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

ANNUAL FINANCIAL REPORT

2005

CITY OF JEFFERSONVILLE

CLARK COUNTY, INDIANA



**FILED**  
12/29/2006



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Peggy Wilder	01-01-04 to 12-31-07
Mayor	Robert L. Waiz, Jr.	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	Robert L. Waiz, Jr.	01-01-04 to 12-31-07
President of the Common Council	Ron Grooms Barbara Wilson	01-01-05 to 12-31-05 01-01-06 to 12-31-06
Chairman of Sanitary Board	Robert L. Waiz, Jr.	01-01-04 to 12-31-07
Chairman of Drainage Board	Bruce Wright	01-01-05 to 12-31-06
Utility Office Manager	Kim Johnson	01-01-05 to 12-31-06



**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 JEFFERSONVILLE, CLARK 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 Jeffersonville (City), as of and for the year ended December 31, 2005, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City's management. Our responsibility is to express opinions on these financial statements based on our audit.

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

As discussed in Note I, the City prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

As discussed in Note I, the financial statements referred to above do not include a number of component units of the City which should have been included to fairly present the financial position of the City.

In our opinion, except that the omission of the component units of the City referred to in the preceding paragraph results in incomplete presentation, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City as of December 31, 2005, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated December 14, 2006, 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 Schedules of Funding Progress and Schedule of Contributions from the Employer and Other Contributing Entities, as listed in the table of contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

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

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

STATE BOARD OF ACCOUNTS

December 14, 2006



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

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

We have audited the financial statements of the City of Jeffersonville (City), as of and for the year ended December 31, 2005, and have issued our report thereon dated December 14, 2006. The opinion to the financial statements was qualified due to the omission of the component units of the City, which results in incomplete presentation. 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.

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 grants, 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 that are required to be reported under Government Auditing Standards.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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

December 14, 2006

CITY OF JEFFERSONVILLE  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2005

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Total
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 8,548,802	\$ 2,965,973	\$ 3,698,385	\$ -	\$ (1,884,444)	\$ -	\$ (1,884,444)
Public safety	7,902,302	836,426	390,153	-	(6,675,723)	-	(6,675,723)
Highways and streets	1,710,046	4,041	1,710,450	-	4,445	-	4,445
Sanitation	907,845	-	-	-	(907,845)	-	(907,845)
Health and welfare	311,511	60,168	124,688	-	(126,655)	-	(126,655)
Culture and recreation	1,371,576	447,313	214,381	-	(709,882)	-	(709,882)
Urban redevelopment	2,061,499	7,684	1,640,718	-	(413,097)	-	(413,097)
Economic development	1,402,153	-	1,387,360	-	(14,793)	-	(14,793)
Debt service	1,261,118	-	-	-	(1,261,118)	-	(1,261,118)
Capital outlay	2,100,577	-	-	124,741	(1,975,836)	-	(1,975,836)
<b>Total governmental activities</b>	<b>27,577,429</b>	<b>4,321,605</b>	<b>9,166,135</b>	<b>124,741</b>	<b>(13,964,948)</b>	<b>-</b>	<b>(13,964,948)</b>
<b>Business-type activities:</b>							
Wastewater	7,239,175	7,514,038	-	-	-	274,863	274,863
<b>Total primary government</b>	<b>\$ 34,816,604</b>	<b>\$ 11,835,643</b>	<b>\$ 9,166,135</b>	<b>\$ 124,741</b>	<b>(13,964,948)</b>	<b>274,863</b>	<b>(13,690,085)</b>
<b>General receipts:</b>							
Property taxes					13,990,039	-	13,990,039
Interest earnings					308,346	260,893	569,239
Unrestricted intergovernmental receipts					1,441,830	-	1,441,830
Riverboat revenue sharing					172,538	-	172,538
Bonds and loans					2,995,000	6,372,751	9,367,751
Net short term financing activity					(6,000,000)	-	(6,000,000)
Proceeds from the sales of assets					602	-	602
Insurance proceeds					43,579	-	43,579
Other operating receipts					1,973,093	-	1,973,093
<b>Total general receipts</b>					<b>14,925,027</b>	<b>6,633,644</b>	<b>21,558,671</b>
<b>Change in net assets</b>					<b>960,079</b>	<b>6,908,507</b>	<b>7,868,586</b>
<b>Net assets - beginning</b>					<b>9,123,259</b>	<b>5,148,344</b>	<b>14,271,603</b>
<b>Net assets - ending</b>					<b>\$ 10,083,338</b>	<b>\$ 12,056,851</b>	<b>\$ 22,140,189</b>
<b>Assets</b>							
Cash and investments	\$ 1,969,294	\$ 2,186,199	\$ 4,155,493				
Restricted assets:							
Cash and investments	8,114,044	9,870,652	17,984,696				
<b>Total assets</b>	<b>\$ 10,083,338</b>	<b>\$ 12,056,851</b>	<b>\$ 22,140,189</b>				
<b>Net Assets</b>							
Restricted for:							
Public safety	\$ 866,376	\$ -	\$ 866,376				
Highways and streets	965,543	-	965,543				
Health and welfare	90,451	-	90,451				
Culture and recreation	204,089	-	204,089				
Urban redevelopment	4,069,983	-	4,069,983				
Economic development	1,640,094	-	1,640,094				
Debt service	-	1,841,027	1,841,027				
Capital outlay	277,508	8,029,625	8,307,133				
Unrestricted	1,969,294	2,186,199	4,155,493				
<b>Total net assets</b>	<b>\$ 10,083,338</b>	<b>\$ 12,056,851</b>	<b>\$ 22,140,189</b>				

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

CITY OF JEFFERSONVILLE  
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,  
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
GOVERNMENTAL FUNDS  
For The Year Ended December 31, 2005

