

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF JEFFERSONVILLE  
CLARK COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
11/23/2016



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Controller	Amy M. Deering Heather Metcalf	01-01-15 to 01-20-16 01-21-16 to 12-31-16
Mayor	Mike Moore	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	Mike Moore	01-01-12 to 12-31-19
President of the Common Council	Lisa Gill Matt Owen	01-01-15 to 12-31-15 01-01-16 to 12-31-16
Utility Office Manager	Elisha Dale	01-01-15 to 12-31-16



## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF JEFFERSONVILLE, CLARK COUNTY, INDIANA

### **Report on the Financial Statement**

We have audited the accompanying financial statement of the City of Jeffersonville (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement as listed in the Table of Contents.

### ***Management's Responsibility for the Financial Statement***

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

### ***Auditor's Responsibility***

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

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

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

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

***Adverse Opinion on U.S. Generally Accepted Accounting Principles***

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2015.

***Opinion on Regulatory Basis of Accounting***

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2015, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

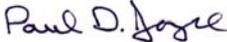
*Other Information*

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 24, 2016, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

October 24, 2016



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

TO: THE OFFICIALS OF THE CITY OF JEFFERSONVILLE, CLARK COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Jeffersonville (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated October 24, 2016, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

**Internal Control over Financial Reporting**

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2015-001 and 2015-002 to be material weaknesses.

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

**Compliance and Other Matters**

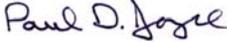
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2015-002.

**City of Jeffersonville's Response to Findings**

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

**Purpose of This Report**

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

  
Paul D. Joyce, CPA  
State Examiner

October 24, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

CITY OF JEFFERSONVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
GENERAL FUND	\$ 7,014,682	\$ 27,506,318	\$ 29,379,299	\$ 5,141,701
STREET DEPARTMENT MVH	1,956,709	1,654,798	1,222,333	2,389,174
LOCAL ROADS AND STREETS	409,938	473,844	729,572	154,210
ANIMAL SHELTER SPAY/NEUTER PROGRAM	5,783	45,386	48,040	3,129
SANITATION	1,416,941	2,185,485	1,841,868	1,760,558
LOCAL LAW ENFORCEMENT CONTINUING EDUCATION	87,432	40,156	47,823	79,765
CLERKS RECORD PERPETUATION	7,314	1,003	-	8,317
CITY ATTORNEY DIVERSION FUND	4,165	610	-	4,775
BUILDING DEMOLITION NON-REVERTING	121,590	63,655	57,727	127,518
SHARE OF GAMING REVENUES	197,284	266,298	220,000	243,582
PARK AND RECREATION	1,424,988	2,937,409	2,721,783	1,640,614
JEFFERSONVILLE USER FEE	12,920	9,350	14,790	7,480
RAINY DAY FUND	4,658,364	-	-	4,658,364
ECONOMIC DEVELOPMENT INCOME TAX	1,859,869	2,263,475	3,051,644	1,071,700
LEVY EXCESS	-	5,980	-	5,980
REDEVELOPMENT REVOLVING LOAN	404,937	35,066	200,000	240,003
CERTIFIED TECHNOLOGY	432,303	-	432,303	-
PROBATION USER FUND	107,464	68,530	80,678	95,316
CUMULATIVE CAPITAL DEVELOPMENT	549,941	155,069	139,627	565,383
POLICE NON-REVERTING FUND	67,837	23,082	50,223	40,696
REDEVELOPMENT OPERATING	1,180,989	70,139	510,852	740,276
CUMULATIVE CAPITAL IMPROVEMENT	649,124	112,910	500,000	262,034
2013 FALL LANDING SERIES A DEBT SERVICE RESERVE	159,256	-	-	159,256
NON-REVERTING HEALTH INSURANCE	1,192,356	6,732,084	6,168,876	1,755,564
POLICE PENSION	443,346	917,155	926,851	433,650
FIRE PENSION	621,651	1,192,275	1,182,460	631,466
PUBLIC SAFETY- LOIT	1,876,824	2,458,472	2,560,794	1,774,502
STREET DEPART NON-REVERTING	43,403	45,245	46,960	41,688
FIRE DEPARTMENT NON-REVERTING	12	40	17	35
PARKS ACTIVITY	46,022	1,061,273	885,795	221,500
CITY ENGINEER NON-REVERTING	33,701	-	1,329	32,372
CASH CHANGE	460	-	-	460
PETTY CASH	953	-	-	953
WOEHRLE CONST/EXPAN AND PARKS PROJECTS	-	2,000,000	-	2,000,000
CCYS- PT GRANT	-	6,945	6,945	-
JUSTICE ASSISTANCE GRANT	25,891	-	25,891	-
VISSING PARK CONSTRUCTION NON-REVERTING	82,131	-	82,131	-
RIVERSTAGE	30,176	393,394	307,693	115,877
FEMA GRANT- TRAINING	-	3	-	3
GRANT- YOUTH COALITION	7,459	8,000	7,546	7,913
JEFF BICYCLE AND PEDESTRIAN GRANT	11,950	-	11,950	-
VEHICLE MAINTENANCE FUEL AND REPAIR	353,795	1,434,388	830,826	957,357
CITY COURT CASH CHANGE	200	-	-	200
COURT RESTITUTION	1,390	2,853	-	4,243
COURT COLLECTIONS	110,889	209,203	202,775	117,317
CITY COURT BOND FUND	40,007	22,648	46,215	16,440
DONATIONS	39,123	31,246	21,676	48,693
BEAUTIFICATION NON-REVERTING	21,803	29,576	37,315	14,064
THUNDER COMMITTEE NON-REVERTING	59,569	21,942	13,028	68,483
CITY COURT NON-REVERTING	193,961	-	-	193,961
PUBLIC ARTS	85,665	129,910	76,447	139,128

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

CITY OF JEFFERSONVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2015  
(Continued)

