

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

ANNUAL FINANCIAL REPORT

2007

CITY OF MOUNT VERNON

POSEY COUNTY, INDIANA



**FILED**  
04/16/2009



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report on Financial Statements and Supplementary Schedule of Expenditures of Federal Awards .....	3-4
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With Government Auditing Standards .....	5-6
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	7
Fund Financial Statements:	
Governmental Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Governmental Funds .....	8
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds .....	9
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	10
Notes to Financial Statements .....	11-20
Required Supplementary Information:	
Schedules of Funding Progress .....	21
Schedules of Contributions From the Employer and Other Contributing Entities .....	22
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds .....	23-26
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds .....	27
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds .....	28
Schedule of Capital Assets .....	29
Schedule of Long-Term Debt .....	30
Audit Results and Comments:	
Delinquent Wastewater Accounts .....	31
Accounts Receivable .....	31-32
Accountable Items .....	32
Capital Asset Records .....	32
Supplemental Audit of Federal Awards:	
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 .....	34-35
Schedule of Expenditures of Federal Awards .....	36
Note to Schedule of Expenditures of Federal Awards .....	37
Schedule of Findings and Questioned Costs .....	38-40
Auditee Prepared Schedules:	
Summary Schedule of Prior Audit Findings .....	41
Corrective Action Plan .....	42
Exit Conference .....	43

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Cristi Wolfe	01-01-04 to 12-31-11
Mayor	Rosemary Knowles John Tucker	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Board of Public Works	Rosemary Knowles John Tucker	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Common Council	Thomas Rueger Bill Curtis	01-01-06 to 12-31-07 01-01-08 to 12-31-09
President of the Utility Service Board	Terry Cooper Vacant Bill Curtis	01-01-06 to 11-20-07 11-21-07 to 12-31-07 01-01-08 to 12-31-09
Superintendent of Water Utility	Chuck Gray	01-01-07 to 12-31-09
Superintendent of Wastewater Utility: Plant Operations Pre-Treatment	Rodney Givens Danny Moss Dennis Givens	01-01-07 to 12-31-09 01-01-07 to 12-31-09 01-01-07 to 12-31-09
Utility Bookkeeper	Wanda Bennett	01-01-07 to 12-31-09



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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 MOUNT VERNON, POSEY 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 Mount Vernon (City), as of and for the year ended December 31, 2007, 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.

In our opinion, 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, 2007, 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 March 12, 2009, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. 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, Schedules 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 required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material 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

March 12, 2009



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

TO: THE OFFICIALS OF THE CITY OF MOUNT VERNON, POSEY COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mount Vernon (City), as of and for the year ended December 31, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated March 12, 2009. The opinions to the financial statements were unqualified. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

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

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

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

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

Compliance and Other Matters

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

The City's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, Board of Public Works, Utility Service Board, 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

