	<u>29,761,552</u>	<u>-</u>
Business-type activities:				
Wastewater Construction Project	8,000,000	5,396,956	2,603,044	-
Sanitary District Project 22	6,000,000	4,574,443	1,425,557	-
CSO Study	24,000,000	15,218,431	8,781,569	-
Total business-type activities	<u>38,000,000</u>	<u>25,189,830</u>	<u>12,810,170</u>	<u>-</u>
Totals	<u>\$ 90,506,516</u>	<u>\$ 47,934,795</u>	<u>\$ 42,571,722</u>	<u>\$ -</u>

E. Interfund Balances and Activity

Interfund transfers at December 31, 2009, were as follows:

Transfer From	Transfer To	2009
Other Governmental Funds	General Fund	\$ 2,187,748
	Cemetery Fund	1,503
Rainy Day Fund	Internal Service Fund	<u>370,000</u>
Total		<u>\$ 2,559,251</u>

The primary government typically uses transfers to fund ongoing operating subsidies.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Leases

1. Operating Leases

The primary government has entered into various operating leases having initial or remaining non-cancelable terms exceeding one year for a postage machine, copiers, computers, building and Transit break room. Rental expenditures for these leases were \$3,834, \$25,063, \$8,585, \$143,206, and \$1,548, respectively. The following is a schedule by years of future minimum rental payments as of December 31, 2009:

2010	<u>\$ 127,066</u>
Total	<u><u>\$ 127,066</u></u>

2. Capital Leases

The primary government has entered into various capital leases for equipment, vehicles, and guaranteed energy savings. Future minimum lease payments and present values of the net minimum lease payments under these capital leases as of December 31, 2009, are as follows:

2010	\$ 420,917
2011	455,396
2012	420,917
2013	386,451
2014-2019	<u>100,348</u>
 Total minimum lease payments	 1,784,029
 Lease amount representing interest	 <u>168,423</u>
 Present value of net minimum lease payments	 <u><u>\$ 1,615,606</u></u>

Assets acquired through capital leases still in effect are follows:

	<u>Governmental Activities</u>
Improvements other than buildings	\$ 540,314
Machinery and equipment	<u>1,115,618</u>
 Total	 <u><u>\$ 1,655,932</u></u>

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

G. Long-Term Liabilities

1. General Obligation Bonds

The primary government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities.

General obligation bonds are direct obligations and pledge the full faith and credit of the primary government. General obligation bonds currently outstanding at year end are as follows:

Purpose	Interest Rates	Amount
1996 \$4,140,000 Sanitary District Bonds, Improvements	4.86% to 5.45%	\$ 1,320,000
1997 \$7,610,000 Sanitary District Bonds, Improvements	4.5% to 4.6%	2,730,000
1999-2000 \$8,000,000 Sanitary Districts Bonds, Improvements	5%	-
2002 \$6,300,000 Sanitary District Bonds Improvements	3% to 4.1%	5,500,000
2005 \$14,320,000 Sanitary District Bonds, Improvements	2.5% to 3.65%	8,450,000
2006 \$20,000,000 Sanitary District Bonds, Improvements	3.375% to 4%	<u>12,860,000</u>
Total		<u>\$ 30,860,000</u>

Annual debt service requirements to maturity for general obligations bonds are as follows:

Year Ended December 31	Governmental Activities	
	Principal	Interest
2010	\$ 3,035,000	\$ 601,061
2011	6,675,000	1,024,738
2012	7,005,000	762,709
2013	5,715,000	476,593
2014-2018	<u>8,430,000</u>	<u>445,233</u>
Totals	<u>\$ 30,860,000</u>	<u>\$ 3,310,334</u>

2. Revenue Bonds

The primary government issues bonds to be paid by income derived from the acquired or constructed assets. Revenue bonds outstanding at year end are as follows:

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Purpose	Interest Rates	Amount
1998 \$4,000,000 Redevelopment District Bond	8%	\$ 1,205,135
2003 Jadcore Phase I	4%	965,000
2004 Economic Development	4%	885,000
2005 Sanitary District Revenue Bonds	3% to 4.65%	26,200,000
2007 Taxable Economic Development	6.75% to 8%	<u>1,280,000</u>
Total		<u>\$ 30,535,135</u>

Revenue bonds debt service requirements to maturity are as follows:

Year Ended <u>December 31</u>	<u>Governmental Activities</u>		<u>Business-Type Activities</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2010	\$ 192,402	\$ 282,026	\$ 425,000	\$ 557,440
2011	273,333	268,175	870,000	1,093,812
2012	299,626	250,632	900,000	1,063,918
2013	336,303	230,736	935,000	1,032,068
2014-2024	<u>3,233,471</u>	<u>707,527</u>	<u>23,070,000</u>	<u>37,703,694</u>
Totals	<u>\$ 4,335,135</u>	<u>\$ 1,739,096</u>	<u>\$ 26,200,000</u>	<u>\$ 41,450,932</u>

3. Notes and Loans Payable

The primary government has entered into various notes/loans. Annual debt service requirements to maturity for the notes/loans, including interest of \$49,573, are as follows:

2010	\$ 108,899
2011	213,706
2012	<u>7,075,777</u>
Total	<u>\$ 7,398,382</u>

4. Bond Anticipation Note Payable

The primary government issued a bond anticipation note to finance the Multi Modal Transportation Facility. The balance of the note is to be retired when the bond is issued.

5. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2009, was as follows:

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Primary Government</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental activities:					
Bonds payable:					
General obligation	\$ 37,165,000	\$ -	\$ 6,305,000	\$ 30,860,000	\$ 3,035,000
Revenue	4,476,945	-	141,810	4,335,135	192,402
Fire Protection District	-	-	-	-	-
Total bonds payable	41,641,945	-	6,446,810	35,195,135	3,227,402
Capital leases	1,262,608	610,073	257,075	1,615,606	359,279
Notes payable	449,975	-	127,370	322,605	108,899
Bond anticipation note payable	7,560,000	-	484,223	7,075,777	-
Compensated absences	1,323,039	298,408	-	1,621,447	-
Total governmental activities long-term liabilities	<u>\$ 52,237,567</u>	<u>\$ 908,481</u>	<u>\$ 7,315,478</u>	<u>\$ 45,830,570</u>	<u>\$ 3,695,580</u>
Business-type activities:					
Revenue bonds payable	\$ 27,025,000	\$ -	\$ 825,000	\$ 26,200,000	\$ 425,000
Compensated absences	282,147	-	142,392	139,755	-
Total business-type activities long-term liabilities	<u>\$ 27,307,147</u>	<u>\$ -</u>	<u>\$ 967,392</u>	<u>\$ 26,339,755</u>	<u>\$ 425,000</u>

H. Segment Information

The primary government issued revenue bonds to finance wastewater improvements. Investors in the revenue bonds rely solely on the revenue generated by the individual activities for repayment. Summary financial information for the Wastewater Utility is presented below.