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
SPRINT LEASE NON-REVERTING	98,827	14,605	-	113,432
ECONOMIC DEVELOPMENT ABATEMENT	184,528	101,330	30,000	255,858
TIF63-VOGT VALVE ALLOCATION	987,069	807,979	1,162,865	632,183
TIF64-GALVSTAR ALLOCATION	1,200,495	754,730	834,260	1,120,965
POLICE FALLS LANDING C	995,906	1,035	746,935	250,006
TIF66-KEYSTONE ALLOCATION	615,657	176,451	322,534	469,574
TIF67-BETHNOVA ALLOCATION	318,353	209,648	421,116	106,885
DEPARTMENT OF LAW NON-REVERTING	9,666	-	-	9,666
TIF5761-ICR ALLOCATION	13,240,285	9,384,539	10,818,346	11,806,478
TIF62-HARB FALLS ALLOCATION	563,156	2,105,183	1,882,799	785,540
2013 ICR SERIES B DSR	778,372	-	-	778,372
2013 FALLS LANDING SERIES C DSR	400,469	-	-	400,469
2013 ICR SERIES D DSR	274,635	-	-	274,635
2013 ICR SERIES E DSR	128,163	-	-	128,163
2006 ABC DSR	-	906,963	-	906,963
FEDERAL ASSET FORFEITURE	49,313	36,100	32,041	53,372
REDEVELOPMENT CASI	726,302	192,797	35,619	883,480
REDEVELOPMENT GRANTS	59,060	-	-	59,060
REDEVELOPMENT CITY HALL BOND	299,516	-	-	299,516
REDEVELOPMENT VETERAN PKWY BOND	766,389	-	382,587	383,802
REDEVELOPMENT VETERANS PKWY RETAINAGE	131,032	801	-	131,833
2014 EPA BROWNFIELD GRANT	-	81,192	70,285	10,907
SIDEWALK CONSTRUCTION (IN LIEU)	13,500	-	-	13,500
COURT MONEY DUE TO STATE	34,063	-	-	34,063
SIDEWALK RENOVATION NON-REVERTING (50/50)	33,667	22,293	5,447	50,513
COURT COST DUE COUNTY	15,086	9,294	-	24,380
CONTINUING EDUCATION	39,051	1,507	-	40,558
JEFF BUILDING AUTHORITY OPERATING NON-REVERTING	447,648	320,000	231,817	535,831
2013/2014 JAG FORMULA GRANT	4	-	-	4
2015 JAG GRANT	-	46,033	45,552	481
JEFF BUILDING AUTHORITY CAPITAL IMPROVEMENT RESERVE	273,915	70,000	-	343,915
PAYROLL	7,523	13,731,902	13,697,931	41,494
WASTEWATER PRE-TREATMENT	-	2,000	-	2,000
EAST END BRIDGE PROJECT	(4,128)	-	-	(4,128)
SEWAGE OPERATING AND MAINTENANCE	2,328,118	17,382,043	15,286,546	4,423,615
WW SINKING FUND	1,008	3,135,847	2,957,955	178,900
SEWAGE CUMULATIVE IMPROVEMENT	467,642	370,545	828,727	9,460
WW SRF SINKING FUND	4,445,909	4,455,168	4,086,031	4,815,046
WW DEBT SERVICE RESERVE FUND	4,828,874	667,852	-	5,496,726
05 SEWER CONSTRUCTION	173,778	74	159,793	14,059
WW 2010 BAB CONSTRUCTION	432,556	409	372,986	59,979
ARRA GRANT	67	-	67	-
CASH CHANGE	300	-	-	300
PETTY CASH	400	-	-	400
WW SRF 2012 CONSTRUCTION	156,914	-	2,727	154,187
WW 2014 SEWER BAN	1,524,771	-	698,122	826,649
WW CAPACITY FEE	2,533,571	890,063	379,248	3,044,386
SEWAGE DRAINAGE	706,773	1,401,541	1,307,335	800,979
Totals	<u>\$ 68,340,770</u>	<u>\$ 111,895,139</u>	<u>\$ 111,491,753</u>	<u>\$ 68,744,156</u>

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

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

The City was established under the laws of the State of Indiana. The City operates under a Council-Mayor form of government and provides some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, electric, gas, storm water, trash, aviation, and urban redevelopment and housing.

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

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

*C. Cash and Investments*

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

*D. Receipts*

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

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

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

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

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

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

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements include the following uses:

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

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

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

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

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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

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

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

State statutes authorize the City to invest in securities including, but not limited to, the following: federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

**Note 5. Risk Management**

The City may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job-related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

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

*Funding Policy*

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

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). 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*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

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

**Note 7. Cash Balance Deficit**

The financial statement contains some funds with deficits in cash. This is a result of an uncorrected posting error.

**Note 8. Holding Corporations**

The City has entered into capital leases with the Jeffersonville Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2015 totaled \$916,500.

The City has entered into capital leases with the Redevelopment Authority (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2015 totaled \$740,613.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

The City has entered into a capital lease with the Jeffersonville Building Authority (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2015 totaled \$390,000.

**Note 9. Subsequent Events**

On April 12, 2016, the City advance refunded the Jeffersonville Building Corporation's outstanding First Mortgage Bonds, Series 2006 A, 2006 B, and 2006 C Bonds with the 2016 Economic Development Lease Rental Refunding Bonds in the amount of \$6,985,000.

On June 28, 2016, the City closed on the Sewage Works Bond Anticipation Notes of 2016 in the amount of \$3,585,000. The proceeds of this note were used to refund the Bond Anticipation Notes of 2014.