March 12, 2009

CITY OF MOUNT VERNON  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2007

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	Totals
Primary government:							
Governmental activities:							
General government	\$ 1,395,382	\$ 197,336	\$ 240,577	\$ 28,916	\$ (928,553)	\$ -	\$ (928,553)
Public safety	1,434,809	6,002	-	-	(1,428,807)	-	(1,428,807)
Highways and streets	744,349	2,133	386,428	-	(355,788)	-	(355,788)
Sanitation	491,770	193,690	-	-	(298,080)	-	(298,080)
Culture and recreation	549,911	87,391	3,935	-	(458,585)	-	(458,585)
Total governmental activities	<u>4,616,221</u>	<u>486,552</u>	<u>630,940</u>	<u>28,916</u>	<u>(3,469,813)</u>	<u>-</u>	<u>(3,469,813)</u>
Business-type activities:							
Water	2,379,580	2,822,454	-	-	-	442,874	442,874
Wastewater	1,300,234	1,276,292	-	-	-	(23,942)	(23,942)
Total business-type activities	<u>3,679,814</u>	<u>4,098,746</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>418,932</u>	<u>418,932</u>
Total primary government	<u>\$ 8,296,035</u>	<u>\$ 4,585,298</u>	<u>\$ 630,940</u>	<u>\$ 28,916</u>	<u>(3,469,813)</u>	<u>418,932</u>	<u>(3,050,881)</u>
General receipts:							
Property taxes					1,341,852	-	1,341,852
Other local sources					413,172	-	413,172
Bonds and loans					-	1,400,000	1,400,000
Grants and contributions not restricted to specific programs					102,979	-	102,979
Unrestricted investment earnings					72,494	51,008	123,502
Total general receipts					<u>1,930,497</u>	<u>1,451,008</u>	<u>3,381,505</u>
Change in net assets					(1,539,316)	1,869,940	330,624
Net assets - beginning					<u>2,313,062</u>	<u>2,309,424</u>	<u>4,622,486</u>
Net assets - ending					<u>\$ 773,746</u>	<u>\$ 4,179,364</u>	<u>\$ 4,953,110</u>
<u>Assets</u>							
Cash and investments					\$ 212,805	\$ 581,420	\$ 794,225
Restricted assets:							
Cash and investments					<u>560,941</u>	<u>3,597,944</u>	<u>4,158,885</u>
Total assets					<u>\$ 773,746</u>	<u>\$ 4,179,364</u>	<u>\$ 4,953,110</u>
<u>Net Assets</u>							
Restricted for:							
Culture and recreation					\$ 51,741	\$ -	\$ 51,741
Debt service					-	1,567,623	1,567,623
Other purposes					509,200	2,030,321	2,539,521
Unrestricted					<u>212,805</u>	<u>581,420</u>	<u>794,225</u>
Total net assets					<u>\$ 773,746</u>	<u>\$ 4,179,364</u>	<u>\$ 4,953,110</u>

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

CITY OF MOUNT VERNON  
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, 2007

	General	Motor Vehicle Highway	Other Governmental Funds	Totals
<b>Receipts:</b>				
Taxes	\$ 1,079,655	\$ 168,175	\$ 94,022	\$ 1,341,852
Licenses and permits	15,657	88	2,980	18,725
Intergovernmental	102,979	344,780	315,075	762,834
Charges for services	375,273	2,045	89,174	466,492
Fines and forfeits	96	-	1,239	1,335
Other	90,165	3,318	392,184	485,667
	<u>1,663,825</u>	<u>518,406</u>	<u>894,674</u>	<u>3,076,905</u>
<b>Total receipts</b>				
<b>Disbursements:</b>				
General government	780,643	-	614,739	1,395,382
Public safety	1,322,101	-	112,708	1,434,809
Highways and streets	-	727,849	16,500	744,349
Sanitation	491,770	-	-	491,770
Culture and recreation	-	-	549,911	549,911
	<u>2,594,514</u>	<u>727,849</u>	<u>1,293,858</u>	<u>4,616,221</u>
<b>Total disbursements</b>				
Deficiency of revenue over disbursements	<u>(930,689)</u>	<u>(209,443)</u>	<u>(399,184)</u>	<u>(1,539,316)</u>
<b>Other financing sources (uses):</b>				
Interfund loans	(120,000)	-	-	(120,000)
Interfund services provided and used	-	-	120,000	120,000
Transfers in	-	-	10,000	10,000
Transfers out	(10,000)	-	-	(10,000)
	<u>(130,000)</u>	<u>-</u>	<u>130,000</u>	<u>-</u>
<b>Total other financing sources (uses)</b>				
Deficiency of receipts and other financing sources over disbursements and other financing uses	(1,060,689)	(209,443)	(269,184)	(1,539,316)
Cash and investment fund balance - beginning	<u>1,273,494</u>	<u>336,297</u>	<u>703,271</u>	<u>2,313,062</u>
Cash and investment fund balance - ending	<u>\$ 212,805</u>	<u>\$ 126,854</u>	<u>\$ 434,087</u>	<u>\$ 773,746</u>
<b><u>Cash and Investment Assets - December 31</u></b>				
Cash and investments	\$ 212,805	\$ -	\$ -	\$ 212,805
Restricted assets:				
Cash and investments	<u>-</u>	<u>126,854</u>	<u>434,087</u>	<u>560,941</u>
Total cash and investment assets - December 31	<u>\$ 212,805</u>	<u>\$ 126,854</u>	<u>\$ 434,087</u>	<u>\$ 773,746</u>
<b><u>Cash and Investment Fund Balance - December 31</u></b>				
Restricted for:				
Culture and recreation	\$ -	\$ -	\$ 51,741	\$ 51,741
Other purposes	-	126,854	382,346	509,200
Unrestricted	<u>212,805</u>	<u>-</u>	<u>-</u>	<u>212,805</u>
Total cash and investment fund balance - December 31	<u>\$ 212,805</u>	<u>\$ 126,854</u>	<u>\$ 434,087</u>	<u>\$ 773,746</u>