<u>Condensed Statement of Net Assets</u>	
Assets:	
Current assets	\$ 1,956,616
Deferred debits	795,312
Restricted assets	15,893,601
Capital assets	<u>82,048,530</u>
Total assets	<u>\$ 100,694,059</u>
Liabilities:	
Current liabilities	\$ 696,566
Non-current liabilities	<u>25,914,755</u>
Total liabilities	<u>\$ 26,611,321</u>

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Net assets:	
Invested in capital assets, net of related assets	\$ 39,963,470
Restricted	15,888,060
Unrestricted	<u>18,231,208</u>
Total net assets	<u>\$ 74,082,738</u>

Condensed Statement of Revenues, Expenses and Changes in Net Assets

Charges (pledged against bonds)	\$ 11,165,881
Depreciation expense	1,415,350
Other operating expenses	<u>8,211,914</u>
Operating income	1,538,617
Non-operating revenues (expenses):	
Investment earnings	38,917
Interest expense	1,134,518
Amortization expense	<u>39,767</u>
Change in net assets	403,249
Beginning net assets	<u>73,679,489</u>
Ending net assets	<u>\$ 74,082,738</u>

Condensed Statement of Cash Flows

Net cash provided (used) by:	
Operating activities	\$ 2,876,134
Non-capital financing activities	
Capital and related financing activities	(5,994,108)
Investing activities	<u>-</u>
Net increase (decrease)	(3,117,974)
Beginning cash and cash equivalents	<u>19,922,550</u>
Ending cash and cash equivalents	<u>\$ 16,804,576</u>

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

I. Restricted Assets

The balances of restricted asset accounts in the enterprise funds are as follows:

Revenue bond construction account	\$ 250
Wastewater improvements account	15,887,810
Restricted interest receivables	<u>5,541</u>
Total restricted assets	<u><u>\$ 15,893,601</u></u>

IV. Other Information

A. Risk Management

The primary government is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents (excluding postemployment benefits); and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

Medical Benefits to Employees, Retirees and Dependents (Excluding Postemployment Benefits)

The primary government has chosen to establish a risk financing fund for risks associated with losses related to the medical benefits to employees, retirees and dependents (excluding post-employment benefits). The risk financing fund is accounted for in the Special Non-Reverting Employee Health Benefit Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settlement claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid in to the fund from all departmental budgets in an amount equal to the claim level of prescriptions and employee deductibles. This includes the primary government's share of payroll deductions.

Claim expenditures and liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. These losses include an estimate of claims that have been incurred but not reported (IBNRs). Claim liabilities are calculated considering the effects of inflation, recent claim settlement trends including frequency and amounts of pay outs and other economic and social factors.

However, claim liabilities cannot be reasonable estimated.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Conduit Debt Obligation

From time to time, the primary government has issued Economic Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the primary government, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

The aggregate principal amount payable for the one series issued in 2002 could not be determined; however, the original issue amount totaled \$7,500,000.

C. Postemployment Benefits

In addition to the pension benefits described below, the primary government provides postemployment health and dental benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the primary government on or after attaining age 52 with at least 20 years of service. Currently, 37 retirees meet these eligibility requirements. The primary government provides 100% of these postemployment benefits. Expenditures for those postemployment benefits are recognized on a pay-as-you-go basis. During the year ended December 31, 2009, expenditures of \$179,299 were recognized for postemployment benefits.

D. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The primary government contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 501-.3) govern, through the PERF Board, most requirements of the system and give the primary government 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 contributions, set by state statute at three 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. The report may be obtained by contacting:

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

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the primary government and the Utility is not available. Therefore, the liability for Net Pension Obligation (NPO) is considered an obligation of the primary government and is presented in the governmental activities of the financial statements and is not presented as an asset/liability of the proprietary funds.

b. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute. The primary government's annual pension cost and related information as provided by the actuary, is presented in this note.

The used of the pay-as-you-go actuarial cost method by the primary government results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds. However, the primary government does have an obligation to fund the plan and, therefore, the NPO is reflected in the government-wide statements.

c. 1937 Firefighters' Pension Plan

Plan Description

The primary government contributes to the 1937 Firefighters' Pension Plan which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (Indiana Code 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute. The primary government's annual pension cost and related information, as provided by the actuary, is presented in this note.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The use of the pay-as-you-go actuarial cost method by the primary government results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds. However, the primary government does have an obligation to fund the plan and, therefore, the NPO is reflected in the government-wide statements.

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 517,601	\$ 2,329,200	\$ 2,358,100
Interest on net pension obligation	(6,035)	739,700	752,800
Adjustment to annual required contribution	<u>6,877</u>	<u>(948,300)</u>	<u>(965,100)</u>
Annual pension cost	518,443	2,120,600	2,145,800
Contributions made	<u>541,849</u>	<u>2,038,775</u>	<u>2,276,349</u>
Increase (decrease) in net pension obligation	(23,406)	81,825	(130,549)
Net pension obligation, beginning of year	<u>(83,243)</u>	<u>12,328,422</u>	<u>12,545,939</u>
Net pension obligation end of year	<u>\$ (106,649)</u>	<u>\$ 12,410,247</u>	<u>\$ 12,415,390</u>

	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:			
Government	5.75%	703%	1,270%
Plan members	3%	6%	6%
Actuarial valuation date	07-01-09	01-01-09	01-01-09
Actuarial cost method	Entry age	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll closed	Level percentage of projected payroll closed
Amortization period	40 years	40 years	40 years
Amortization period (from date)	07-01-97	12-31-77	12-31-77
Asset valuation method	4 year smoothed market	4 year smoothed marked	4 year smoothed market

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	7%	7%
Projected future salary increases:			
Total	5%	5%	5%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	1%	1%
Cost-of-living adjustments	2%	0%	0%

Three Year Trend Information

PERF			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
06-30-07	\$ 477,908	86%	\$ (143,940)
06-30-08	497,274	88%	(83,243)
06-30-09	518,443	105%	(106,649)

1925 Police Officers' Pension Plan			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-07	\$ 2,318,700	99%	\$ 12,063,878
12-31-08	2,301,800	83%	12,328,422
12-31-09	2,274,200	107%	12,389,247

1937 Firefighters' Pension Plan			
Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
12-31-07	\$ 2,364,500	77%	\$ 12,500,664
12-31-08	2,200,200	91%	12,545,939
12-31-09	2,276,349	97%	12,413,090

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2009, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	115	98
Current active employees	1	-

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plans

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The primary government contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) for all police officers and firefighters hired after April 30, 1977.

State statute (Indiana Code 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 fifty-five with twenty years of service. An employee with twenty years of service may leave service, but will not receive benefits until reaching age fifth-five. The plan also provides for death and disability benefits.