	General	Sanitation	Economic Development Income Tax	City Hall Bond Fund	Other Governmental Funds	Totals
<b>Receipts:</b>						
Taxes	\$ 9,215,105	\$ 1,075,149	\$ -	\$ -	\$ 3,699,785	\$ 13,990,039
Intergovernmental	4,842,089	124,688	1,387,360	300,000	3,894,037	10,548,174
Charges for services	780,320	37,856	-	-	834,490	1,652,666
Other	663,088	-	-	570,084	1,036,774	2,269,946
<b>Total receipts</b>	<b>15,500,602</b>	<b>1,237,693</b>	<b>1,387,360</b>	<b>870,084</b>	<b>9,465,086</b>	<b>28,460,825</b>
<b>Disbursements:</b>						
General government	5,430,457	-	-	-	108,069	5,538,526
Public safety	7,543,764	-	-	-	358,538	7,902,302
Highways and streets	-	-	-	-	1,710,046	1,710,046
Sanitation	-	907,845	-	-	-	907,845
Health and welfare	296,177	-	-	-	15,334	311,511
Culture and recreation	-	-	-	-	1,371,576	1,371,576
Urban redevelopment and housing	-	-	-	-	2,061,499	2,061,499
Economic development	63,233	-	841,167	-	497,753	1,402,153
Debt service:						
Principal	-	-	-	-	601,404	601,404
Interest	210,505	-	-	-	449,209	659,714
Capital outlay	-	-	-	1,635,554	465,023	2,100,577
<b>Total disbursements</b>	<b>13,544,136</b>	<b>907,845</b>	<b>841,167</b>	<b>1,635,554</b>	<b>7,638,451</b>	<b>24,567,153</b>
Excess (deficiency) of revenue over disbursements	1,956,466	329,848	546,193	(765,470)	1,826,635	3,893,672
<b>Other financing sources (uses)</b>						
Bond proceeds	-	-	-	2,995,000	-	2,995,000
Principal on short-term debt	(6,000,000)	-	-	-	-	(6,000,000)
Transfers in	-	-	-	-	5,000	5,000
Transfers out	-	-	-	-	(5,000)	(5,000)
<b>Total other financing sources (uses)</b>	<b>(6,000,000)</b>	<b>-</b>	<b>-</b>	<b>2,995,000</b>	<b>-</b>	<b>(3,005,000)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(4,043,534)	329,848	546,193	2,229,530	1,826,635	888,672
Cash and investment fund balance - beginning	6,986,016	(771,011)	1,093,901	-	1,811,785	9,120,691
Cash and investment fund balance - ending	<u>\$ 2,942,482</u>	<u>\$ (441,163)</u>	<u>\$ 1,640,094</u>	<u>\$ 2,229,530</u>	<u>\$ 3,638,420</u>	<u>10,009,363</u>
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						73,975
Net assets of governmental activities						<u>\$ 10,083,338</u>
<b>Cash and Investment Assets - December 31</b>						
Cash and investments	\$ 2,942,482	\$ (441,163)	\$ -	\$ -	\$ (532,025)	\$ 1,969,294
Restricted assets:						
Cash and investments	-	-	1,640,094	2,229,530	4,170,445	8,040,069
<b>Total cash and investment assets - December 31</b>	<u>\$ 2,942,482</u>	<u>\$ (441,163)</u>	<u>\$ 1,640,094</u>	<u>\$ 2,229,530</u>	<u>\$ 3,638,420</u>	<u>\$ 10,009,363</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 866,376	\$ 866,376
Highways and streets	-	-	-	-	965,543	965,543
Health and welfare	-	-	-	-	16,476	16,476
Culture and recreation	-	-	-	-	204,089	204,089
Urban redevelopment	-	-	-	2,229,530	1,840,453	4,069,983
Economic development	-	-	1,640,094	-	-	1,640,094
Capital outlay	-	-	-	-	277,508	277,508
Unrestricted	2,942,482	(441,163)	-	-	(532,025)	1,969,294
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 2,942,482</u>	<u>\$ (441,163)</u>	<u>\$ 1,640,094</u>	<u>\$ 2,229,530</u>	<u>\$ 3,638,420</u>	<u>\$ 10,009,363</u>

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

CITY OF JEFFERSONVILLE  
STATEMENT OF ASSETS AND FUND BALANCES AND  
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
PROPRIETARY FUNDS  
As of and for the Year Ended December 31, 2005

	Wastewater Utility	Internal Service Funds
Operating receipts:		
Charges for services:		
Employer contributions	\$ -	\$ 2,200,545
Employee contributions	-	468,394
Other	-	410,416
Flat rate receipts	924,298	-
Measured revenue:		
Residential	5,555,996	-
Penalties	109,068	-
Penalties - drainage	15,452	-
Other	909,224	-
	7,514,038	3,079,355
Operating disbursements:		
Insurance benefits	-	3,007,566
Other	-	2,710
Equipment and capital improvements	1,729,716	-
Collection system - operations and maintenance	398,859	-
Drainage - operations and maintenance	441,669	-
Treatment and disposal disbursements - operations and maintenance	2,045,507	-
Customer accounts	71,323	-
Administration and general	771,614	-
Insurance claims and premiums	104,254	-
	5,562,942	3,010,276
Excess (deficiency) of operating receipts over operating disbursements	1,951,096	69,079
Nonoperating receipts (disbursements):		
Bond proceeds	6,372,751	-
Interest and investment receipts	260,893	2,328
Debt service of principal	(1,125,185)	-
Interest and investment disbursement	(551,048)	-
	4,957,411	2,328
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	6,908,507	71,407
Cash and investment fund balance - beginning	5,148,344	2,568
Cash and investment fund balance - ending	\$ 12,056,851	\$ 73,975
<u>Cash and Investment Assets - December 31</u>		
Cash and investments	\$ 2,186,199	\$ -
Restricted assets:		
Cash and investments	9,870,652	73,975
	\$ 12,056,851	\$ 73,975
<u>Cash and Investment Fund Balance - December 31</u>		
Restricted for:		
Debt service	\$ 1,841,027	\$ -
Capital asset acquisition	8,029,625	-
Health and welfare	-	73,975
Unrestricted	2,186,199	-
	\$ 12,056,851	\$ 73,975

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

CITY OF JEFFERSONVILLE  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2005

	Pension Trust Funds	Agency Funds
Additions:		
Contributions:		
Employer	\$ 231,463	\$ -
State	1,026,261	-
Other	<u>17,844</u>	<u>-</u>
Total contributions	<u>1,275,568</u>	<u>-</u>
Agency fund additions	<u>-</u>	<u>724,645</u>
Total additions	<u>1,275,568</u>	<u>724,645</u>
Deductions:		
Benefits	1,533,441	-
Other	<u>3,720</u>	<u>661,880</u>
Total deductions	<u>1,537,161</u>	<u>661,880</u>
Excess (deficiency) of total additions over total deductions	(261,593)	62,765
Cash and investment fund balance - beginning	<u>774,952</u>	<u>161,846</u>
Cash and investment fund balance - ending	<u>\$ 513,359</u>	<u>\$ 224,611</u>

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

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

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

These financial statements present the City (primary government).

Management has chosen to omit from these financial statements component units which have significant operational or financial relationships with the City. Accordingly, the financial statements do not include the data of all of the City's component units necessary to fairly present the financial position of the City.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis display information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other non-exchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, liabilities, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

The sanitation fund is used to account for the revenues and expenses in the operating and maintaining sanitation functions.

The economic development income tax fund is used to account for revenues and expenses relating to economic development projects that promote gainful employment of its citizens, attracts new business enterprise to the unit and retain or expand a significant business enterprise within the unit.

The city hall bond fund is used to account for the revenues and expenses relating to the renovation of the Quartermaster Station facility into the new City Hall building.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The City reports the following major proprietary fund:

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

Additionally, the City reports the following fund types:

The internal service fund accounts for medical benefits 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 City as an agent for Clark County, the State of Indiana, various local law enforcement agencies and the department of redevelopment and serve as control of accounts for certain cash transactions during the time they are a liability to the City.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment basis of accounting differs from accounting principles generally accepted in the United States of America in that receipts are recognized when received in cash rather than when earned and disbursements are recognized when paid rather than when a liability is incurred. Investment transactions are not presented on the financial statements.

If the City utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

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

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

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

3. Long-Term Debt

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

4. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the City's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

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 of America. All annual appropriations lapse at calendar year end.

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

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

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2005, disbursements were made without establishing statutory appropriations in the following funds below:

Fund	2005
Park Special Nonreverting Operating	\$ 343,552
Local Law Enforcement Continuing Education	49,134
Total	\$ 392,686

These disbursements were funded by revenues received from fees charged for services.

C. Cash and Investment Balance Deficits

At December 31, 2005, the following funds reported deficits in cash and investments, which are violations of the Uniform Compliance Guidelines and State statute:

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Fund	2005
Park and Recreation	\$ 86,382
Sanitation	441,163
Jeff Park and Ride	19,830
TIF 63 - Vogt Valve	15,515
TIF 64 - Galvstar	24,320
TIF 66 - Keystone	25,109
TIF 67 - Bethnova	34,136
TIF 57,61 - ICR	71,885
Cumulative Capital Development	730,329

Cash and investment deficits arose primarily from disbursements exceeding receipts due to a delay in distribution of taxes from Clark County to the City.