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

CITY OF MOUNT VERNON  
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, 2007

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Metered water receipts:			
Residential	\$ 1,012,095	\$ -	\$ 1,012,095
Commercial	519,293	-	519,293
Industrial	742,336	-	742,336
Fire protection receipts	277,973	-	277,973
Penalties	32,094	-	32,094
Other water receipts	238,663	-	238,663
Measured revenue:			
Residential	-	649,638	649,638
Commercial and industrial	-	555,480	555,480
Other	-	71,174	71,174
	<u>2,822,454</u>	<u>1,276,292</u>	<u>4,098,746</u>
Total operating receipts			
Operating disbursements:			
Salaries and wages	488,713	357,088	845,801
Employee pensions and benefits	111,346	63,830	175,176
Purchased power and water	195,200	158,343	353,543
Sludge removal	-	6,605	6,605
Chemicals	96,906	12,890	109,796
Materials and supplies	131,323	102,916	234,239
Contractual services	211,770	207,709	419,479
Rents	395	-	395
Transportation disbursements	22,527	11,907	34,434
Insurance disbursements	93,576	31,070	124,646
Miscellaneous disbursements	293,461	23,966	317,427
	<u>1,645,217</u>	<u>976,324</u>	<u>2,621,541</u>
Total operating disbursements			
Excess of operating receipts over operating disbursements	<u>1,177,237</u>	<u>299,968</u>	<u>1,477,205</u>
Nonoperating receipts (disbursements):			
Bond anticipation note proceeds	-	1,400,000	1,400,000
Interest and investment receipts	21,134	29,874	51,008
Debt service of principal	(525,000)	(250,000)	(775,000)
Interest and investment disbursements	(209,363)	(73,910)	(283,273)
	<u>(713,229)</u>	<u>1,105,964</u>	<u>392,735</u>
Total nonoperating receipts (disbursements)			
Excess of receipts over disbursements and nonoperating receipts (disbursements)	464,008	1,405,932	1,869,940
Cash and investment fund balance - beginning	<u>1,301,022</u>	<u>1,008,402</u>	<u>2,309,424</u>
Cash and investment fund balance - ending	<u>\$ 1,765,030</u>	<u>\$ 2,414,334</u>	<u>\$ 4,179,364</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 299,353	\$ 282,067	\$ 581,420
Restricted assets:			
Cash and investments	<u>1,465,677</u>	<u>2,132,267</u>	<u>3,597,944</u>
Total cash and investment assets - December 31	<u>\$ 1,765,030</u>	<u>\$ 2,414,334</u>	<u>\$ 4,179,364</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 904,456	\$ 663,167	\$ 1,567,623
Other purposes	561,221	1,469,100	2,030,321
Unrestricted	<u>299,353</u>	<u>282,067</u>	<u>581,420</u>
Total cash and investment fund balance - December 31	<u>\$ 1,765,030</u>	<u>\$ 2,414,334</u>	<u>\$ 4,179,364</u>