**Note 10. Other Postemployment Benefits**

The City provides to eligible retirees and their spouses the following benefit: health insurance. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

#### OTHER INFORMATION - UNAUDITED

The City's Annual Financial Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

The other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	GENERAL FUND	STREET DEPARTMENT MVH	LOCAL ROADS AND STREETS	ANIMAL SHELTER SPAY/NEUTER PROGRAM	SANITATION	LOCAL LAW ENFORCEMENT CONTINUING EDUCATION
Cash and investments - beginning	\$ 7,014,682	\$ 1,956,709	\$ 409,938	\$ 5,783	\$ 1,416,941	\$ 87,432
Receipts:						
Taxes	16,396,177	146,767	-	-	1,977,485	-
Licenses and permits	934,120	16,282	-	45,206	-	14,950
Intergovernmental receipts	9,292,017	1,487,446	457,659	-	154,710	-
Charges for services	29,211	3,738	7,220	-	51,672	25,206
Fines and forfeits	19,806	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	834,987	565	8,965	180	1,618	-
Total receipts	<u>27,506,318</u>	<u>1,654,798</u>	<u>473,844</u>	<u>45,386</u>	<u>2,185,485</u>	<u>40,156</u>
Disbursements:						
Personal services	15,936,544	745,745	-	-	930,638	-
Supplies	514,854	333,250	729,572	-	168,272	1,963
Other services and charges	8,835,950	105,181	-	48,040	442,958	13,440
Debt service - principal and interest	800,000	-	-	-	-	-
Capital outlay	1,041,951	38,157	-	-	-	32,420
Utility operating expenses	-	-	-	-	-	-
Other disbursements	2,250,000	-	-	-	300,000	-
Total disbursements	<u>29,379,299</u>	<u>1,222,333</u>	<u>729,572</u>	<u>48,040</u>	<u>1,841,868</u>	<u>47,823</u>
Excess (deficiency) of receipts over disbursements	<u>(1,872,981)</u>	<u>432,465</u>	<u>(255,728)</u>	<u>(2,654)</u>	<u>343,617</u>	<u>(7,667)</u>
Cash and investments - ending	<u>\$ 5,141,701</u>	<u>\$ 2,389,174</u>	<u>\$ 154,210</u>	<u>\$ 3,129</u>	<u>\$ 1,760,558</u>	<u>\$ 79,765</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	CLERKS RECORD PERPETUATION	CITY ATTORNEY DIVERSION FUND	BUILDING DEMOLITION NON-REVERTING	SHARE OF GAMING REVENUES	PARK AND RECREATION	JEFFERSONVILLE USER FEE
Cash and investments - beginning	\$ 7,314	\$ 4,165	\$ 121,590	\$ 197,284	\$ 1,424,988	\$ 12,920
Receipts:						
Taxes	-	-	-	-	2,714,548	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	266,298	212,374	-
Charges for services	-	-	63,655	-	6,236	-
Fines and forfeits	1,003	610	-	-	-	9,350
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	4,251	-
Total receipts	1,003	610	63,655	266,298	2,937,409	9,350
Disbursements:						
Personal services	-	-	-	-	1,076,866	-
Supplies	-	-	-	-	179,641	-
Other services and charges	-	-	57,727	20,000	637,106	14,790
Debt service - principal and interest	-	-	-	-	200,000	-
Capital outlay	-	-	-	-	78,170	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	200,000	550,000	-
Total disbursements	-	-	57,727	220,000	2,721,783	14,790
Excess (deficiency) of receipts over disbursements	1,003	610	5,928	46,298	215,626	(5,440)
Cash and investments - ending	\$ 8,317	\$ 4,775	\$ 127,518	\$ 243,582	\$ 1,640,614	\$ 7,480

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	RAINY DAY FUND	ECONOMIC DEVELOPMENT INCOME TAX	LEVY EXCESS	REDEVELOPMENT REVOLVING LOAN	CERTIFIED TECHNOLOGY	PROBATION USER FUND
Cash and investments - beginning	\$ 4,658,364	\$ 1,859,869	\$ -	\$ 404,937	\$ 432,303	\$ 107,464
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	2,261,342	-	-	-	-
Charges for services	-	-	5,980	33,996	-	60
Fines and forfeits	-	-	-	-	-	68,470
Utility fees	-	-	-	-	-	-
Other receipts	-	2,133	-	1,070	-	-
Total receipts	-	2,263,475	5,980	35,066	-	68,530
Disbursements:						
Personal services	-	-	-	-	-	71,407
Supplies	-	-	-	-	-	682
Other services and charges	-	357,380	-	200,000	-	8,589
Debt service - principal and interest	-	2,083,139	-	-	432,303	-
Capital outlay	-	500,000	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	111,125	-	-	-	-
Total disbursements	-	3,051,644	-	200,000	432,303	80,678
Excess (deficiency) of receipts over disbursements	-	(788,169)	5,980	(164,934)	(432,303)	(12,148)
Cash and investments - ending	\$ 4,658,364	\$ 1,071,700	\$ 5,980	\$ 240,003	\$ -	\$ 95,316

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	CUMULATIVE CAPITAL DEVELOPMENT	POLICE NON-REVERTING FUND	REDEVELOPMENT OPERATING	CUMULATIVE CAPITAL IMPROVEMENT	2013 FALL LANDING SERIES A DEBT SERVICE RESERVE	NON-REVERTING HEALTH INSURANCE
Cash and investments - beginning	\$ 549,941	\$ 67,837	\$ 1,180,989	\$ 649,124	\$ 159,256	\$ 1,192,356
Receipts:						
Taxes	143,817	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	11,252	-	-	112,910	-	-
Charges for services	-	23,082	67,755	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	2,384	-	-	6,732,084
Total receipts	155,069	23,082	70,139	112,910	-	6,732,084
Disbursements:						
Personal services	-	-	246,365	-	-	-
Supplies	-	-	11,992	-	-	-
Other services and charges	-	17,760	216,443	-	-	6,168,876
Debt service - principal and interest	-	-	36,052	-	-	-
Capital outlay	139,627	32,463	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	500,000	-	-
Total disbursements	139,627	50,223	510,852	500,000	-	6,168,876
Excess (deficiency) of receipts over disbursements	15,442	(27,141)	(440,713)	(387,090)	-	563,208
Cash and investments - ending	\$ 565,383	\$ 40,696	\$ 740,276	\$ 262,034	\$ 159,256	\$ 1,755,564