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

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

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' and firefighters' salary and the primary government is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 19.5% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the primary government are established by the Board of Trustees of PERF. The primary government's contributions to the plan for the years ending December 31, 2009, 2008, and 2007, were \$2,930,091, \$2,991,220, and \$2,838,756, respectively, equal to the required contributions for each year.

CITY OF TERRE HAUTE
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Defined Contribution Pension Plan

The Government Agency Retirement Plan

Plan Description

The primary government has a defined contribution pension plan administered by Life Associates, Inc. as authorized by IC 8-1.5-3-7. The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by written agreement between the governing board of the unit and the Plan Administrator. The Plan Administrator issues a publicly available financial report that includes financial statements and required supplementary information of the plan. The report may be obtained by contacting:

Life Associates, Inc.
P.O. Box 111
Sandwich, IL 60548
Ph. 1-800-672-9192

Funding Policy and Annual Pension Cost

The contribution requirements of plan members are established by the written agreement between the governing board of the unit and the Plan Administrator. Plan members are required to contribute 0% of the annual covered salary. The primary government is required to contribute at an actuarially determined rate. The current rate is 13.7% of annual covered payroll. Employer and employee contributions to the plan were \$51,828 and \$0, respectively.

CITY OF TERRE HAUTE
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (Unfunded) (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-07	\$ 8,192,531	\$ 8,161,814	\$ 30,717	100%	\$ 8,547,443	0%
07-01-08	8,915,652	9,261,692	(346,040)	96%	8,626,685	4%
07-01-09	8,622,150	9,504,669	(882,519)	91%	10,127,820	9%

1925 Police Officers' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 1,549,919	\$ 34,283,700	\$ (32,733,781)	5%	\$ 477,900	(6,850%)
01-01-05	1,841,105	33,941,600	(32,100,495)	5%	494,800	(6,488%)
01-01-06	1,286,562	33,112,800	(31,826,238)	4%	395,300	(8,051%)
01-01-07	1,397,492	33,212,700	(31,815,208)	4%	367,600	(8,655%)
01-01-08	1,427,701	32,992,600	(31,564,899)	4%	295,000	(10,700%)
01-01-10	1,055,321	31,170,700	(30,115,379)	3%	331,300	(9,090%)

1937 Firefighters' Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-04	\$ 1,347,022	\$ 31,372,000	\$ (30,024,978)	4%	\$ 437,100	(6,869%)
01-01-05	1,394,611	29,932,900	(28,538,289)	5%	339,500	(8,406%)
01-01-06	1,237,933	30,658,600	(29,420,667)	4%	274,300	(10,726%)
01-01-07	1,180,740	34,191,100	(33,010,360)	3%	244,400	(13,507%)
01-01-08	748,739	32,152,300	(31,403,561)	2%	126,900	(24,747%)
01-01-09	548,882	31,556,800	(31,007,918)	2%	185,650	(16,702%)

CITY OF TERRE HAUTE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage Of ARC Contributed
12-31-04	\$ 4,035,200	55%
12-31-05	2,517,300	64%
12-31-06	2,471,000	94%
12-31-07	2,496,300	98%
12-31-08	2,491,200	82%
12-31-09	2,329,200	88%

1937 Firefighters' Pension Plan

Year Ending	Annual Required Contribution (ARC)	Percentage Of ARC Contributed
12-31-04	\$ 3,688,400	53%
12-31-05	2,202,200	93%
12-31-06	2,261,400	91%
12-31-07	2,540,600	77%
12-31-08	2,396,500	90%
12-31-09	2,358,100	97%

CITY OF TERRE HAUTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
For The Year ended December 31, 2009

	General Fund				Motor Vehicle Highway Fund			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 17,960,000	\$ 17,960,000	\$ 19,404,389	\$ 1,444,389	\$ 1,920,000	\$ 1,920,000	\$ 1,920,430	\$ 430
Licenses and permits	240,000	240,000	239,616	(384)	4,500	4,500	4,440	(60)
Intergovernmental	6,300,000	6,300,000	6,305,882	5,882	2,300,000	2,300,000	2,337,138	37,138
Charges for services	860,000	860,000	863,530	3,530	-	-	-	-
Fines and forfeits	390,000	390,000	388,556	(1,444)	-	-	-	-
Other	170,000	170,000	167,907	(2,093)	45,000	45,000	46,510	1,510
Total revenues	25,920,000	25,920,000	27,369,880	1,449,880	4,269,500	4,269,500	4,308,518	39,018
Expenditures:								
Current:								
General government	9,830,539	9,640,397	9,348,462	291,935	-	-	-	-
Public safety	22,879,548	22,991,030	22,447,395	543,635	-	-	-	-
Highways and streets	-	-	-	-	4,612,991	3,827,794	3,168,040	659,754
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	32,710,087	32,631,427	31,795,857	835,570	4,612,991	3,827,794	3,168,040	659,754
Other financing sources (uses):								
Operating transfers in	-	-	2,187,748	2,187,748	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	2,187,748	2,187,748	-	-	-	-
Net change in fund balances	(6,790,087)	(6,711,427)	(2,238,229)	4,473,198	(343,491)	441,706	1,140,478	698,772
Fund balances - beginning	4,112,877	2,989,520	4,745,776	1,756,256	165,254	165,254	595,786	430,532
Fund balances - December 31	\$ (2,677,210)	\$ (3,721,907)	\$ 2,507,547	\$ 6,229,454	\$ (178,237)	\$ 606,960	\$ 1,736,264	\$ 1,129,304

CITY OF TERRE HAUTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
For The Year ended December 31, 2009
(Continued)

	Local Road and Street Fund				Cemetery Fund			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 500,000	\$ 500,000	\$ 505,885	\$ 5,885
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	480,000	480,000	476,281	(3,719)	42,000	42,000	41,404	(596)
Charges for services	-	-	-	-	-	-	117,999	117,999
Fines and forfeits	-	-	-	-	-	-	-	-
Other	8,500	8,500	8,428	(72)	-	-	7,788	7,788
Total revenues	488,500	488,500	484,709	(3,791)	542,000	542,000	673,076	131,076
Expenditures:								
Current:								
General government	-	-	-	-	906,112	883,612	740,192	143,420
Public safety	-	-	-	-	-	-	-	-
Highways and streets	710,000	915,096	719,173	195,923	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-	-
Total expenditures	710,000	915,096	719,173	195,923	906,112	883,612	740,192	143,420
Other financing sources (uses):								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(221,500)	(426,596)	(234,464)	192,132	(364,112)	(341,612)	(67,116)	274,496
Fund balances - beginning	-	-	-	-	(180,829)	(180,829)	100,662	281,491
Fund balances - December 31	\$ (221,500)	\$ (426,596)	\$ (234,464)	\$ 192,132	\$ (544,941)	\$ (522,441)	\$ 33,546	\$ 555,987