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

CITY OF MOUNT VERNON  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2007

	Pension Trust Funds	Agency Funds
	<u>          </u>	<u>          </u>
Additions:		
Contributions:		
Employer	\$ 40,622	\$ -
Plan members	119,903	-
	<u>          </u>	<u>          </u>
Total contributions	160,525	-
Loans	155,000	-
Agency fund additions	<u>          </u>	<u>3,005,963</u>
Total additions	<u>315,525</u>	<u>3,005,963</u>
Deductions:		
Benefits	201,693	-
Loans	155,000	-
Administrative and general	5,694	-
Agency fund deductions	<u>          </u>	<u>2,992,067</u>
Total deductions	<u>362,387</u>	<u>2,992,067</u>
Excess (deficiency) of total additions over total deductions	(46,862)	13,896
Cash and investment fund balance - beginning	<u>237,334</u>	<u>18,470</u>
Cash and investment fund balance - ending	<u>\$ 190,472</u>	<u>\$ 32,366</u>

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

CITY OF MOUNT VERNON  
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, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, and urban redevelopment.

The City's financial reporting entity is composed of the following:

Primary Government: City of Mount Vernon

In determining the financial reporting entity, the City complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays 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 nonexchange 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, 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 motor vehicle highway fund accounts primarily for the use of the allocation received from the State of Indiana to be used for the construction, repair and maintenance of the City's streets.

The City reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

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

CITY OF MOUNT VERNON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Additionally, the City reports the following fund types:

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 the City employees and related taxing units or agencies for which withholdings have been accumulated 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 government's water and wastewater function and various other functions of the government. 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. The City does not have any internal service funds.

CITY OF MOUNT VERNON  
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. Property Taxes

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

3. 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.

4. 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.

5. 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.

CITY OF MOUNT VERNON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

1. Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

CITY OF MOUNT VERNON  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

II. Stewardship, Compliance and Accountability

A. Budgetary Information

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

Prior to the first required publication, 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.

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. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2007, were as follows:

Transfer From	Transfer To	2007
General Fund	Other Governmental Funds	\$ 10,000

The City typically uses transfers for cash flow purposes as provided by various statutory provisions.

CITY OF MOUNT VERNON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; 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.

B. Subsequent Events

City

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

In July 2008, the City authorized the issuance of Tax Anticipation warrants of \$1,300,000. Repayment has been extended through June 2009 due to Posey County's numerous delays in property tax collection and distribution.

Water Utility

On April 14, 2008, the Common Council passed Ordinance 08-05 authorizing the issuance of Bond Anticipation Notes in an amount not to exceed \$19,250,000 for the construction of water additions, improvements and extensions. In May 2008, the Utility received \$6,640,000 of this amount through the sale of the notes.

C. Conduit Debt Obligation

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

As of December 31, 2007, there were three series of economic development revenue bonds outstanding. The aggregate principal amount payable for the one series issued after July 1, 2004, was \$86,600,000. The aggregate principal amount payable for the two series issued prior to July 1, 2004, could not be determined; however, their original issue amounts totaled \$62,000,000.

CITY OF MOUNT VERNON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

D. Rate Structure – Enterprise Funds

Water Utility

On June 10, 1991, the City Council adopted Ordinance No. 91-20 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on March 14, 2005.

Wastewater Utility

The current rate structure was approved by the City Council on May 24, 2005.

E. Pension Plans

1. Single-Employer Defined Benefit Pension Plans

a. 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.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

b. 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.

CITY OF MOUNT VERNON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

The use of the pay-as-you-go actuarial cost method by the City results in significant underfunding of the plan. Therefore, the Net Pension Obligation (NPO) is not reflected in the financial statements of the pension trust funds.