III. Detailed Notes on All Funds

A. Deposits and Investments

1. 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 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. Balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

Investment Policies

Indiana Code 5-13-9 authorizes the City to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the unit to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of 1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the City and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the City may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the unit's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The City does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City must follow state statute and limit the stated final maturities of the investments to no more than two years.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

Foreign Currency Risk

The City does not have a formal policy in regards to foreign currency risk.

B. Restatements and Reclassifications

For the year ended December 31, 2005, certain changes have been made to the financial statements to more appropriately reflect financial activity of the City.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

<u>Opinion Unit</u>	<u>Balance as Reported December 31, 2004</u>	<u>Fund Reclassification</u>	<u>Balance as Restated January 1, 2005</u>
Governmental Funds	\$ 9,121,341	\$ (650)	\$ 9,120,691
Agency Fund	161,196	650	161,846

IV. Other Information

A. Risk Management

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

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions 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

The City has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Self-Insurance Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$75,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. Amounts are paid into the fund by all funds with payrolls and are available to pay claims, claim reserves, and administrative costs of the program. Interfund premiums are based upon an overall premium percentage which is applied to each fund's gross wages and are reported as quasi-external interfund transactions.

Job Related Illnesses or Injuries

During 1990, the City joined the Indiana Public Employer's Plan, Inc., a public entity risk pool currently operating as a common risk management and insurance program for member governmental entities. This risk pool was formed in 1989. The purpose of the risk pool is to provide a medium for the funding and administration of workers compensation claims. The City pays an annual premium to the risk pool for its workers compensation coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Subsequent Events

In 2006, the City of Jeffersonville plans to construct the Ken Ellis Senior Center for an estimated cost of \$844,252. The City plans to fund the project with a Community Focus Fund Grant from the State of Indiana in the amount of \$500,000 and to commit other local funds including Economic Development Income Tax (EDIT) to cover the difference.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

In 2006, the City of Jeffersonville has entered into an agreement with the Indiana Department of Transportation to perform the project called Enhancement of the Ohio River Greenway. The estimated project cost is \$2,700,000 of which, \$1,000,000 will be provided in federal matching grant funds. The U.S. Army Corps of Engineers and the City will provide the remaining funds that are required.

In 2006, the City of Jeffersonville Drainage Board has contracted with a company to build the Meadows Subdivision Detention Basin in the amount of \$1,192,327. Included in the project are funds for land acquisition in the amount of \$185,000. The funding of the project is to be provided by the 2003 Drainage bond proceeds.

In 2006, the City of Jeffersonville has entered into a lease agreement for sound and lighting equipment in the amount of \$196,859 for the City's River Stage Park. The terms of the lease are for payments of \$3,214 a month for 72 months.

In 2006, the City of Jeffersonville has entered into a lease agreement with the Jeffersonville Building Corporation for the construction and equipping of two fire stations, a city services building, and various other related improvements to the City. The total cost of the project is not to exceed \$11,000,000. Payments for the lease are to be made from tax increment revenues collected in the service area. Part of this project are two agreements for the purchase of real property. The total purchase price for both agreements is \$1,250,000.

C. Contingent Liabilities

The City of Jeffersonville currently has several cases in various stages of litigation. The maximum potential loss to the City is approximately \$2,000,000; however, the probability of a favorable or unfavorable outcome to the City has not been determined.

D. Postemployment Benefits

In addition to the pension benefits described below, the City provides postemployment health insurance benefits, as authorized by Indiana Code 5-10-8, to all employees who retire from the City on or after attaining age 55 with at least 20 years of service and the last ten years of service are completed immediately preceding the retirement date. A retiree may continue in the City's self-insurance plan until the retiree reaches eligibility age under the federal Medicare program in which the City's insurance plan will automatically terminate. Currently, 22 retirees meet these eligibility requirements. The City and retirees provide 70% and 30%, respectively, for family coverage and 77% and 23%, respectively, for single coverage, of these postemployment benefits. Disbursements for those postemployment benefits are recognized on a pay-as-you-go basis. Disbursements for postemployment benefits cannot be reasonably estimated.

E. Wastewater Management Agreement

The City of Jeffersonville has entered into an agreement with Environmental Management Corporation (EMC) to manage and operate the City's wastewater plant and its collection system. The agreement, dated April 25, 2004, with subsequent amendments, expires April 30, 2007. Under the terms of the agreement, compensation is adjusted May 1 of each year of the contract term. Compensation paid by the Utility in 2005 was \$1,165,010.

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

F. Property Leases

The City leased riverfront property to Kingfish Restaurant in 1998. The terms of the lease require rental payments in the amount of \$30,000 annually, over a ten year period, plus 1.5% of tenant's gross sales in excess of three million dollars. At the end of the ten year period, the property may be purchased from the City for \$100,000.

The City has entered a lease agreement with Community Action of Southern Indiana, Inc. The terms of the lease call for the City to receive annual rent of \$180,000 for a period of ten years beginning January 2002. The City retains ownership of the property at the end of the rental agreement.

G. Rate Structure – Enterprise Funds

Wastewater Utility

The current rate structure was approved by the City Council on December 6, 2004.

H. Pension Plans

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

a. Public Employees' Retirement Fund

Plan Description

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

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

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

Funding Policy and Annual Pension Cost

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

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Information to segregate the assets/liabilities and the actuarial study figures between the City and the Utilities is not available.

b. 1925 Police Officers' Pension Plan

Plan Description

The City contributes to the 1925 Police Officers' Pension Plan, which is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan 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 City's annual pension cost and related information as provided by the actuary is presented in this note.

c. 1937 Firefighters' Pension Plan

Plan Description

The City 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 (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 and Annual Pension Cost

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

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF (Civil City)	PERF (Park)	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 116,465	\$ 15,250	\$ 1,521,700	\$ 1,960,000
Interest on net pension obligation	(7,686)	(949)	340,700	453,100
Adjustment to annual required contribution	8,758	1,082	(595,100)	(791,500)
Annual pension cost	117,537	15,383	1,267,300	1,621,600
Contributions made	154,916	18,814	514,189	445,022
Increase (decrease) in net pension obligation	(37,379)	(3,431)	753,111	1,176,578
Net pension obligation, beginning of year	(106,008)	(13,093)	5,046,789	6,712,111
Net pension obligation, end of year	<u>\$ (143,387)</u>	<u>\$ (16,524)</u>	<u>\$ 5,799,900</u>	<u>\$ 7,888,689</u>

	PERF Civil City	PERF Park	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:				
City	4.75%	5%	1790%	577%
Plan members	3%	3%	6%	6%
Actuarial valuation date	07-01-05	07-01-05	01-01-05	01-01-05
Actuarial cost method	Entry age	Entry age	Entry age	Entry age
Amortization method	Level	Level	Level	Level
	percentage of projected payroll, closed	percentage of projected payroll, closed	percentage of projected payroll, closed	percentage of projected payroll, closed
Amortization period	40 years	40 years	30 years	30 years
Amortization period (from date)	07-01-97	07-01-97	12-31-77	12-31-77
Asset valuation method	75% of expected actuarial value plus 25% of market value	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	6%	6%
Projected future salary increases:			
Total	5%	4%	4%
Attributed to inflation	4%	4%	4%
Attributed to merit/seniority	1%	0%	0%
Cost-of-living adjustments	2%	2.75/4%*	2.75/4%*