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	POLICE PENSION	FIRE PENSION	PUBLIC SAFETY- LOIT	STREET DEPART NON-REVERTING	FIRE DEPARTMENT NON-REVERTING	PARKS ACTIVITY
Cash and investments - beginning	\$ 443,346	\$ 621,651	\$ 1,876,824	\$ 43,403	\$ 12	\$ 46,022
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	917,155	1,192,275	2,345,872	-	-	-
Charges for services	-	-	-	45,245	40	360,912
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	112,600	-	-	700,361
Total receipts	917,155	1,192,275	2,458,472	45,245	40	1,061,273
Disbursements:						
Personal services	926,851	1,181,987	20,678	-	-	177,275
Supplies	-	-	26,494	42,444	-	213,424
Other services and charges	-	473	1,401,657	4,516	17	395,096
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	1,111,965	-	-	100,000
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	926,851	1,182,460	2,560,794	46,960	17	885,795
Excess (deficiency) of receipts over disbursements	(9,696)	9,815	(102,322)	(1,715)	23	175,478
Cash and investments - ending	\$ 433,650	\$ 631,466	\$ 1,774,502	\$ 41,688	\$ 35	\$ 221,500

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	CITY ENGINEER NON-REVERTING	CASH CHANGE	PETTY CASH	WOEHRLE CONST/EXPAN AND PARKS PROJECTS	CCYS- PT GRANT	JUSTICE ASSISTANCE GRANT
Cash and investments - beginning	\$ 33,701	\$ 460	\$ 953	\$ -	\$ -	\$ 25,891
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	6,945	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	2,000,000	-	-
Total receipts	-	-	-	2,000,000	6,945	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	6,945	25,891
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,329	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	1,329	-	-	-	6,945	25,891
Excess (deficiency) of receipts over disbursements	(1,329)	-	-	2,000,000	-	(25,891)
Cash and investments - ending	\$ 32,372	\$ 460	\$ 953	\$ 2,000,000	\$ -	\$ -

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	VISSING PARK CONSTRUCTION NON-REVERTING	RIVERSTAGE	FEMA GRANT- TRAINING	GRANT- YOUTH COALITION	JEFF BICYCLE AND PEDESTRIAN GRANT	VEHICLE MAINTENANCE FUEL AND REPAIR
Cash and investments - beginning	\$ 82,131	\$ 30,176	\$ -	\$ 7,459	\$ 11,950	\$ 353,795
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	3	8,000	-	-
Charges for services	-	17,394	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	376,000	-	-	-	1,434,388
Total receipts	-	393,394	3	8,000	-	1,434,388
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	24,554	-	7,546	-	830,826
Other services and charges	3,663	272,451	-	-	11,950	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	78,468	10,688	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	82,131	307,693	-	7,546	11,950	830,826
Excess (deficiency) of receipts over disbursements	(82,131)	85,701	3	454	(11,950)	603,562
Cash and investments - ending	\$ -	\$ 115,877	\$ 3	\$ 7,913	\$ -	\$ 957,357

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	CITY COURT CASH CHANGE	COURT RESTITUTION	COURT COLLECTIONS	CITY COURT BOND FUND	DONATIONS	BEAUTIFICATION NON-REVERTING
Cash and investments - beginning	\$ 200	\$ 1,390	\$ 110,889	\$ 40,007	\$ 39,123	\$ 21,803
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	14,000
Fines and forfeits	-	2,853	209,203	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	22,648	31,246	15,576
Total receipts	-	2,853	209,203	22,648	31,246	29,576
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	37,315
Other services and charges	-	-	202,775	46,215	21,676	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	202,775	46,215	21,676	37,315
Excess (deficiency) of receipts over disbursements	-	2,853	6,428	(23,567)	9,570	(7,739)
Cash and investments - ending	\$ 200	\$ 4,243	\$ 117,317	\$ 16,440	\$ 48,693	\$ 14,064

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	THUNDER COMMITTEE NON-REVERTING	CITY COURT NON-REVERTING	PUBLIC ARTS	SPRINT LEASE NON-REVERTING	ECONOMIC DEVELOPMENT ABATEMENT	TIF63-VOGT VALVE ALLOCATION
Cash and investments - beginning	\$ 59,569	\$ 193,961	\$ 85,665	\$ 98,827	\$ 184,528	\$ 987,069
Receipts:						
Taxes	-	-	-	-	-	807,979
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	2,955	-	-	-
Charges for services	21,942	-	-	14,605	101,330	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	126,955	-	-	-
Total receipts	<u>21,942</u>	<u>-</u>	<u>129,910</u>	<u>14,605</u>	<u>101,330</u>	<u>807,979</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	6,689	-	4,161	-	-	-
Other services and charges	6,339	-	72,286	-	30,000	6,676
Debt service - principal and interest	-	-	-	-	-	567,300
Capital outlay	-	-	-	-	-	288,889
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	300,000
Total disbursements	<u>13,028</u>	<u>-</u>	<u>76,447</u>	<u>-</u>	<u>30,000</u>	<u>1,162,865</u>
Excess (deficiency) of receipts over disbursements	<u>8,914</u>	<u>-</u>	<u>53,463</u>	<u>14,605</u>	<u>71,330</u>	<u>(354,886)</u>
Cash and investments - ending	<u>\$ 68,483</u>	<u>\$ 193,961</u>	<u>\$ 139,128</u>	<u>\$ 113,432</u>	<u>\$ 255,858</u>	<u>\$ 632,183</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	TIF64-GALVSTAR ALLOCATION	POLICE FALLS LANDING C	TIF66-KEYSTONE ALLOCATION	TIF67-BETHNOVA ALLOCATION	DEPARTMENT OF LAW NON-REVERTING	TIF5761-ICR ALLOCATION
Cash and investments - beginning	\$ 1,200,495	\$ 995,906	\$ 615,657	\$ 318,353	\$ 9,666	\$ 13,240,285
Receipts:						
Taxes	754,730	-	176,451	209,648	-	8,199,026
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	1,138,745
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	1,035	-	-	-	46,768
Total receipts	754,730	1,035	176,451	209,648	-	9,384,539
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	6,766	12,985	4,272	212	-	105,201
Debt service - principal and interest	163,605	-	54,080	132,015	-	2,164,763
Capital outlay	288,889	733,950	32,219	288,889	-	8,548,382
Utility operating expenses	-	-	-	-	-	-
Other disbursements	375,000	-	231,963	-	-	-
Total disbursements	834,260	746,935	322,534	421,116	-	10,818,346
Excess (deficiency) of receipts over disbursements	(79,530)	(745,900)	(146,083)	(211,468)	-	(1,433,807)
Cash and investments - ending	\$ 1,120,965	\$ 250,006	\$ 469,574	\$ 106,885	\$ 9,666	\$ 11,806,478