CITY OF TERRE HAUTE
REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULES
GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
For The Year ended December 31, 2009
(Continued)

	Transit Fund				Park and Recreation Fund			
	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)	Budgeted Amounts		Actual Amounts (Budgetary Basis)	Variance With Final Budget Positive (Negative)
	Original	Final			Original	Final		
Revenues:								
Taxes	\$ 965,000	\$ 965,000	\$ 965,293	\$ 293	\$ 1,926,000	\$ 1,926,000	\$ 1,926,824	\$ 824
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,700,000	1,700,000	1,666,166	(33,834)	158,000	158,000	157,872	(128)
Charges for services	515,000	515,000	513,065	(1,935)	250,000	250,000	252,915	2,915
Fines and forfeits	-	-	-	-	-	-	-	-
Other	2,300	2,300	2,357	57	41,000	41,000	40,549	(451)
Total revenues	3,182,300	3,182,300	3,146,881	(35,419)	2,375,000	2,375,000	2,378,160	3,160
Expenditures:								
Current:								
General government	3,208,152	2,961,393	2,597,806	363,587	-	-	-	-
Public safety	-	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	3,706,838	3,396,158	3,068,566	327,592
Total expenditures	3,208,152	2,961,393	2,597,806	363,587	3,706,838	3,396,158	3,068,566	327,592
Other financing sources (uses):								
Operating transfers in	-	-	-	-	-	-	-	-
Operating transfers out	-	-	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-	-	-
Net change in fund balances	(25,852)	220,907	549,075	328,168	(1,331,838)	(1,021,158)	(690,406)	330,752
Fund balances - beginning	(262,096)	(173,971)	626,728	800,699	(27,691,010)	2,649,340	3,216,381	567,041
Fund balances - December 31	\$ (287,948)	\$ 46,936	\$ 1,175,803	\$ 1,128,867	\$ (29,022,848)	\$ 1,628,182	\$ 2,525,975	\$ 897,793

CITY OF TERRE HAUTE
 REQUIRED SUPPLEMENTARY INFORMATION
 BUDGET/GAAP RECONCILIATION
 GENERAL FUND AND MAJOR SPECIAL REVENUE FUNDS
 For The Year Ended December 31, 2009

The major differences between Budgetary (Non-GAAP) basis and GAAP basis are:

- a. Revenues are recorded when received in cash (budgetary) as opposed to susceptible to accrual (GAAP).
- b. Expenditures are recorded when paid in cash (budgetary) as opposed to when the liability is incurred (GAAP).

Adjustments necessary to convert the results of operations at the end of the year on a budgetary basis to a GAAP basis are as follows:

	<u>General</u>	Motor Vehicle <u>Highway</u>	Local Road <u>and Street</u>	<u>Cemetery</u>	<u>Transit</u>	Park and <u>Recreation</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (budgetary basis)	\$ (2,238,229)	\$ 1,140,478	\$ (234,464)	\$ (67,116)	\$ 549,075	\$ (690,406)
Adjustments:						
To adjust revenues for accruals	(1,500,999)	(78,106)	(1,396)	(46,998)	39,291	(21,624)
To adjust expenditures for accruals	<u>(77,453)</u>	<u>3,902</u>	<u>(1,509)</u>	<u>(3,907)</u>	<u>(7,935)</u>	<u>(218,277)</u>
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses (GAAP basis)	<u>\$ (3,816,681)</u>	<u>\$ 1,066,274</u>	<u>\$ (237,369)</u>	<u>\$ (118,021)</u>	<u>\$ 580,431</u>	<u>\$ (930,307)</u>

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009

<u>Assets</u>	Parking Garage	Abandoned Vehicle Non-Reverting	Police Continuing Education	Clerks Record Perpetuation	Sanitary District Rainy Day	Emergency Medical Service Non-Reverting
Cash and cash equivalents	\$ 132,142	\$ 24,676	\$ 80,242	\$ 16,264	\$ 115,881	\$ 885,363
Investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):						
Taxes	-	-	-	-	-	-
Intergovernmental	5	-	-	-	-	-
Interest	-	-	-	-	-	-
Accounts	-	-	-	-	-	1,624,772
Loans	-	-	-	-	-	-
Total assets	<u>\$ 132,147</u>	<u>\$ 24,676</u>	<u>\$ 80,242</u>	<u>\$ 16,264</u>	<u>\$ 115,881</u>	<u>\$ 2,510,135</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 1,752	\$ -	\$ -	\$ -	\$ -	\$ 76,754
Deferred revenue	5	-	-	-	-	-
Accrued payroll and withholdings payable	663	-	-	-	-	1,163
Total liabilities	<u>2,420</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>77,917</u>
Fund balances:						
Unreserved, reported in:						
Special revenue funds	<u>129,727</u>	<u>24,676</u>	<u>80,242</u>	<u>16,264</u>	<u>115,881</u>	<u>2,432,218</u>
Total fund balances	<u>129,727</u>	<u>24,676</u>	<u>80,242</u>	<u>16,264</u>	<u>115,881</u>	<u>2,432,218</u>
Total liabilities and fund balances	<u>\$ 132,147</u>	<u>\$ 24,676</u>	<u>\$ 80,242</u>	<u>\$ 16,264</u>	<u>\$ 115,881</u>	<u>\$ 2,510,135</u>

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009
 (Continued)

<u>Assets</u>	Fire Dept Contractual EMS Fund	Arson Investigation Fund	Police Dept Non-Reverting Fund	Grant Overtime Staying Right	Operation Pull-over Award	ELE Map Generation Fund
Cash and cash equivalents	\$ 308,965	\$ 581	\$ 25,501	302	\$ 1,170	\$ 531
Investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total assets	<u>\$ 308,965</u>	<u>\$ 581</u>	<u>\$ 25,501</u>	<u>\$ 302</u>	<u>\$ 1,170</u>	<u>\$ 531</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Accrued payroll and withholdings payable	1,921	-	-	-	-	-
Total liabilities	<u>1,921</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Unreserved, reported in:						
Special revenue funds	<u>307,044</u>	<u>581</u>	<u>25,501</u>	<u>302</u>	<u>1,170</u>	<u>531</u>
Total fund balances	<u>307,044</u>	<u>581</u>	<u>25,501</u>	<u>302</u>	<u>1,170</u>	<u>531</u>
Total liabilities and fund balances	<u>\$ 308,965</u>	<u>\$ 581</u>	<u>\$ 25,501</u>	<u>\$ 302</u>	<u>\$ 1,170</u>	<u>\$ 531</u>

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009
 (Continued)