\*2.75% converted members; 4% nonconverted members

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF (Civil City)	06-30-03	\$ 160,015	79%	\$ (99,942)
	06-30-04	129,062	105%	(106,008)
	06-30-05	117,537	120%	(143,387)
PERF (Park)	06-30-03	14,677	140%	(5,422)
	06-30-04	12,076	164%	(13,093)
	06-30-05	15,383	156%	(16,524)
1925 Police Officers' Pension Plan	12-31-02	1,260,900	90%	4,340,727
	12-31-03	1,298,000	46%	5,046,789
	12-31-04	1,267,300	41%	5,799,900
1937 Firefighters' Pension Plan	12-31-02	1,654,200	79%	5,778,584
	12-31-03	1,620,400	42%	6,712,111
	12-31-04	1,621,600	27%	7,888,689

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2005, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	31	37
Current active employees	-	2

CITY OF JEFFERSONVILLE  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

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

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting and requirements for contributions by employers and by employees. Covered employees may retire at age 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. 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 City is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' and firefighters' salary. The contribution requirements of plan members and the City are established by the Board of Trustees of PERF. The City's contributions to the plan for the years ending December 31, 2005, 2004, and 2003, were \$885,539, \$853,258, and \$788,500, respectively, equal to the required contributions for each year.

CITY OF JEFFERSONVILLE  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund (Civil City)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 2,404,497	\$ 2,305,461	\$ 99,036	104%	\$ 2,994,821	3%
07-01-04	2,449,699	2,325,758	123,941	105%	2,785,959	4%
07-01-05	2,575,118	2,772,808	(197,690)	93%	3,082,868	(6%)

Public Employees' Retirement Fund (Park)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over (Unfunded) AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess (Unfunded) AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-03	\$ 354,758	\$ 316,096	\$ 38,662	112%	\$ 340,138	11%
07-01-04	361,235	372,142	(10,907)	97%	328,478	(3%)
07-01-05	376,060	495,143	(119,083)	76%	408,868	(29%)

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)
01-01-00	\$ 11,024	\$ 12,992,500	\$(12,981,476)	0%	\$ 213,600	(6,077%)
01-01-01	8,430	13,086,200	(13,077,770)	0%	185,100	(7,065%)
01-01-02	(11,425)	13,273,000	(13,284,425)	0%	191,600	(6,933%)
01-01-03	530,439	13,253,000	(12,722,561)	4%	238,000	(5,346%)
01-01-04	453,237	13,059,400	(12,606,163)	3%	123,800	(10,183%)
01-01-05	182,177	12,239,800	(12,057,623)	1%	85,000	(14,185%)

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)
01-01-00	\$ 611,005	\$ 17,381,300	\$(16,770,295)	4%	\$ 427,200	(3,926%)
01-01-01	609,136	17,123,700	(16,514,564)	4%	370,300	(4,460%)
01-01-02	623,691	17,080,200	(16,456,509)	4%	383,200	(4,294%)
01-01-03	1,105,152	15,422,900	(14,317,748)	7%	476,000	(3,008%)
01-01-04	943,388	16,438,400	(15,495,012)	6%	330,100	(4,694%)
01-01-05	592,776	16,190,700	(15,597,924)	4%	339,900	(4,589%)

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

	<u>Year Ending</u>	<u>Annual Required Contribution (ARC)</u>	<u>Percentage of ARC Contributed City</u>
1925 Police Officers' Pension Plan	12-31-99	\$ 1,306,400	39%
	12-31-00	1,315,400	42%
	12-31-01	1,361,700	45%
	12-31-02	1,431,900	79%
	12-31-03	1,493,800	40%
	12-31-04	1,521,700	34%
1937 Firefighters' Pension Plan	12-31-99	1,692,500	49%
	12-31-00	1,796,700	41%
	12-31-01	1,813,600	42%
	12-31-02	1,874,600	70%
	12-31-03	1,881,000	37%
	12-31-04	1,960,000	23%

Note: Information was not available for the percentage of ARC contributed by the State of Indiana.