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	TIF62-HARB FALLS ALLOCATION	2013 ICR SERIES B DSR	2013 FALLS LANDING SERIES C DSR	2013 ICR SERIES D DSR	2013 ICR SERIES E DSR	2006 ABC DSR
Cash and investments - beginning	\$ 563,156	\$ 778,372	\$ 400,469	\$ 274,635	\$ 128,163	\$ -
Receipts:						
Taxes	2,071,272	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	33,911	-	-	-	-	906,963
Total receipts	<u>2,105,183</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>906,963</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	49,071	-	-	-	-	-
Debt service - principal and interest	1,325,138	-	-	-	-	-
Capital outlay	508,590	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>1,882,799</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>222,384</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>906,963</u>
Cash and investments - ending	<u>\$ 785,540</u>	<u>\$ 778,372</u>	<u>\$ 400,469</u>	<u>\$ 274,635</u>	<u>\$ 128,163</u>	<u>\$ 906,963</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	FEDERAL ASSET FORFEITURE	REDEVELOPMENT CASI	REDEVELOPMENT GRANTS	REDEVELOPMENT CITY HALL BOND	REDEVELOPMENT VETERAN PKWY BOND	REDEVELOPMENT VETERANS PKWY RETAINAGE
Cash and investments - beginning	\$ 49,313	\$ 726,302	\$ 59,060	\$ 299,516	\$ 766,389	\$ 131,032
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	192,500	-	-	-	-
Fines and forfeits	36,100	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	297	-	-	-	801
Total receipts	<u>36,100</u>	<u>192,797</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>801</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	32,041	550	-	-	19,071	-
Debt service - principal and interest	-	35,069	-	-	-	-
Capital outlay	-	-	-	-	363,516	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>32,041</u>	<u>35,619</u>	<u>-</u>	<u>-</u>	<u>382,587</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>4,059</u>	<u>157,178</u>	<u>-</u>	<u>-</u>	<u>(382,587)</u>	<u>801</u>
Cash and investments - ending	<u>\$ 53,372</u>	<u>\$ 883,480</u>	<u>\$ 59,060</u>	<u>\$ 299,516</u>	<u>\$ 383,802</u>	<u>\$ 131,833</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	2014 EPA BROWNFIELD GRANT	SIDEWALK CONSTRUCTION (IN LIEU)	COURT MONEY DUE TO STATE	SIDEWALK RENOVATION NON-REVERTING (50/50)	COURT COST DUE COUNTY	CONTINUING EDUCATION
Cash and investments - beginning	\$ -	\$ 13,500	\$ 34,063	\$ 33,667	\$ 15,086	\$ 39,051
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	81,192	-	-	-	-	-
Charges for services	-	-	-	2,293	-	-
Fines and forfeits	-	-	-	-	9,294	1,507
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	20,000	-	-
Total receipts	<u>81,192</u>	<u>-</u>	<u>-</u>	<u>22,293</u>	<u>9,294</u>	<u>1,507</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	70,285	-	-	5,447	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>70,285</u>	<u>-</u>	<u>-</u>	<u>5,447</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>10,907</u>	<u>-</u>	<u>-</u>	<u>16,846</u>	<u>9,294</u>	<u>1,507</u>
Cash and investments - ending	<u>\$ 10,907</u>	<u>\$ 13,500</u>	<u>\$ 34,063</u>	<u>\$ 50,513</u>	<u>\$ 24,380</u>	<u>\$ 40,558</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	JEFF BUILDING AUTHORITY OPERATING NON-REVERTING	2013/2014 JAG FORMULA GRANT	2015 JAG GRANT	JEFF BUILDING AUTHORITY CAPITAL IMPROVEMENT RESERVE	PAYROLL	WASTEWATER PRE-TREATMENT
Cash and investments - beginning	\$ 447,648	\$ 4	\$ -	\$ 273,915	\$ 7,523	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	46,033	-	-	-
Charges for services	320,000	-	-	70,000	87,876	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	2,000
Other receipts	-	-	-	-	13,644,026	-
Total receipts	320,000	-	46,033	70,000	13,731,902	2,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	5,537	-	-	-	-	-
Other services and charges	177,341	-	45,552	-	56,165	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	48,939	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	13,641,766	-
Total disbursements	231,817	-	45,552	-	13,697,931	-
Excess (deficiency) of receipts over disbursements	88,183	-	481	70,000	33,971	2,000
Cash and investments - ending	\$ 535,831	\$ 4	\$ 481	\$ 343,915	\$ 41,494	\$ 2,000