Actuarial Information for the Above Plans

	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 116,400	\$ 337,600
Interest on net pension obligation	36,100	40,400
Adjustment to annual required contribution	<u>(44,900)</u>	<u>(50,200)</u>
Annual pension cost	107,600	327,800
Contributions made	<u>82,949</u>	<u>77,577</u>
Increase in net pension obligation	24,651	250,223
Net pension obligation, beginning of year	<u>602,197</u>	<u>672,719</u>
Net pension obligation, end of year	<u>\$ 626,848</u>	<u>\$ 922,942</u>

	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:		
City	*	*
Plan members	6%	6%
Actuarial valuation date	01-01-07	01-01-07
Actuarial cost method	Entry age	Entry age
Amortization method	Level percentage of projected payroll, closed	Level percentage of projected payroll, closed
Amortization period	30 years	30 years
Amortization period (from date)	01-01-05	01-01-05
Asset valuation method	4 year phase in of unrealized and realized capital	4 year phase in of unrealized and realized capital

\* - No covered payroll

CITY OF MOUNT VERNON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	6%	6%
Projected future salary increases:		
Total	4%	4%
Attributed to inflation	4%	4%
Attributed to merit/seniority	0%	0%
Cost-of-living adjustments	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
1925 Police Officers' Pension Plan	12-31-05	\$ 85,200	93%	\$ 586,129
	12-31-06	112,600	86%	602,197
	12-31-07	107,600	77%	626,848
1937 Firefighters' Pension Plan	12-31-05	114,700	92%	646,016
	12-31-06	112,600	76%	672,719
	12-31-07	327,800	24%	922,942

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2007, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	6	4

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.

CITY OF MOUNT VERNON  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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, 2007, 2006, and 2005, were \$106,437, \$92,552, and \$83,664, respectively, equal to the required contributions for each year.

CITY OF MOUNT VERNON  
 REQUIRED SUPPLEMENTARY INFORMATION  
 SCHEDULES OF FUNDING PROGRESS

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)
01-01-02	\$ 146,564	\$ 1,227,800	\$ (1,081,236)	12%	\$ 29,500	(3,665%)
01-01-03	202,008	1,652,000	(1,449,992)	12%	30,500	(4,754%)
01-01-04	193,414	1,672,600	(1,479,186)	12%	31,500	(4,696%)
01-01-05	166,501	1,311,900	(1,145,399)	13%	-	*
01-01-06	150,641	1,684,200	(1,533,559)	9%	-	*
01-01-07	134,637	1,605,400	(1,470,763)	8%	-	*

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)
01-01-02	\$ 74,078	\$ 1,706,100	\$ (1,632,022)	4%	\$ -	*
01-01-03	119,490	1,707,400	(1,587,910)	7%	-	*
01-01-04	106,248	1,614,400	(1,508,152)	7%	-	*
01-01-05	101,372	1,740,600	(1,639,228)	6%	-	*
01-01-06	113,380	1,697,300	(1,583,920)	7%	-	*
01-01-07	102,697	4,659,500	(4,556,803)	2%	-	*

\* - No covered payroll

CITY OF MOUNT VERNON  
 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	12-31-02	\$ 134,900	102%
	12-31-03	189,100	44%
	12-31-04	199,000	41%
	12-31-05	92,600	86%
	12-31-06	120,500	80%
	12-31-07	116,400	71%
1937 Firefighters' Pension Plan	12-31-02	178,500	76%
	12-31-03	186,200	45%
	12-31-04	184,400	45%
	12-31-05	122,800	86%
	12-31-06	121,300	71%
	12-31-07	337,600	23%

CITY OF MOUNT VERNON  
 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, 2007