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005

	Motor Vehicle Highway	Local Road and Street	Street Department Nonreverting	Park and Recreation	INDOT and Jeff City	Fire Department Nonreverting
Receipts:						
Taxes	\$ 95,458	\$ -	\$ -	\$ 1,305,043	\$ -	\$ -
Intergovernmental	859,596	784,082	-	214,381	40,419	-
Charges for services	4,041	-	-	600	-	-
Other	75,409	-	-	-	-	13,859
<b>Total receipts</b>	<b>1,034,504</b>	<b>784,082</b>	<b>-</b>	<b>1,520,024</b>	<b>40,419</b>	<b>13,859</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	4,050
Highways and streets	958,222	712,489	-	-	26,881	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	1,005,707	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	130,000	-	-
Interest	-	-	-	206,893	-	-
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>958,222</b>	<b>712,489</b>	<b>-</b>	<b>1,342,600</b>	<b>26,881</b>	<b>4,050</b>
Excess (deficiency) of revenue over disbursements	<u>76,282</u>	<u>71,593</u>	<u>-</u>	<u>177,424</u>	<u>13,538</u>	<u>9,809</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	76,282	71,593	-	177,424	13,538	9,809
Cash and investment fund balance - beginning	<u>160,781</u>	<u>613,365</u>	<u>3,631</u>	<u>(263,806)</u>	<u>21,430</u>	<u>-</u>
Cash and investment fund balance - ending	<u>\$ 237,063</u>	<u>\$ 684,958</u>	<u>\$ 3,631</u>	<u>\$ (86,382)</u>	<u>\$ 34,968</u>	<u>\$ 9,809</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ -	\$ -	\$ -	\$ (86,382)	\$ -	\$ -
Restricted assets:						
Cash and investments	<u>237,063</u>	<u>684,958</u>	<u>3,631</u>	<u>-</u>	<u>34,968</u>	<u>9,809</u>
<b>Total cash and investment assets - December 31</b>	<u>\$ 237,063</u>	<u>\$ 684,958</u>	<u>\$ 3,631</u>	<u>\$ (86,382)</u>	<u>\$ 34,968</u>	<u>\$ 9,809</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 9,809
Highways and streets	237,063	684,958	3,631	-	34,968	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>(86,382)</u>	<u>-</u>	<u>-</u>
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 237,063</u>	<u>\$ 684,958</u>	<u>\$ 3,631</u>	<u>\$ (86,382)</u>	<u>\$ 34,968</u>	<u>\$ 9,809</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Animal Shelter Spay/ Neuter Program	Animal Shelter Building and Capital Improvement	Mayor's Nonreverting	Riverfront Park Nonreverting	Park Special Nonreverting	City Engineer Nonreverting
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	22,312	-	-	-	446,713	-
Other	-	-	-	32,175	2,921	16,370
<b>Total receipts</b>	<b>22,312</b>	<b>-</b>	<b>-</b>	<b>32,175</b>	<b>449,634</b>	<b>16,370</b>
Disbursements:						
General government	-	-	-	-	-	14,585
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	15,334	-	-	-	-	-
Culture and recreation	-	-	-	22,317	343,552	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>15,334</b>	<b>-</b>	<b>-</b>	<b>22,317</b>	<b>343,552</b>	<b>14,585</b>
Excess (deficiency) of revenue over disbursements	6,978	-	-	9,858	106,082	1,785
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,978	-	-	9,858	106,082	1,785
Cash and investment fund balance - beginning	9,498	181	52	18,797	68,665	39,459
Cash and investment fund balance - ending	<u>\$ 16,476</u>	<u>\$ 181</u>	<u>\$ 52</u>	<u>\$ 28,655</u>	<u>\$ 174,747</u>	<u>\$ 41,244</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ -	\$ -	\$ 52	\$ -	\$ -	\$ 41,244
Restricted assets:						
Cash and investments	16,476	181	-	28,655	174,747	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 16,476</u>	<u>\$ 181</u>	<u>\$ 52</u>	<u>\$ 28,655</u>	<u>\$ 174,747</u>	<u>\$ 41,244</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	16,476	-	-	-	-	-
Culture and recreation	-	-	-	28,655	174,747	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	181	-	-	-	-
Unrestricted	-	-	52	-	-	41,244
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 16,476</u>	<u>\$ 181</u>	<u>\$ 52</u>	<u>\$ 28,655</u>	<u>\$ 174,747</u>	<u>\$ 41,244</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Cops Grant Salaries	Share of Gaming Revenue	Building Demolition Nonreverting	CFF-Grant Greenwood	Grant City Court	Clerk's Record Perpetuation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	327,624	172,538	-	497,753	3,585	-
Charges for services	-	-	-	-	-	1,644
Other	-	-	-	-	-	-
<b>Total receipts</b>	<b>327,624</b>	<b>172,538</b>	<b>-</b>	<b>497,753</b>	<b>3,585</b>	<b>1,644</b>
Disbursements:						
General government	-	-	11	-	-	-
Public safety	-	-	-	-	2,254	914
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	497,753	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>-</b>	<b>11</b>	<b>497,753</b>	<b>2,254</b>	<b>914</b>
Excess (deficiency) of revenue over disbursements	327,624	172,538	(11)	-	1,331	730
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	327,624	172,538	(11)	-	1,331	730
Cash and investment fund balance - beginning	240,784	172,712	23,865	-	-	5,494
Cash and investment fund balance - ending	<u>568,408</u>	<u>345,250</u>	<u>23,854</u>	<u>\$ -</u>	<u>1,331</u>	<u>6,224</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ -	\$ 345,250	\$ -	\$ -	\$ -	\$ 6,224
Restricted assets:						
Cash and investments	568,408	-	23,854	-	1,331	-
<b>Total cash and investment assets - December 31</b>	<u>\$ 568,408</u>	<u>\$ 345,250</u>	<u>\$ 23,854</u>	<u>\$ -</u>	<u>\$ 1,331</u>	<u>\$ 6,224</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ 568,408	\$ -	\$ -	\$ -	\$ 1,331	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	23,854	-	-	-
Unrestricted	-	345,250	-	-	-	6,224
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 568,408</u>	<u>\$ 345,250</u>	<u>\$ 23,854</u>	<u>\$ -</u>	<u>\$ 1,331</u>	<u>\$ 6,224</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Jeff Park and Ride	Donations	Probation User Fee	City Court Nonreverting	Nonreverting Floating Stage	TIF 63 Vogt Valve
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 115,858
Intergovernmental	26,353	-	-	-	-	-
Charges for services	-	-	199,770	80,906	-	-
Other	-	123,945	-	441	-	-
<b>Total receipts</b>	<b>26,353</b>	<b>123,945</b>	<b>199,770</b>	<b>81,347</b>	<b>-</b>	<b>115,858</b>
Disbursements:						
General government	-	93,473	-	-	-	-
Public safety	32,994	-	146,228	82,864	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	58,475
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	80,378
Interest	-	-	-	-	-	44,622
Capital outlay	-	-	-	-	-	-
<b>Total disbursements</b>	<b>32,994</b>	<b>93,473</b>	<b>146,228</b>	<b>82,864</b>	<b>-</b>	<b>183,475</b>
Excess (deficiency) of revenue over disbursements	(6,641)	30,472	53,542	(1,517)	-	(67,617)
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,641)	30,472	53,542	(1,517)	-	(67,617)
Cash and investment fund balance - beginning	(13,189)	6,570	204,681	3,077	687	52,102
Cash and investment fund balance - ending	<u>\$ (19,830)</u>	<u>\$ 37,042</u>	<u>\$ 258,223</u>	<u>\$ 1,560</u>	<u>\$ 687</u>	<u>\$ (15,515)</u>
<b><u>Cash and Investment Assets - December 31</u></b>						
Cash and investments	\$ (19,830)	\$ 37,042	\$ -	\$ -	\$ -	\$ (15,515)
Restricted assets:						
Cash and investments	-	-	258,223	1,560	687	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ (19,830)</u></b>	<b><u>\$ 37,042</u></b>	<b><u>\$ 258,223</u></b>	<b><u>\$ 1,560</u></b>	<b><u>\$ 687</u></b>	<b><u>\$ (15,515)</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>						
Restricted for:						
Public safety	\$ -	\$ -	\$ 258,223	\$ 1,560	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	687	-
Urban redevelopment	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	(19,830)	37,042	-	-	-	(15,515)
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ (19,830)</u></b>	<b><u>\$ 37,042</u></b>	<b><u>\$ 258,223</u></b>	<b><u>\$ 1,560</u></b>	<b><u>\$ 687</u></b>	<b><u>\$ (15,515)</u></b>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	TIF 64 Galvstar	TIF 65 Gateway	TIF 66 Keystone	TIF 67 Bethnova	TIF 57 61-ICR	TIF 57,61-ICR Redevelopment Capital
Receipts:						
Taxes	\$ 23,663	\$ 1,739	\$ 38,239	\$ 23,369	\$ 893,465	\$ -
Intergovernmental	-	-	-	-	675,382	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	<u>23,663</u>	<u>1,739</u>	<u>38,239</u>	<u>23,369</u>	<u>1,568,847</u>	<u>-</u>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	513	-	13,289	675,517	9,290
Economic development	-	-	-	-	-	-
Debt service:						
Principal	88,000	-	50,558	46,029	-	-
Interest	-	-	34,442	3,971	-	62,595
Capital outlay	-	-	-	-	-	-
Total disbursements	<u>88,000</u>	<u>513</u>	<u>85,000</u>	<u>63,289</u>	<u>675,517</u>	<u>71,885</u>
Excess (deficiency) of revenue over disbursements	<u>(64,337)</u>	<u>1,226</u>	<u>(46,761)</u>	<u>(39,920)</u>	<u>893,330</u>	<u>(71,885)</u>
Other financing sources (uses)						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(64,337)</u>	<u>1,226</u>	<u>(46,761)</u>	<u>(39,920)</u>	<u>893,330</u>	<u>(71,885)</u>
Cash and investment fund balance - beginning	<u>40,017</u>	<u>2,626</u>	<u>21,652</u>	<u>5,784</u>	<u>192,434</u>	<u>-</u>
Cash and investment fund balance - ending	<u><u>(24,320)</u></u>	<u><u>3,852</u></u>	<u><u>(25,109)</u></u>	<u><u>(34,136)</u></u>	<u><u>1,085,764</u></u>	<u><u>(71,885)</u></u>
<u>Cash and Investment Assets - December 31</u>						
Cash and investments	\$ (24,320)	\$ -	\$ (25,109)	\$ (34,136)	\$ -	\$ (71,885)
Restricted assets:						
Cash and investments	-	3,852	-	-	1,085,764	-
Total cash and investment assets - December 31	<u><u>(24,320)</u></u>	<u><u>3,852</u></u>	<u><u>(25,109)</u></u>	<u><u>(34,136)</u></u>	<u><u>1,085,764</u></u>	<u><u>(71,885)</u></u>
<u>Cash and Investment Fund Balance - December 31</u>						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment	-	3,852	-	-	1,085,764	-
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>(24,320)</u>	<u>-</u>	<u>(25,109)</u>	<u>(34,136)</u>	<u>-</u>	<u>(71,885)</u>
Total cash and investment fund balance - December 31	<u><u>(24,320)</u></u>	<u><u>3,852</u></u>	<u><u>(25,109)</u></u>	<u><u>(34,136)</u></u>	<u><u>1,085,764</u></u>	<u><u>(71,885)</u></u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	TIF 62 Harbour Falls	Sprint Lease Nonreverting	Department of Law Nonreverting	Cumulative Capital Improvement	City County Building Rental
<b>Receipts:</b>					
Taxes	\$ 819,811	\$ -	\$ -	\$ -	\$ 109,852
Intergovernmental	-	-	-	84,583	-
Charges for services	-	-	-	-	-
Other	-	12,000	-	-	1,587
<b>Total receipts</b>	<b>819,811</b>	<b>12,000</b>	<b>-</b>	<b>84,583</b>	<b>111,439</b>
<b>Disbursements:</b>					
General government	-	-	-	-	-
Public safety	-	-	1,911	-	-
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	702,257	-	-	-	-
Economic development	-	-	-	-	-
<b>Debt service:</b>					
Principal	130,000	-	-	-	-
Interest	69,639	-	-	-	-
Capital outlay	-	-	-	-	-
<b>Total disbursements</b>	<b>901,896</b>	<b>-</b>	<b>1,911</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of revenue over disbursements	(82,085)	12,000	(1,911)	84,583	111,439
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(82,085)	12,000	(1,911)	84,583	111,439
Cash and investment fund balance - beginning	161,216	28,669	5,359	168,890	(111,439)
Cash and investment fund balance - ending	<u>\$ 79,131</u>	<u>\$ 40,669</u>	<u>\$ 3,448</u>	<u>\$ 253,473</u>	<u>\$ -</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ -	\$ 40,669	\$ -	\$ -	\$ -
<b>Restricted assets:</b>					
Cash and investments	79,131	-	3,448	253,473	-
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 79,131</u></b>	<b><u>\$ 40,669</u></b>	<b><u>\$ 3,448</u></b>	<b><u>\$ 253,473</u></b>	<b><u>\$ -</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
<b>Restricted for:</b>					
Public safety	\$ -	\$ -	\$ 3,448	\$ -	\$ -
Highways and streets	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment	79,131	-	-	-	-
Capital outlay	-	-	-	253,473	-
Unrestricted	-	40,669	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 79,131</u></b>	<b><u>\$ 40,669</u></b>	<b><u>\$ 3,448</u></b>	<b><u>\$ 253,473</u></b>	<b><u>\$ -</u></b>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
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 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	Police Automobile Nonreverting	Cumulative Capital Development	Sidewalk Renovation Nonreverting	Law Enforcement Continuing Education	Tree Planting Nonreverting
Receipts:					
Taxes	\$ -	\$ 273,288	\$ -	\$ -	\$ -
Intergovernmental	-	40,158	-	-	-
Charges for services	36,927	-	-	33,893	-
Other	-	-	6,237	1,224	-
	<u>36,927</u>	<u>313,446</u>	<u>6,237</u>	<u>35,117</u>	<u>-</u>
Total receipts	<u>36,927</u>	<u>313,446</u>	<u>6,237</u>	<u>35,117</u>	<u>-</u>
Disbursements:					
General government	-	-	-	-	-
Public safety	38,189	-	-	49,134	-
Highways and streets	-	-	12,454	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay	-	465,023	-	-	-
	<u>38,189</u>	<u>465,023</u>	<u>12,454</u>	<u>49,134</u>	<u>-</u>
Total disbursements	<u>38,189</u>	<u>465,023</u>	<u>12,454</u>	<u>49,134</u>	<u>-</u>
Excess (deficiency) of revenue over disbursements	<u>(1,262)</u>	<u>(151,577)</u>	<u>(6,217)</u>	<u>(14,017)</u>	<u>-</u>
Other financing sources (uses)					
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(1,262)</u>	<u>(151,577)</u>	<u>(6,217)</u>	<u>(14,017)</u>	<u>-</u>
Cash and investment fund balance - beginning	<u>15,240</u>	<u>(578,752)</u>	<u>11,140</u>	<u>23,636</u>	<u>5,000</u>
Cash and investment fund balance - ending	<u>\$ 13,978</u>	<u>\$ (730,329)</u>	<u>\$ 4,923</u>	<u>\$ 9,619</u>	<u>\$ 5,000</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ -	\$ (730,329)	\$ -	\$ -	\$ 5,000
Restricted assets:					
Cash and investments	<u>13,978</u>	<u>-</u>	<u>4,923</u>	<u>9,619</u>	<u>-</u>
Total cash and investment assets - December 31	<u>\$ 13,978</u>	<u>\$ (730,329)</u>	<u>\$ 4,923</u>	<u>\$ 9,619</u>	<u>\$ 5,000</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Public safety	\$ 13,978	\$ -	\$ -	\$ 9,619	\$ -
Highways and streets	-	-	4,923	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	<u>-</u>	<u>(730,329)</u>	<u>-</u>	<u>-</u>	<u>5,000</u>
Total cash and investment fund balance - December 31	<u>\$ 13,978</u>	<u>\$ (730,329)</u>	<u>\$ 4,923</u>	<u>\$ 9,619</u>	<u>\$ 5,000</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND  
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS  
 OTHER GOVERNMENTAL FUNDS  
 For The Year Ended December 31, 2005  
 (Continued)