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	EAST END BRIDGE PROJECT	SEWAGE OPERATING AND MAINTENANCE	WW SINKING FUND	SEWAGE CUMULATIVE IMPROVEMENT	WW SRF SINKING FUND	WW DEBT SERVICE RESERVE FUND
Cash and investments - beginning	\$ (4,128)	\$ 2,328,118	\$ 1,008	\$ 467,642	\$ 4,445,909	\$ 4,828,874
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	163,923	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	16,785,075	163,448	1,100	-	-
Other receipts	-	596,968	2,808,476	369,445	4,455,168	667,852
Total receipts	-	17,382,043	3,135,847	370,545	4,455,168	667,852
Disbursements:						
Personal services	-	3,023,843	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	4,099,420	-	-	-	-
Debt service - principal and interest	-	-	2,957,875	-	4,086,031	-
Capital outlay	-	92,460	-	828,727	-	-
Utility operating expenses	-	890,142	-	-	-	-
Other disbursements	-	7,180,681	80	-	-	-
Total disbursements	-	15,286,546	2,957,955	828,727	4,086,031	-
Excess (deficiency) of receipts over disbursements	-	2,095,497	177,892	(458,182)	369,137	667,852
Cash and investments - ending	\$ (4,128)	\$ 4,423,615	\$ 178,900	\$ 9,460	\$ 4,815,046	\$ 5,496,726

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	05 SEWER CONSTRUCTION	WW 2010 BAB CONSTRUCTION	ARRA GRANT	CASH CHANGE	PETTY CASH
Cash and investments - beginning	\$ 173,778	\$ 432,556	\$ 67	\$ 300	\$ 400
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Other receipts	74	409	-	-	-
Total receipts	<u>74</u>	<u>409</u>	<u>-</u>	<u>-</u>	<u>-</u>
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	159,793	372,878	-	-	-
Utility operating expenses	-	108	67	-	-
Other disbursements	-	-	-	-	-
Total disbursements	<u>159,793</u>	<u>372,986</u>	<u>67</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(159,719)</u>	<u>(372,577)</u>	<u>(67)</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 14,059</u>	<u>\$ 59,979</u>	<u>\$ -</u>	<u>\$ 300</u>	<u>\$ 400</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	WW SRF 2012 CONSTRUCTION	WW 2014 SEWER BAN	WW CAPACITY FEE	SEWAGE DRAINAGE	Totals
Cash and investments - beginning	\$ 156,914	\$ 1,524,771	\$ 2,533,571	\$ 706,773	\$ 68,340,770
Receipts:					
Taxes	-	-	-	-	33,597,900
Licenses and permits	-	-	-	-	1,010,558
Intergovernmental receipts	-	-	-	-	20,159,106
Charges for services	-	-	-	-	1,565,948
Fines and forfeits	-	-	-	-	358,196
Utility fees	-	-	870,263	1,297,904	19,119,790
Other receipts	-	-	19,800	103,637	36,083,641
Total receipts	-	-	890,063	1,401,541	111,895,139
Disbursements:					
Personal services	-	-	-	459,942	24,798,141
Supplies	-	-	-	-	3,139,216
Other services and charges	-	-	-	377	24,337,622
Debt service - principal and interest	-	33,680	-	-	15,071,050
Capital outlay	2,727	-	371,748	160,393	16,256,227
Utility operating expenses	-	664,442	-	322,678	1,877,437
Other disbursements	-	-	7,500	363,945	26,012,060
Total disbursements	2,727	698,122	379,248	1,307,335	111,491,753
Excess (deficiency) of receipts over disbursements	(2,727)	(698,122)	510,815	94,206	403,386
Cash and investments - ending	\$ 154,187	\$ 826,649	\$ 3,044,386	\$ 800,979	\$ 68,744,156

CITY OF JEFFERSONVILLE  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2015

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ -	\$ 3,102,565
Drainage	-	210,686
Governmental activities	<u>47,201</u>	<u>13,034</u>
Totals	<u>\$ 47,201</u>	<u>\$ 3,326,285</u>

CITY OF JEFFERSONVILLE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Ally Financial	Municipal Lease Purchase 2013 Chevy Tahoe	\$ 7,889	3/6/2013	03/06/17
Ally Financial	Municipal Lease Purchase 2013 Chevy Traverse	8,651	3/6/2013	03/06/17
Ally Financial	Municipal Lease Purchase 2013 Chevy Impala	5,849	3/6/2013	03/06/17
Jeffersonville Building Authority	City Hall	320,000	1/1/2013	12/31/16
Jeffersonville Building Corporation	Lease Rental Firestation #2 - Series 2006A	334,931	2/1/2007	08/01/26
Jeffersonville Building Corporation	Lease Rental Firestation #5 - Series 2006 B	185,907	2/1/2007	08/01/26
Jeffersonville Building Corporation	Lease Rental City Services Facility - Series 2006 C	386,063	2/1/2007	08/01/26
New Washington Bank	Fire Truck Apparatus	323,556	1/15/2016	07/15/19
New Washington Bank	Lease Purchase Two Freightliner Packers	67,260	9/4/2012	03/25/17
Redevelopment Authority	Lease Rental Rlverfront Falls Landing - Series 2004	199,826	1/1/2005	01/01/16
Redevelopment Authority	Lease Rental Aquatic Center - Reissue Series 2009	<u>330,038</u>	2/1/2010	02/01/22
Total governmental activities		<u>2,169,970</u>		
Wastewater:				
Caterpillar Financial Services Corp	CT660 Caterpillar Truck	<u>30,420</u>	9/26/2012	10/26/2017
Total of annual lease payments		<u>\$ 2,200,390</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	2008 Tax Increment Bonds for Veterans Pkwy and Thompson Rd	\$ 2,025,000	\$ 250,163
Revenue bonds	2005B Tax Increment Bonds for Economic Dev relating to Med Venture	870,000	613,728
Revenue bonds	2005A Lease Rental Bonds for City Hall	180,000	184,050
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series A	1,980,000	155,706
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series B	7,620,000	774,751
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series C	4,890,000	397,718
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series D	3,170,000	325,263
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series E	1,750,000	74,376
Notes and loans payable	Infrastructure Bank Loan INDOT Overpass Construction	2,639,575	220,000
Notes and loans payable	2012 BAN for Vissing and CCSA Park Improvements	1,000,000	82,000
Notes and loans payable	Notes for Purchase of CASI	<u>226,353</u>	<u>42,912</u>
Total governmental activities		<u>26,350,928</u>	<u>3,120,667</u>
Wastewater:			
Revenue bonds	1999 SRF Sewage Works	1,281,239	198,741
Revenue bonds	2008 SRF Expansion of Downtown Treatment Plant	8,752,000	547,342
Revenue bonds	2009 Revenue Bonds Refunding 1998 Bonds	1,375,000	493,350
Revenue bonds	2009 SRF Improvements	1,178,000	102,540
Revenue bonds	2010A SRF Improvements	2,075,000	148,784
Revenue bonds	2010B Revenue Certain Additions Extensions & Improvements	17,355,000	1,007,538
Revenue bonds	2010C1 Revenue Bonds to Retire 2010 BAN	-	-
Revenue bonds	2011 Series B SRF Brownfield Remediation	485,863	39,000
Revenue bonds	2011 Series A SRF Tenth St Lift Station and Certain other Improvement	20,605,000	1,158,973
Revenue bonds	2011 Series C SRF North WW Treatment Plant	18,704,911	1,194,966
Revenue bonds	2012 SRF WWWTP Improvements	10,855,000	693,556
Revenue bonds	2013 Sewage Works Refunding (1999 2003 2005A) Revenue Bonds	7,835,000	528,601
Tax anticipation warrants	2014 Sewage Works Anticipation Note BAN (Refunds 2013)	<u>3,368,000</u>	<u>3,384,840</u>
Total Wastewater		<u>93,870,013</u>	<u>9,498,231</u>
Totals		<u>\$ 120,220,941</u>	<u>\$ 12,618,898</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE CITY OF JEFFERSONVILLE, CLARK COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