<u>Assets</u>	<u>Hulman Links Non-Reverting</u>	<u>Rea Park Non-Reverting</u>	<u>Animal Care Non-Reverting</u>	<u>Engineering Non-Reverting Fund</u>	<u>Non-Federal Income Fund</u>	<u>Home Program Fund</u>
Cash and cash equivalents	\$ (1,315,913)	\$ (443,716)	\$ 7,987	\$ 598,164	\$ 510,674	\$ 12,512
Investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest	-	-	-	-	2	-
Accounts	-	-	-	-	-	-
Loans	-	-	-	-	98,409	358,181
Total assets	<u>\$ (1,315,913)</u>	<u>\$ (443,716)</u>	<u>\$ 7,987</u>	<u>\$ 598,164</u>	<u>\$ 609,085</u>	<u>\$ 370,693</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 6,734	\$ 3,079	\$ -	\$ 39	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	13,667	193	107
Total liabilities	<u>6,734</u>	<u>3,079</u>	<u>-</u>	<u>13,706</u>	<u>193</u>	<u>107</u>
Fund balances:						
Unreserved, reported in:						
Special revenue funds	<u>(1,322,647)</u>	<u>(446,795)</u>	<u>7,987</u>	<u>584,458</u>	<u>608,892</u>	<u>370,586</u>
Total fund balances	<u>(1,322,647)</u>	<u>(446,795)</u>	<u>7,987</u>	<u>584,458</u>	<u>608,892</u>	<u>370,586</u>
Total liabilities and fund balances	<u>\$ (1,315,913)</u>	<u>\$ (443,716)</u>	<u>\$ 7,987</u>	<u>\$ 598,164</u>	<u>\$ 609,085</u>	<u>\$ 370,693</u>

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009
 (Continued)

<u>Assets</u>	Sanitary District General	Police Federal Equitable Sharing	2007 Justice Assistance Grant Fund	COPS WX0777 Grant Fund	COPS WX0472 Grant Fund	Community Development Fund
Cash and cash equivalents	\$ 2,684,545	\$ 7,652	\$ 1,921	\$ 100	\$ 533	\$ 1,242
Investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest	-	1	-	-	-	-
Accounts	-	-	-	-	-	-
Loans	-	-	-	-	-	2,822
Total assets	\$ 2,684,545	\$ 7,653	\$ 1,921	\$ 100	\$ 533	\$ 4,064
 <u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ 21,511	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Accrued payroll and withholdings payable	118	-	-	-	-	1,142
Total liabilities	21,629	-	-	-	-	1,142
Fund balances:						
Unreserved, reported in:						
Special revenue funds	2,662,916	7,653	1,921	100	533	2,922
Total fund balances	2,662,916	7,653	1,921	100	533	2,922
Total liabilities and fund balances	\$ 2,684,545	\$ 7,653	\$ 1,921	\$ 100	\$ 533	\$ 4,064

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009
 (Continued)

<u>Assets</u>	Redevelopment Ft. Harrison TIF #8	Redevelopment Ft. Harrison Bond & Interest	Tax Allocation Fund	North Central Terre Haute Tax Allocation	Fire Dept Non-Reverting Equipment Fund	Fire Dept Non-Reverting Real Property
Cash and cash equivalents	\$ 142,335	\$ 100,410	\$ 3,914,215	\$ 525,489	\$ 4,704	\$ 667
Investments	-	-	-	-	-	-
Receivables (net of allowances for uncollectibles):						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest	67	-	357	42	-	-
Accounts	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total assets	<u>\$ 142,402</u>	<u>\$ 100,410</u>	<u>\$ 3,914,572</u>	<u>\$ 525,531</u>	<u>\$ 4,704</u>	<u>\$ 667</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Accrued payroll and withholdings payable	15	-	85	28	-	-
Total liabilities	<u>15</u>	<u>-</u>	<u>85</u>	<u>28</u>	<u>-</u>	<u>-</u>
Fund balances:						
Unreserved, reported in:						
Special revenue funds	<u>142,387</u>	<u>100,410</u>	<u>3,914,487</u>	<u>525,503</u>	<u>4,704</u>	<u>667</u>
Total fund balances	<u>142,387</u>	<u>100,410</u>	<u>3,914,487</u>	<u>525,503</u>	<u>4,704</u>	<u>667</u>
Total liabilities and fund balances	<u>\$ 142,402</u>	<u>\$ 100,410</u>	<u>\$ 3,914,572</u>	<u>\$ 525,531</u>	<u>\$ 4,704</u>	<u>\$ 667</u>

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009
 (Continued)

<u>Assets</u>	Hazardous Material Recovery Fund	Fire Training Academy Non-Reverting	Drug Forfeiture Fund General Donations	Spencer Ball Park Fund	Levi Music Fund	Brittlebank Trust Fund
Cash and cash equivalents	\$ 33,768	\$ 43,579	\$ 1,367	\$ 7,796	\$ 4,979	\$ 513
Investments	-	-	-	27,000	-	-
Receivables (net of allowances for uncollectibles):						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Accounts	-	-	-	-	-	-
Loans	-	-	-	-	-	-
Total assets	<u>\$ 33,768</u>	<u>\$ 43,579</u>	<u>\$ 1,367</u>	<u>\$ 34,796</u>	<u>\$ 4,979</u>	<u>\$ 513</u>
<u>Liabilities and Fund Balances</u>						
Liabilities:						
Accounts payable	\$ -	\$ 608	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-	-
Total liabilities	<u>-</u>	<u>608</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:						
Unreserved, reported in:						
Special revenue funds	<u>33,768</u>	<u>42,971</u>	<u>1,367</u>	<u>34,796</u>	<u>4,979</u>	<u>513</u>
Total fund balances	<u>33,768</u>	<u>42,971</u>	<u>1,367</u>	<u>34,796</u>	<u>4,979</u>	<u>513</u>
Total liabilities and fund balances	<u>\$ 33,768</u>	<u>\$ 43,579</u>	<u>\$ 1,367</u>	<u>\$ 34,796</u>	<u>\$ 4,979</u>	<u>\$ 513</u>

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009
 (Continued)

<u>Assets</u>	Cemetery Trust Fund	Telecom- munications Non-Reverting Fund	Economic Development Commission	Crime Control Fund	Police Ceremonial Unit
Cash and cash equivalents	\$ 391,446	\$ 25,700	\$ 5,810	\$ 446	\$ 11,986
Investments	1,000	-	-	-	175,000
Receivables (net of allowances for uncollectibles):					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Interest	91	-	-	-	126
Accounts	-	-	-	-	-
Loans	-	-	-	-	-
Total assets	<u>\$ 392,537</u>	<u>\$ 25,700</u>	<u>\$ 5,810</u>	<u>\$ 446</u>	<u>\$ 187,112</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -
Deferred revenue	-	-	-	-	-
Accrued payroll and withholdings payable	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Fund balances:					
Unreserved, reported in:					
Special revenue funds	<u>392,537</u>	<u>25,700</u>	<u>5,810</u>	<u>446</u>	<u>187,112</u>
Total fund balances	<u>392,537</u>	<u>25,700</u>	<u>5,810</u>	<u>446</u>	<u>187,112</u>
Total liabilities and fund balances	<u>\$ 392,537</u>	<u>\$ 25,700</u>	<u>\$ 5,810</u>	<u>\$ 446</u>	<u>\$ 187,112</u>