	CASI	Redevelopment Grant Fund	Redevelopment Revolving Loan	Redevelopment Operating	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,699,785
Intergovernmental	-	167,583	-	-	3,894,037
Charges for services	-	-	-	7,684	834,490
Other	120,000	388,797	80,378	161,431	1,036,774
<b>Total receipts</b>	<b>120,000</b>	<b>556,380</b>	<b>80,378</b>	<b>169,115</b>	<b>9,465,086</b>
<b>Disbursements:</b>					
General government	-	-	-	-	108,069
Public safety	-	-	-	-	358,538
Highways and streets	-	-	-	-	1,710,046
Health and welfare	-	-	-	-	15,334
Culture and recreation	-	-	-	-	1,371,576
Urban redevelopment and housing	1,850	416,272	605	183,431	2,061,499
Economic development	-	-	-	-	497,753
<b>Debt service:</b>					
Principal	76,439	-	-	-	601,404
Interest	27,047	-	-	-	449,209
Capital outlay	-	-	-	-	465,023
<b>Total disbursements</b>	<b>105,336</b>	<b>416,272</b>	<b>605</b>	<b>183,431</b>	<b>7,638,451</b>
Excess (deficiency) of revenue over disbursements	14,664	140,108	79,773	(14,316)	1,826,635
<b>Other financing sources (uses)</b>					
Transfers in	-	-	-	5,000	5,000
Transfers out	-	(5,000)	-	-	(5,000)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(5,000)</b>	<b>-</b>	<b>5,000</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	14,664	135,108	79,773	(9,316)	1,826,635
Cash and investment fund balance - beginning	142,853	13,241	95,220	200,163	1,811,785
Cash and investment fund balance - ending	<u>\$ 157,517</u>	<u>\$ 148,349</u>	<u>\$ 174,993</u>	<u>\$ 190,847</u>	<u>\$ 3,638,420</u>
<b><u>Cash and Investment Assets - December 31</u></b>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ (532,025)
<b>Restricted assets:</b>					
Cash and investments	157,517	148,349	174,993	190,847	4,170,445
<b>Total cash and investment assets - December 31</b>	<b><u>\$ 157,517</u></b>	<b><u>\$ 148,349</u></b>	<b><u>\$ 174,993</u></b>	<b><u>\$ 190,847</u></b>	<b><u>\$ 3,638,420</u></b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
<b>Restricted for:</b>					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 866,376
Highways and streets	-	-	-	-	965,543
Health and welfare	-	-	-	-	16,476
Culture and recreation	-	-	-	-	204,089
Urban redevelopment	157,517	148,349	174,993	190,847	1,840,453
Capital outlay	-	-	-	-	277,508
Unrestricted	-	-	-	-	(532,025)
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 157,517</u></b>	<b><u>\$ 148,349</u></b>	<b><u>\$ 174,993</u></b>	<b><u>\$ 190,847</u></b>	<b><u>\$ 3,638,420</u></b>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2005