We have audited the City of Jeffersonville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2015. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***Management's Responsibility***

Management is responsible for compliance with Federal statutes, regulations, and the terms and conditions of its Federal awards applicable to its federal programs.

***Auditor's Responsibility***

Our responsibility is to express an opinion on compliance for the City's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the City's compliance.

***Opinion on the Major Federal Program***

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2015.

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

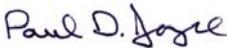
**Report on Internal Control over Compliance**

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

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

  
Paul D. Joyce, CPA  
State Examiner

October 24, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CITY OF JEFFERSONVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Justice</u>					
Edward Byrne Memorial Justice Assistance Grant Program 2015 JAG Grant	Direct grant	16.738	2015-DJ-BX-1036	\$ -	\$ 46,033
Juvenile Accountability Block Grants Juvenile Justice Grant	Indiana Criminal Justice Institute	16.523	10-JBFX-0086	6,945	6,945
Bulletproof Vest Partnership Program Bulletproof Vests	Direct Grant	16.607	2014	-	3,243
Equitable Sharing Program Police Forfeiture	Direct Grant	16.922	2015	-	32,041
Total - Department of Justice				6,945	88,262
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation				
INDOT - LPA Jeffersonville 10th St Rehabilitation Project		20.205	DES# 0810280	-	487,133
INDOT-LPA Jeffersonville Hamburg Pike-Road			DES# 09185035	-	572,431
INDOT-LPA Jeffersonville Hamburg Pike-Bridge			DES# 09185036	-	79,181
Total - Highway Planning and Construction				-	1,138,745
Total - Highway Planning and Construction Cluster				-	1,138,745
Highway Safety Cluster State and Community Highway Safety Clark County Traffic Safety Partnership	City of Charlestown	20.600	FY 2015	-	6,956
Alcohol Impaired Driving Countermeasures Incentive Grants I Clark County DUI Taskforce	City of Charlestown	20.601	FY 2015	-	11,529
Total - Highway Safety Cluster				-	18,485
Total - Department of Transportation				-	1,157,230
<u>Environmental Protection Agency</u>					
ARRA - Brownfields Assessment and Cleanup Cooperative Agreements 2014 EPA Brownfield	Indiana Finance Authority	66.818	BF-00E01345	-	71,192
Total - Environmental Protection Agency				-	71,192
Total federal awards expended				\$ 6,945	\$ 1,316,684

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF JEFFERSONVILLE  
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

**Note 1. *Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

**Note 2. *Summary of Significant Accounting Policies***

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The City has elected not to use the 10 percent de minimus indirect cost rate allowed under the Uniform Guidance.

CITY OF JEFFERSONVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I - Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	no
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for each:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Highway Planning and Construction Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

Auditee qualified as low-risk auditee?	no
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**Section II - Financial Statement Findings**

**FINDING 2015-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City's Accountant prepared and entered the SEFA via the Gateway system. There were no controls in place to ensure the SEFA was accurate.

*Criteria*

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

CITY OF JEFFERSONVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

*Cause*

Management had not established a system of internal control that would ensure proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operates effectively, material misstatements of the SEFA could remain undetected.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

***FINDING 2015-002 - INTERNAL CONTROLS AND NONCOMPLIANCE  
OVER FINANCIAL TRANSACTIONS AND REPORTING***

*Condition*

The following deficiencies related to financial transactions and reporting:

1. Lack of Segregation of Duties: Management of the City had not established an internal control system that included segregation of duties over receipts. During the audit period, City receipts were collected and posted to the records by the same individual that made the daily deposits without any oversight or reviews being performed.
2. Transaction Recording: The City had not developed controls to ensure all financial transactions of the City and Wastewater Utility were accurately reported in the City's Annual Financial Report (AFR). The City used the accrual basis of accounting. Adjustments to convert actual amounts to cash basis for the AFR were incorrectly made, resulting in an understatement of receipts and disbursements of \$3,319,643 and \$3,301,307, respectively. Audit adjustments were proposed, accepted by the City, and made to the financial statement.
3. Bank Reconciliations: The City had not established controls to ensure that record balances were fully reconciled to the depository balances. The following errors were identified during the testing of the City's bank reconciliations:
  - a. Reconciling items were not being investigated and resolved timely. Reconciling items from 2012 and 2013 were still showing as outstanding items at December 31, 2015.
  - b. Three of the nineteen bank reconciliations contained unidentified cash variances resulting in net cash long of \$99,072.
  - c. The Payroll Account reconciliation contained unresolved differences between Indiana Public Retirement System and insurance payments and the actual activity posted to the financial records.