CITY OF TERRE HAUTE
 COMBINING BALANCE SHEET - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 December 31, 2009
 (Continued)

<u>Assets</u>	Jadcore Bond & Interest	State Road 46 Fund	Candlewood Suites Bond & Interest Fund	Collette Park Trail Fund	<u>Totals</u>
Cash and cash equivalents	\$ 221,726	\$ 714,106	\$ 1,016	\$ 282,161	\$ 10,091,539
Investments	-	-	-	-	203,000
Receivables (net of allowances for uncollectibles):					
Taxes	-	-	-	-	-
Intergovernmental	-	-	-	-	5
Interest	2	38	-	-	726
Accounts	-	-	-	-	1,624,772
Loans	-	-	-	-	459,412
Total assets	<u>\$ 221,728</u>	<u>\$ 714,144</u>	<u>\$ 1,016</u>	<u>\$ 282,161</u>	<u>\$ 12,379,454</u>
 <u>Liabilities and Fund Balances</u>					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 110,477
Deferred revenue	-	-	-	-	5
Accrued payroll and withholdings payable	-	117	-	-	19,219
Total liabilities	<u>-</u>	<u>117</u>	<u>-</u>	<u>-</u>	<u>129,701</u>
Fund balances:					
Unreserved, reported in:					
Special revenue funds	<u>221,728</u>	<u>714,027</u>	<u>1,016</u>	<u>282,161</u>	<u>12,249,753</u>
Total fund balances	<u>221,728</u>	<u>714,027</u>	<u>1,016</u>	<u>282,161</u>	<u>12,249,753</u>
Total liabilities and fund balances	<u>\$ 221,728</u>	<u>\$ 714,144</u>	<u>\$ 1,016</u>	<u>\$ 282,161</u>	<u>\$ 12,379,454</u>

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009

	Parking Garage	Abandoned Vehicle Non-Reverting	Police Continuing Education	Clerks Record Perpetuation	Sanitary District Rainy Day	Emergency Medical Service Non-Reverting
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	(55)	-	-	-	115,881	-
Investment Income	-	-	-	-	-	-
Charges for services	76,949	315	-	-	-	1,307,901
Fines and forfeits	-	-	75,844	16,792	-	-
Other	-	-	-	-	-	330
Total revenues	76,894	315	75,844	16,792	115,881	1,308,231
Expenditures:						
Current:						
General government	91,228	-	-	-	-	-
Public safety	-	-	70,091	-	-	489,054
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Total expenditures	91,228	-	70,091	-	-	489,054
Excess (deficiency) of revenues over (under) expenditures	(14,334)	315	5,753	16,792	115,881	819,177
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	(18,486)	-	(141,450)
Total other financing sources and uses	-	-	-	(18,486)	-	(141,450)
Special item:						
Proceeds from sale of assets	-	-	-	-	-	-
Net change in fund balances	(14,334)	315	5,753	(1,694)	115,881	677,727
Fund balances - beginning	144,061	24,361	74,489	17,958	-	1,754,491
Fund balances - ending	\$ 129,727	\$ 24,676	\$ 80,242	\$ 16,264	\$ 115,881	\$ 2,432,218

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Fire Dept Contractual EMS Fund	Arson Investigation Fund	Police Dept Non-Reverting Fund	Grant Overtime Staying Right	Operation Pull-over Award	ELE Map Generation Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	14,765	31,500	88
Investment Income	-	-	-	-	-	-
Charges for services	142,243	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	5,799	-	-	-
	<u>-</u>	<u>-</u>	<u>5,799</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>142,243</u>	<u>-</u>	<u>5,799</u>	<u>14,765</u>	<u>31,500</u>	<u>88</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	51,885	-	25,081	14,466	35,921	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>51,885</u>	<u>-</u>	<u>25,081</u>	<u>14,466</u>	<u>35,921</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>90,358</u>	<u>-</u>	<u>(19,282)</u>	<u>299</u>	<u>(4,421)</u>	<u>88</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special item:						
Proceeds from sale of assets	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	90,358	-	(19,282)	299	(4,421)	88
Fund balances - beginning	216,686	581	44,783	3	5,591	443
	<u>216,686</u>	<u>581</u>	<u>44,783</u>	<u>3</u>	<u>5,591</u>	<u>443</u>
Fund balances - ending	<u>\$ 307,044</u>	<u>\$ 581</u>	<u>\$ 25,501</u>	<u>\$ 302</u>	<u>\$ 1,170</u>	<u>\$ 531</u>

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Hulman Links <u>Non-Reverting</u>	Rea Park <u>Non-Reverting</u>	Animal Care <u>Non-Reverting</u>	Engineering Non-Reverting Fund	Non-Federal Income Fund	Home Program Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	1,140	9,096	-	-
Intergovernmental	-	-	-	-	-	51,056
Investment Income	-	-	-	-	-	-
Charges for services	549,927	471,289	-	538,909	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	26,976	23,245
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,976</u>	<u>23,245</u>
Total revenues	<u>549,927</u>	<u>471,289</u>	<u>1,140</u>	<u>548,005</u>	<u>26,976</u>	<u>74,301</u>
Expenditures:						
Current:						
General government	-	-	6,988	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	529,568	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	914,745	650,765	-	-	-	-
Urban redevelopment and housing	-	-	-	-	325,515	82,947
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>914,745</u>	<u>650,765</u>	<u>6,988</u>	<u>529,568</u>	<u>325,515</u>	<u>82,947</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(364,818)</u>	<u>(179,476)</u>	<u>(5,848)</u>	<u>18,437</u>	<u>(298,539)</u>	<u>(8,646)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special item:						
Proceeds from sale of assets	-	-	-	-	12,640	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,640</u>	<u>-</u>
Net change in fund balances	<u>(364,818)</u>	<u>(179,476)</u>	<u>(5,848)</u>	<u>18,437</u>	<u>(285,899)</u>	<u>(8,646)</u>
Fund balances - beginning	<u>(957,829)</u>	<u>(267,319)</u>	<u>13,835</u>	<u>566,021</u>	<u>894,791</u>	<u>379,232</u>
Fund balances - ending	<u>\$ (1,322,647)</u>	<u>\$ (446,795)</u>	<u>\$ 7,987</u>	<u>\$ 584,458</u>	<u>\$ 608,892</u>	<u>\$ 370,586</u>