	<u>Fire Pension</u>	<u>Police Pension</u>	<u>Total</u>
Additions:			
Contributions:			
Employer	\$ 171,290	\$ 60,173	\$ 231,463
State	560,053	466,208	1,026,261
Other	<u>12,746</u>	<u>5,098</u>	<u>17,844</u>
Total contributions	<u>744,089</u>	<u>531,479</u>	<u>1,275,568</u>
Deductions:			
Benefits	856,453	676,988	1,533,441
Other	<u>2,552</u>	<u>1,168</u>	<u>3,720</u>
Total deductions	<u>859,005</u>	<u>678,156</u>	<u>1,537,161</u>
Deficiency of total additions over total deductions	(114,916)	(146,677)	(261,593)
Cash and investment fund balance - beginning	<u>592,776</u>	<u>182,176</u>	<u>774,952</u>
Cash and investment fund balance - ending	<u>\$ 477,860</u>	<u>\$ 35,499</u>	<u>\$ 513,359</u>

CITY OF JEFFERSONVILLE  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2005

	<u>Court Cost Due County</u>	<u>User Fees</u>	<u>City Court</u>	<u>Redevelopment Payroll</u>	<u>General Petty Cash</u>	<u>Park Petty Cash</u>	<u>Total</u>
Additions:							
Agency fund additions	\$ 18,594	\$ 2,508	\$ 577,919	\$ 107,004	\$ -	\$ -	\$ 706,025
Deductions:							
Agency fund deductions	-	-	562,084	99,796	-	-	661,880
Excess (deficiency) of total additions over total deductions	18,594	2,508	15,835	7,208	-	-	44,145
Cash and investment fund balance - beginning	71,174	21,903	93,564	(6,825)	500	150	180,466
Cash and investment fund balance - ending	<u>\$ 89,768</u>	<u>\$ 24,411</u>	<u>\$ 109,399</u>	<u>\$ 383</u>	<u>\$ 500</u>	<u>\$ 150</u>	<u>\$ 224,611</u>

CITY OF JEFFERSONVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2005

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

General infrastructure assets (those reported by governmental activities) are included regardless of their acquisition date or amount. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 4,578,260
Infrastructure	2,871,531
Buildings	9,000,435
Improvements other than buildings	2,633,929
Machinery and equipment	4,109,409
Construction in progress	<u>2,024,255</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 25,217,819</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	\$ 876,703
Infrastructure	1,252,409
Infrastructure - Drainage	1,815,498
Construction in progress	544,986
Construction in progress - Drainage	38,625
Buildings	18,417,707
Improvements other than buildings	20,744,624
Machinery and equipment	846,222
Machinery and equipment - Drainage	<u>105,430</u>
 Total Wastewater Utility capital assets	 <u>44,642,204</u>
 Total business-type activities capital assets	 <u>\$ 44,642,204</u>

CITY OF JEFFERSONVILLE  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2005

Description of Asset	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>		
Capital leases:		
1997 Fire Truck	\$ 130,228	\$ -
2002 Fire Truck	183,614	62,218
2005 Garbage Trucks (2)	215,292	44,743
Galvpro - Redevelopment Authority	1,075,000	-
Riverside Landing - Redevelopment Authority	3,349,779	262,223
Aquatic Center - Redevelopment Authority	3,895,000	140,000
Notes and loans payable		
Redevelopment Loan - CASI	525,814	525,814
Redevelopment Loan - Koetter	385,162	-
Redevelopment Loan - Mullis Project	576,102	-
2000 Tax Increment Revenue Loan - Bethnova	199,029	-
State Infrastructure Bank Program Loan	2,857,500	-
Tax Anticipation Warrants	10,000,000	10,000,000
Bonds payable:		
Revenue bonds:		
2003 Capital Development Tourism Bonds	272,253	28,468
2005 Tax Increment Revenue Bonds - Series A - City Hall	2,995,000	250,000
2005 Tax Increment Revenue Bonds - Series B - MedVenture	1,547,862	-
<b>Total governmental activities long-term debt</b>	<b><u>\$ 28,207,635</u></b>	<b><u>\$ 11,313,466</u></b>
<b>Business-type Activities:</b>		
Wastewater Utility		
Capital leases:		
2001 Catepillar Excavator	\$ 38,947	\$ 38,947
Notes and Loans Payable:		
1999 State Revolving Loan	2,664,908	140,683
Revenue bonds:		
1998 Wastewater improvement revenue bonds	4,835,000	275,000
2003 Drainage improvement revenue bonds	2,995,000	120,000
2004 Wastewater refunding revenue bonds	3,355,000	620,000
2005 Sewage works revenue bonds	6,500,000	-
<b>Total business-type activities long-term debt:</b>	<b><u>\$ 20,388,855</u></b>	<b><u>\$ 1,194,630</u></b>

CITY OF JEFFERSONVILLE  
OTHER REPORTS

The annual report presented herein was prepared in addition to other official reports prepared for the individual City offices listed below:

City Court  
Special Report - City's Attorney Employment Contract  
Animal Shelter

CITY OF JEFFERSONVILLE  
AUDIT RESULTS AND COMMENTS

CREDIT CARDS (Applies to Common Council)

The Common Council has authorized the use of credit cards through an ordinance for the following: Mayor, Council Members, Clerk-Treasurer, City Attorney and the Parks Department. Other departments, such as the police and fire departments, are using credit cards to purchase items without an approved credit card policy. There were no other ordinances or resolutions presented for audit addressing credit plans or department credit cards other than those previously stated.

The State Board of Accounts will not take exception to the use of credit cards by a governmental unit provided the following criteria are observed:

- (1) The governing board must authorize credit card use through an ordinance or resolution, which has been approved in the minutes.
- (2) Issuance and use should be handled by an official or employee designated by the board.
- (3) The purposes for which the credit card may be used must be specifically stated in the ordinance or resolution.
- (4) When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
- (5) The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
- (6) Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
- (7) Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
- (8) If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FAILURE TO APPROPRIATE LOCAL LAW ENFORCEMENT CONTINUING  
EDUCATION FUND (Applies to Clerk-Treasurer and Common Council)

The City expended \$49,134 from the Local Law Enforcement Continuing Education Fund without an approved appropriation being established prior to payment.

Amount claimed for expenditures for the Local Law Enforcement Continuing Education Fund must have been appropriated prior to expenditure either through the normal budget process or by additional appropriation. (Cities and Towns Bulletin and Uniform Compliance Guidelines, June, 2005)

CITY OF JEFFERSONVILLE  
AUDIT RESULTS AND COMMENTS  
(Continued)

PARK SPECIAL NONREVERTING FUND (Applies to Park and Recreation Department)

The Park and Recreation Board created a Nonreverting Operating Fund in 1999 for the purpose of receiving and holding activity fees charged by the Park and Recreation Board. Expenditures in the amount of \$343,552 were made from the fund in 2005 without an appropriation being established by the Board.