	Park and Recreation	Rainy Day	Local Road and Street	Law Enforcement Continuing Education	Park and Recreation Nonreverting	Donation
<b>Receipts:</b>						
Taxes	\$ 56,177	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	2,980	-	-
Intergovernmental	3,934	-	29,312	-	-	-
Charges for services	63,816	-	-	1,783	23,575	-
Fines and forfeits	-	-	-	1,239	-	-
Other	5,294	61,200	-	1,500	650	26,505
<b>Total receipts</b>	<b>129,221</b>	<b>61,200</b>	<b>29,312</b>	<b>7,502</b>	<b>24,225</b>	<b>26,505</b>
<b>Disbursements:</b>						
General government	-	2,833	-	-	-	-
Public safety	-	-	-	5,749	-	16,327
Highways and streets	-	-	16,500	-	-	-
Culture and recreation	527,955	-	-	-	21,705	-
<b>Total disbursements</b>	<b>527,955</b>	<b>2,833</b>	<b>16,500</b>	<b>5,749</b>	<b>21,705</b>	<b>16,327</b>
<b>Excess (deficiency) of revenue over disbursements</b>	<b>(398,734)</b>	<b>58,367</b>	<b>12,812</b>	<b>1,753</b>	<b>2,520</b>	<b>10,178</b>
<b>Other financing sources (uses):</b>						
Interfund services provided and used	120,000	-	-	-	-	-
Transfers in	-	-	-	-	-	-
<b>Total other financing sources</b>	<b>120,000</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</b>	<b>(278,734)</b>	<b>58,367</b>	<b>12,812</b>	<b>1,753</b>	<b>2,520</b>	<b>10,178</b>
<b>Cash and investment fund balance - beginning</b>	<b>314,109</b>	<b>25,302</b>	<b>29,563</b>	<b>5,413</b>	<b>10,037</b>	<b>2,438</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 35,375</b>	<b>\$ 83,669</b>	<b>\$ 42,375</b>	<b>\$ 7,166</b>	<b>\$ 12,557</b>	<b>\$ 12,616</b>
<b>Cash and Investment Assets - December 31</b>						
<b>Restricted assets:</b>						
Cash and investments	\$ 35,375	\$ 83,669	\$ 42,375	\$ 7,166	\$ 12,557	\$ 12,616
<b>Total cash and investment assets - December 31</b>	<b>\$ 35,375</b>	<b>\$ 83,669</b>	<b>\$ 42,375</b>	<b>\$ 7,166</b>	<b>\$ 12,557</b>	<b>\$ 12,616</b>
<b>Cash and Investment Fund Balance - December 31</b>						
<b>Restricted for:</b>						
Culture and recreation	\$ 35,375	\$ -	\$ -	\$ -	\$ 12,557	\$ -
Other purposes	-	83,669	42,375	7,166	-	12,616
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 35,375</b>	<b>\$ 83,669</b>	<b>\$ 42,375</b>	<b>\$ 7,166</b>	<b>\$ 12,557</b>	<b>\$ 12,616</b>

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

CITY OF MOUNT VERNON  
 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, 2007  
 (Continued)

	Emergency Warning System	Parking Meter	Abandoned Vehicle	Motor Vehicle Highway II	Project Fun
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	12,335	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	19	-	-	-	3,500
<b>Total receipts</b>	<b>19</b>	<b>-</b>	<b>-</b>	<b>12,335</b>	<b>3,500</b>
Disbursements:					
General government	-	3,370	958	-	837
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>3,370</b>	<b>958</b>	<b>-</b>	<b>837</b>
Excess (deficiency) of revenue over disbursements	19	(3,370)	(958)	12,335	2,663
Other financing sources (uses):					
Interfund services provided and used	-	-	-	-	-
Transfers in	-	-	-	-	-
<b>Total other financing sources</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	19	(3,370)	(958)	12,335	2,663
Cash and investment fund balance - beginning	9,775	3,370	3,459	56,963	18
Cash and investment fund balance - ending	<u>\$ 9,794</u>	<u>\$ -</u>	<u>\$ 2,501</u>	<u>\$ 69,298</u>	<u>\$ 2,681</u>
<u>Cash and Investment Assets - December 31</u>					
Restricted assets:					
Cash and investments	\$ 9,794	\$ -	\$ 2,501	\$ 69,298	\$ 2,681
<b>Total cash and investment assets - December 31</b>	<u>\$ 9,794</u>	<u>\$ -</u>	<u>\$ 2,501</u>	<u>\$ 69,298</u>	<u>\$ 2,681</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -
Other purposes	9,794	-	2,501	69,298	2,681
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 9,794</u>	<u>\$ -</u>	<u>\$ 2,501</u>	<u>\$ 69,298</u>	<u>\$ 2,681</u>