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Sanitary District General	Police Federal Equitable Sharing	2009 Justice Assistance Grant Fund	2008 Justice Assistance Grant Fund	COPS WX0777 Grant Fund	COPS WX0472 Grant Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,296,580	4,818	101,023	11,538	29,241	608,682
Investment Income	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	417	13	-	-	-	-
Total revenues	1,296,997	4,831	101,023	11,538	29,241	608,682
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	2,707	99,102	11,538	29,141	608,149
Highways and streets	-	-	-	-	-	-
Sanitation	664,372	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Total expenditures	664,372	2,707	99,102	11,538	29,141	608,149
Excess (deficiency) of revenues over (under) expenditures	632,625	2,124	1,921	-	100	533
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Special item:						
Proceeds from sale of assets	-	-	-	-	-	-
Net change in fund balances	632,625	2,124	1,921	-	100	533
Fund balances - beginning	2,030,291	5,529	-	-	-	-
Fund balances - ending	\$ 2,662,916	\$ 7,653	\$ 1,921	\$ -	\$ 100	\$ 533

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Community Development Fund	Redevelopment Ft Harrison TIF #8	Redevelopment Ft. Harrison Interest	Tax Allocation Fund	North Central Terre Haute Tax Allocation	Fire Dept Non-Reverting Equipment Fund
Revenues:						
Taxes	\$ -	\$ -	\$ 206,287	\$ 1,770,351	\$ 238,264	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	3,114,859	-	-	-	-	-
Investment Income	-	-	-	-	-	-
Charges for services	5,108	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	11,572	1,479	-	505,117	1,511	-
Total revenues	3,131,539	1,479	206,287	2,275,468	239,775	-
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	836,163	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	1,104,755	175,754	-	-	89,901	-
Debt service:						
Principal	-	-	40,000	91,810	-	-
Interest	-	-	38,888	76,415	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Urban redevelopment	2,024,471	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Total expenditures	3,129,226	175,754	78,888	1,004,388	89,901	-
Excess (deficiency) of revenues over (under) expenditures	2,313	(174,275)	127,399	1,271,080	149,874	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources and uses	-	-	-	-	-	-
Special item:						
Proceeds from sale of assets	-	-	-	-	-	-
Net change in fund balances	2,313	(174,275)	127,399	1,271,080	149,874	-
Fund balances - beginning	609	316,662	(26,989)	2,643,407	375,629	4,704
Fund balances - ending	\$ 2,922	\$ 142,387	\$ 100,410	\$ 3,914,487	\$ 525,503	\$ 4,704

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Fire Dept Non-Reverting Real Property	Hazardous Material Recovery Fund	0480 State Road Highway 63	Fire Training Academy Non-Reverting	Drug Forfeiture Fund General Donations	Spencer Ball Park Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	149,998	-	-
Investment Income	-	-	-	-	-	585
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	18,024	-	7,595	3,800	-
Total revenues	-	18,024	-	157,593	3,800	585
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	11,332	-	608	2,498	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	210,660	-	-
Total expenditures	-	11,332	-	211,268	2,498	-
Excess (deficiency) of revenues over (under) expenditures	-	6,692	-	(53,675)	1,302	585
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(2,000,000)	(27,812)	-	-
Total other financing sources and uses	-	-	(2,000,000)	(27,812)	-	-
Special item:						
Proceeds from sale of assets	-	-	-	-	-	-
Net change in fund balances	-	6,692	(2,000,000)	(81,487)	1,302	585
Fund balances - beginning	667	27,076	2,000,000	124,458	65	34,211
Fund balances - ending	\$ 667	\$ 33,768	\$ -	\$ 42,971	\$ 1,367	\$ 34,796

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Levi Music Fund	Brittlebank Trust Fund	Cemetery Trust Fund	Telecom- munications Non-Reverting Fund	Economic Development Commission	Crime Control Fund
Revenues:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Investment Income	-	-	1,298	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	1,871	-	-	-	4	29,102
Total revenues	<u>1,871</u>	<u>-</u>	<u>1,298</u>	<u>-</u>	<u>4</u>	<u>29,102</u>
Expenditures:						
Current:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	32,228
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>32,228</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,871</u>	<u>-</u>	<u>1,298</u>	<u>-</u>	<u>4</u>	<u>(3,126)</u>
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(1,503)	-	-	-
Total other financing sources and uses	<u>-</u>	<u>-</u>	<u>(1,503)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Special item:						
Proceeds from sale of assets	-	-	-	-	-	-
Net change in fund balances	1,871	-	(205)	-	4	(3,126)
Fund balances - beginning	3,108	513	392,742	25,700	5,806	3,572
Fund balances - ending	<u>\$ 4,979</u>	<u>\$ 513</u>	<u>\$ 392,537</u>	<u>\$ 25,700</u>	<u>\$ 5,810</u>	<u>\$ 446</u>

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - OTHER GOVERNMENTAL FUNDS
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2009
 (Continued)

	Police Ceremonial Unit	Jadcore Bond & Interest	ST Rd 46 TIF Fund	Candlewood Suites Bond & Interest Fund	Collete Park Trail Fund	Total Governmental Funds
Revenues:						
Taxes	\$ -	\$ 209,216	\$ 697,377	\$ -	\$ -	\$ 3,121,495
Licenses and permits	-	-	-	-	-	10,236
Intergovernmental	-	-	-	-	-	5,529,974
Investment Income	-	-	-	-	-	1,883
Charges for services	-	-	-	-	-	3,092,641
Fines and forfeits	-	-	-	-	-	92,636
Other	9,874	172	1,932	136	-	648,969
Total revenues	9,874	209,388	699,309	136	-	12,497,834
Expenditures:						
Current:						
General government	-	-	-	-	-	98,216
Public safety	24,571	-	-	-	-	1,508,372
Highways and streets	-	-	21,516	-	-	551,084
Sanitation	-	-	-	-	-	664,372
Economic development	-	-	-	-	-	836,163
Culture and recreation	-	-	-	-	-	1,565,510
Urban redevelopment and housing	-	-	-	-	-	1,778,872
Debt service:						
Principal	-	-	-	-	-	131,810
Interest	-	-	-	97,275	-	212,578
Capital outlay:						
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	462,224	462,224
Urban redevelopment	-	94,250	376,487	-	-	2,495,208
Sanitation	-	-	-	-	-	-
Buildings	-	-	-	-	-	210,660
Total expenditures	24,571	94,250	398,003	97,275	462,224	10,515,069
Excess (deficiency) of revenues over (under) expenditures	(14,697)	115,138	301,306	(97,139)	(462,224)	1,982,765
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	(2,189,251)
Total other financing sources and uses	-	-	-	-	-	(2,189,251)
Special item:						
Proceeds from sale of assets	-	-	-	-	-	12,640
Net change in fund balances	(14,697)	115,138	301,306	(97,139)	(462,224)	(193,846)
Fund balances - beginning	201,809	106,590	412,722	98,155	744,385	12,443,599
Fund balances - ending	\$ 187,112	\$ 221,728	\$ 714,028	\$ 1,016	\$ 282,161	\$ 12,249,753