City Ordinance No. 99-OR-77 creating the Nonreverting Operating Fund states in part: ". . . monies may be expended from this fund only upon the filing of a proper claim in issuance of a warrant for payment by the Clerk-Treasurer after appropriation by the Board."

Indiana Code 36-10-3-22(b) states in part: "The unit's fiscal body may establish by ordinance, upon request of the board: (1) a special Nonreverting Operating Fund for park purposes from which expenditures may be made as provided by ordinance, either by appropriation by the board or by the unit's fiscal body; . . ."

Each governmental unit is responsible for complying with the ordinance, resolutions and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

INTERNAL CONTROLS OVER AQUATIC CENTER FINANCIAL ACTIVITY (Applies to Park and Recreation Department)

Controls for receipts and disbursements at the swimming pool are insufficient. The following items were noted in our review of the swimming pool financial activity:

- (1) A customer wishing to purchase a season pass completed an application. The application contains sections for residency determination, name of the pass holder, name of related city employee, if any, for employee discounts, receipt number for receipt issued, and the pass number for the pass issued. These sections were not always completed or, in some cases, completed inaccurately. In a test of 20 applications, 4 applications computed fees incorrectly; 2 applications referenced receipts that had been voided and 4 applications did not show the related receipt numbers.

When season passes were sold at the pool, the Director submitted a daily Report of Collections of season pass sales to the Park Office. The report showed receipt numbers issued to customers and total collections. However, when a customer made a combined payment for season passes and swim lessons and/or swim team membership, the entire amount was included on the Report of Collections as season pass sales.

- (2) One Report of Collections reviewed during the audit referenced a series of receipts that, when summarized, were \$100 more than the amount reported and deposited. There was no explanation for the difference on the Report of Collections. In another instance, a report of collections showed that the amount deposited was less than the total collections because cash on hand was used to purchase concession stand supplies.

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)

Disbursements, other than proper petty cash disbursements, shall be made by check or warrant, not by cash or other method unless specifically authorized by statute, federal or state rule. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF JEFFERSONVILLE  
AUDIT RESULTS AND COMMENTS  
(Continued)

FIRE PENSION BENEFITS (Applies to Firefighter's Pension Plan)

As a result of an error in computing retirement benefits for 2005, the City overpaid members of the 1937 Firefighter's Pension Fund. Based on the payments we examined, the overpayments ranged between \$200 and \$500 for 37 pensioners.

Governmental units should collect any overpayments made. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

City officials stated that arrangements will be made to collect any overpayments.

EMPLOYEE SERVICE RECORD (Applies to Animal Shelter, Redevelopment, Mayor and Fire Department)

Employee's Service Record, General Form No. 99A, was not always in use or used in the prescribed manner. The Mayor's office, Animal Shelter and Fire Department were using the form; however, the column for the accumulated balance for vacation and sick days were not being maintained. The Redevelopment Director uses a computer software program to record leave earned and used, but it does not show the accumulated leave balances.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OVERDRAWN CASH BALANCES (Applies to Clerk-Treasurer, Common Council, and Redevelopment Commission)

The following funds have overdrawn cash balances as of December 31, 2005, by the amounts shown below:

<u>Clerk-Treasurer/Common Council</u>	<u>Balance Amount</u>
Park and Recreation	\$ (86,382)
Sanitation	(441,163)
Jeff Park and Ride	(19,830)
Cumulative Capital Development	(730,329)
 <u>Redevelopment Commission Funds</u>	
TIF 63 - Vogt Valve	(15,515)
TIF 64 - Galvstar	(24,320)
TIF 66 - Keystone	(25,109)
TIF 67 - Bethnova	(34,136)
TIF 57,61 - ICR	(71,885)

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)

CITY OF JEFFERSONVILLE  
AUDIT RESULTS AND COMMENTS  
(Continued)

REAL ESTATE LEASE (Applies to Department of Redevelopment)

In 2001, the City of Jeffersonville, acting by and through the Department of Redevelopment, entered into a real estate lease with the Community Action Southern Indiana, Inc. (CASI). The term of the lease is a 10 year period beginning December 2001 and ending on the 30th day of November 2011. CASI agrees to pay the City annual rent payments of \$180,000, payable in monthly installments of \$15,000 in advance on the first day of each month during the term of this lease. In April 2004, monthly rent payments received from CASI were reduced to \$10,000. No provision was found in the lease agreement for the reduction of monthly rent payments prior to the term ending. Also, no amended lease was presented for audit.

Payments made or received for contractual services should be supported by a written contract. Each governmental unit is responsible for complying with the provisions of its contracts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FINANCIAL ACTIVITY NOT RECORDED (Applies to the Department of Redevelopment)

The Department of Redevelopment maintains its financial records on computer generated forms. The forms presented for audit did not contain the financial activity for the CASI Fund and the City Hall Bond Fund.

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)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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302 WEST WASHINGTON STREET  
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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS  
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER  
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

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

Compliance

We have audited the compliance of the City of Jeffersonville (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, 2005. 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; 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, 2005.

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 and to test and report on internal control over compliance in accordance with OMB Circular A-133.

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

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws, regulations, contracts and grants that would be material in relation to a major federal program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

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

December 14, 2006

CITY OF JEFFERSONVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2005

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF URBAN AND HOUSING DEVELOPMENT</u>			
Direct Grant			
Community Development Block Grants/Brownfields Economic Development Initiative	14.246	B-02-SP-IN-0226	\$ 300,000
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program	14.228	CF-03-130	<u>497,753</u>
Total for federal grantor agency			<u>797,753</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Public Safety Partnership and Community Policing Grants	16.710	2002UMXO353	127,500
Edward Byrne Memorial Justice Assistance Grant Program	16.738	2005-DJ-BX-1176	<u>18,592</u>
Total for federal grantor agency			<u>146,092</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction.	20.205	SIB -C730(10) & STP-C730(9), DES NO. 9880130, 9880131	75,176
		CM-9910(20) DES#0012600	27,699
		Project 9910029	<u>7,344</u>
Total for program			<u>110,219</u>
Pass-Through Indiana Criminal Justice Institute Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants	20.601	FY 2005	<u>7,100</u>
Pass-Through Indiana Criminal Justice Institute Safety Incentive Grants for Use of Seatbelts	20.604	PT-06-04-07-04	<u>18,250</u>
Total for federal grantor agency			<u>135,569</u>
Total federal awards expended			<u>\$ 1,079,414</u>

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

CITY OF JEFFERSONVILLE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Jeffersonville (City) 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 JEFFERSONVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Qualified

Internal control over financial reporting:

Material weaknesses identified?	no
Reportable conditions 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
Reportable conditions 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 Program or Cluster
14.228	Community Development Block Grants/State's Program
14.246	Community Development Block Grants/Brownfields Economic Development Initiative

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF JEFFERSONVILLE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF JEFFERSONVILLE  
EXIT CONFERENCE

The contents of this report were discussed on December 14, 2006, with Robert L. Waiz, Jr., Mayor; Peggy Wilder, Clerk-Treasurer; Les D. Merkley, City Attorney; Suzy Bass, Chief Deputy Clerk-Treasurer; Barry Cahill, Redevelopment Director; and Rob Poff, Parks and Recreation Director.