CITY OF JEFFERSONVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

*Cause*

Management of the City did not establish a proper system of internal control, including segregations of duties, to provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations.

Financial activity of the Wastewater Utility was not being reviewed for reasonableness and proper recording.

Reconciling items and unidentified cash variances on the monthly bank reconcilements were not being investigated and resolved timely.

*Effect*

The failure to establish internal controls enabled material misstatements or irregularities to remain undetected.

*Criteria*

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

All documents and entries to records should be done in a timely manner to ensure that accurate financial information is available to allow the governmental unit to make informed management decisions and to help ensure compliance with IC 5-15-1-1 et seq., commonly referred to as the Public Records Law. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance guidelines Manual for Cities and Towns, Chapter 7)

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

#### AUDITEE-PREPARED DOCUMENTS

The subsequent documents were provided by management of the City. The documents are presented as intended by the City.



812-285-6400

Jeffersonville City Hall  
500 Quartermaster Court  
Jeffersonville, Indiana 47130

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2014-001**

Fiscal year in which the finding initially occurred: 2014

Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: None

Contact Person Responsible for Correction Action: Heather Metcalf

Contact Phone Number: 812-285-6492

Status of Audit Finding: The exit conference for 2014 was held on October 17, 2016 after our initial response on October 14, 2016 to the 2014 Corrective Action plan. Therefore the completion of issue #3, has not been realized as of today's date.

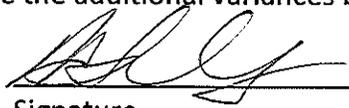
#### **Description of Corrective Action Plan:**

#1 – The City has now changed policy to have the cash coordinator collect and post the records. As of today, the administrative assistant will complete the daily deposit slips and deposit into bank. The administrative assistant will review daily the bank receipts and the cash coordinator's journal postings to ensure they both match the report of collections submitted by the departments.

#2 – The controller was notified by the field examiner on August 16, 2016 of the City's failure to post the \$3,300,000 proceeds and disbursement from the 2014 WW Sewer BAN to Fund 631. This was corrected on 09/01/2016.

#3 –a. and c. The change in staff in 2013 made it possible to research and solve most of the existing 2012 and 2013 reconciling items. The accountant, controller, and assistant controller have spent countless hours in identifying why the discrepancies occurred. Controls are now in place for verification of reconciling items. Expected completion date to resolve discrepancies is 2016. Record balances are now fully reconciled to the depository balances within 30 days of the close of the month.

b. The unidentified cash variances were the result of the previous software and most of which were unsearchable. As of March 16, 2015, an additional amount of \$50,834.55 was approved by Common Council to be written off. The variances in the amount of \$107,216.57 were approved by the Common Council to be written off on March 7, 2016. As of October 14, 2016 we have identified the remaining variances and will resolve the additional variances by December 31, 2016.

  
\_\_\_\_\_  
Signature

*Controller*  
\_\_\_\_\_  
Title

10-17-16  
\_\_\_\_\_  
Date

812-285-6400

Jeffersonville City Hall  
500 Quartermaster Court  
Jeffersonville, Indiana 47130



## CORRECTIVE ACTION PLAN

### FINDING 2015-001

Contact Person Responsible for Correction Action: Heather Metcalf  
Contact Phone Number: 812-285-6492

#### Views of Responsible Official:

I concur with the finding

#### Description of Corrective Action Plan:

For the 2016 SEFA reporting, the City's Accountant will still enter the information in the Gateway system, then the Controller will verify entries before submitting the report through the Gateway system.

### FINDING 2015-002

Contact Person Responsible for Correction Action: Heather Metcalf  
Contact Phone Number: 812-285-6492

#### Views of Responsible Official:

1. I concur with the finding
2. I concur with the finding
3. I concur with the finding

#### Description of Corrective Action Plan:

#1 – The City has now changed policy to have the departments prepare the deposit slips to be turned in with the Report of Collections and the cash to the cash coordinator. The cash coordinator will collect and post the records and will review that the deposit slip, report, and cash all balance. The administrative assistant will take the deposits to bank and return the completed deposit slip to the cash coordinator to attach to the original receipt and all supporting documents. Estimated completion date for the finance department to train the other departments is by the end of 2016.

#2 – The errors in postings to the Gateway Annual Report were corrected by the Controller in August 2016. New procedures are now in place to calculate the liability adjustments from accrual to cash basis and to properly post to the Gateway system.

#3 –a. and c. The change in staff in 2013 made it possible to research and solve most of the existing 2012 and 2013 reconciling items. The accountant, controller, and assistant controller have spent countless hours in identifying why the discrepancies occurred. Controls are now in place for verification of reconciling items. Expected completion date to resolve discrepancies is

2016. Record balances are now fully reconciled to the depository balances within 30 days of the close of the month.

b. The unidentified cash variances were the following:

Bank 0 Civil City	(649.76)
Bank 20 City Court	200.00
Bank 11 Payroll	99,521.85

As of September 2016, all unidentified cash variances in Bank 0 have been resolved. The issue in Bank 20 was the cash change amount. This amount was transferred to the general fund on 3/15/16.

The variances in the amount of \$107,216.57 in bank 11 were approved by the Common Council to be written off on March 7, 2016. As of October 20, 2016 we have identified the remaining variances and will resolve the variances by December 31, 2016.



Signature

Controller

Title

10-20-16

Date

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.