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
 FIDUCIARY FUNDS
 For The Year Ended December 31, 2009

	Fire Pension Trust Funds	Police Pension Trust Funds	Pension Trust Funds
	<u> </u>	<u> </u>	<u> </u>
<u>Assets</u>			
Cash and cash equivalents	\$ 383,927	\$ 806,514	\$ 1,190,441
Receivables:			
Interest receivable	-	-	-
Taxes receivable	17,557	32,550	50,107
Intergovernmental receivable	<u>155</u>	<u>62</u>	<u>217</u>
Total Assets	<u>401,639</u>	<u>839,126</u>	<u>1,240,765</u>
<u>Liabilities</u>			
Accounts payable	-	100	100
Deferred revenue	17,712	32,612	50,324
Accrued payroll and withholdings payable	<u>17,857</u>	<u>13,843</u>	<u>31,700</u>
Total liabilities	<u>35,569</u>	<u>46,555</u>	<u>82,124</u>
<u>Net Assets</u>			
Held in trust for:			
Employees' pension benefits and other purposes	<u>\$ 366,070</u>	<u>\$ 792,571</u>	<u>\$ 1,158,641</u>

CITY OF TERRE HAUTE
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS - FIDUCIARY FUNDS
 FIDUCIARY FUNDS
 For The Year Ended December 31, 2009

<u>Additions</u>	<u>Fire Trust Funds</u>	<u>Police Trust Funds</u>	<u>Total Pension Funds</u>
Contributions:			
Taxes	\$ -	\$ -	\$ -
Intergovernmental	2,858	2,528	5,386
Pension relief	2,218,019	2,267,845	4,485,864
Plan members	<u>-</u>	<u>-</u>	<u>-</u>
Total additions	<u>2,220,877</u>	<u>2,270,373</u>	<u>4,491,250</u>
 <u>Deductions</u>			
Benefits	2,394,232	2,516,069	4,910,301
Administrative expense	<u>9,457</u>	<u>17,054</u>	<u>26,511</u>
Total deductions	<u>2,403,689</u>	<u>2,533,123</u>	<u>4,936,812</u>
Changes in net assets	(182,812)	(262,750)	(445,562)
Net assets - beginning	<u>548,882</u>	<u>1,055,321</u>	<u>1,604,203</u>
Net assets - ending	<u>\$ 366,070</u>	<u>\$ 792,571</u>	<u>\$ 1,158,641</u>

CITY OF TERRE HAUTE
AUDIT RESULTS AND COMMENTS

OVERDRAWN FUND BALANCES (Applies to City)

The Hulman Links Non-Reverting Fund and Rea Park Non-Reverting Fund were overdrawn by \$1,322,647 and \$446,795, respectively, at December 31, 2009.

The fund balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the governmental unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

COMPENSATION AND BENEFITS (Applies to City and Wastewater Utility)

As stated in prior Reports B32595 and B35626, the salary ordinance set by the City Council for 2009 lists various employees to be paid at an hourly rate. Hourly employees were paid an equal amount each pay period, instead of being paid for the exact hours worked in a specific pay period.

All compensation and benefits paid to officials and employees must be included in the labor contract, salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. Compensation should be made in a manner that will facilitate compliance with state and federal reporting requirements. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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

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Web Site: www.in.gov/sboa

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE CITY OF TERRE HAUTE, VIGO COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Terre Haute (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 each of its major federal programs for the year ended December 31, 2009. The City's major federal programs are 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 each of its major federal programs 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 each of its major federal programs for the year ended December 31, 2009.

Internal Control Over Compliance

The 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, 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.

REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below.

A control deficiency in a City's 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

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

This report is intended solely for the information and use of the City's management and 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

August 19, 2010

CITY OF TERRE HAUTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2009

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 HOUSING AND URBAN DEVELOPMENT</u>			
Direct Grant			
Community Development Block Grants/Entitlement Grants	14.218		
		B-08-MC-18-0012	\$ 1,551,480
		B-09-MC-18-0012	<u>991,641</u>
Total for program			<u>2,543,121</u>
Emergency Shelter Grants Program	14.231		
		S-08-MC-18-0012	20,091
		S-09-MC-18-0012	<u>27,275</u>
Total for program			<u>47,366</u>
HOME Investment Partnership Program	14.239		
		M-08-MC-18-0012	36,098
		M-09-MC-18-0012	<u>14,958</u>
Total for program			<u>51,056</u>
Neighborhood Initiative Grant Program	14.246		<u>142,031</u>
ARRA - Community Development Block Grant	14.253		<u>382,340</u>
ARRA - Homeless Prevention and Rapid Re-Housing Program	14.257		<u>19,489</u>
Total for federal grantor agency			<u>3,185,403</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Edward Byrne Memorial Formula Grant Program	16.579		<u>9,334</u>
Bulletproof Vest Partnership Program	16.607		<u>24,081</u>
ARRA - Public Safety Partnership and Community Policing Grants	16.710		
		2008CKWX0472	29,141
		2008CKWX0777	<u>608,150</u>
Total for program			<u>637,291</u>
Edward Byrne Memorial Justice Assistance Grant Program	16.738		<u>11,538</u>
ARRA - Edward Byrne Memorial Justice Assistance Grant Program	16.804		<u>152,696</u>
Total for federal grantor agency			<u>834,940</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Direct grant			
Federal Transit - Capital Grant	20.500		
		IN-04-0019	278,130
		IN-04-0030	<u>1,200,000</u>
Total for program			<u>1,478,130</u>
ARRA - Federal Transit - Formula Grants	20.507		
		IN-90-0563	140,138
		IN-90-4563	233,149
		IN-90-4584	799,449
		IN-90-0584	56,358
		IN-96-X005	<u>66,757</u>
Total for program			<u>1,295,851</u>
Total for federal grantor agency			<u>2,773,981</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601		<u>32,000</u>
Total federal awards expended			<u>\$ 6,826,324</u>

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

CITY OF TERRE HAUTE
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 Terre Haute (primary government) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

CITY OF TERRE HAUTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	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:

CFDA Number	Name of Federal Programs
14.253	Community Development Block Grant - ARRA
16.710	Community Oriented Policing Services
20.507	Federal Transit Formula Grant

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF TERRE HAUTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF TERRE HAUTE
EXIT CONFERENCE

The contents of this report were discussed on August 19, 2010, with Duke A. Bennett, Mayor, and Leslie A. Ellis, Controller. The officials concurred with our audit findings. Other officials attending the exit conference were John Mullican, Vice President of the City Council, and Scott Walker, Financial Consultant.