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

CITY OF MOUNT VERNON  
 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, 2007  
 (Continued)

	State Gaming	Survival Life Trailer	BB Pool Lights	Downtown Planning	Crow Population
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	47,155	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Other	1,500	-	3,800	275,750	-
<b>Total receipts</b>	<b>48,655</b>	<b>-</b>	<b>3,800</b>	<b>275,750</b>	<b>-</b>
Disbursements:					
General government	174,739	-	-	275,750	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	251	-	-
<b>Total disbursements</b>	<b>174,739</b>	<b>-</b>	<b>251</b>	<b>275,750</b>	<b>-</b>
Excess (deficiency) of revenue over disbursements	(126,084)	-	3,549	-	-
Other financing sources (uses):					
Interfund services provided and used	-	-	-	-	-
Transfers in	-	-	-	-	-
<b>Total other financing sources</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	(126,084)	-	3,549	-	-
Cash and investment fund balance - beginning	164,031	32	260	-	80
<b>Cash and investment fund balance - ending</b>	<b>\$ 37,947</b>	<b>\$ 32</b>	<b>\$ 3,809</b>	<b>\$ -</b>	<b>\$ 80</b>
<u>Cash and Investment Assets - December 31</u>					
Restricted assets:					
Cash and investments	\$ 37,947	\$ 32	\$ 3,809	\$ -	\$ 80
<b>Total cash and investment assets - December 31</b>	<b>\$ 37,947</b>	<b>\$ 32</b>	<b>\$ 3,809</b>	<b>\$ -</b>	<b>\$ 80</b>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ 3,809	\$ -	\$ -
Other purposes	37,947	32	-	-	80
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 37,947</b>	<b>\$ 32</b>	<b>\$ 3,809</b>	<b>\$ -</b>	<b>\$ 80</b>

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

CITY OF MOUNT VERNON  
 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, 2007  
 (Continued)

	EDC Bond Fee	COIT	Cumulative Capital Improvement	Cumulative Capital Development	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ 37,845	\$ 94,022
Licenses and permits	-	-	-	-	2,980
Intergovernmental	-	193,422	26,266	2,651	315,075
Charges for services	-	-	-	-	89,174
Fines and forfeits	-	-	-	-	1,239
Other	-	20	12,446	-	392,184
<b>Total receipts</b>	<b>-</b>	<b>193,442</b>	<b>38,712</b>	<b>40,496</b>	<b>894,674</b>
<b>Disbursements:</b>					
General government	1,444	102,590	52,218	-	614,739
Public safety	-	21,968	-	68,664	112,708
Highways and streets	-	-	-	-	16,500
Culture and recreation	-	-	-	-	549,911
<b>Total disbursements</b>	<b>1,444</b>	<b>124,558</b>	<b>52,218</b>	<b>68,664</b>	<b>1,293,858</b>
Excess (deficiency) of revenue over disbursements	(1,444)	68,884	(13,506)	(28,168)	(399,184)
<b>Other financing sources (uses):</b>					
Interfund services provided and used	-	-	-	-	120,000
Transfers in	10,000	-	-	-	10,000
<b>Total other financing sources</b>	<b>10,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>130,000</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	8,556	68,884	(13,506)	(28,168)	(269,184)
Cash and investment fund balance - beginning	-	-	27,418	51,003	703,271
<b>Cash and investment fund balance - ending</b>	<b>\$ 8,556</b>	<b>\$ 68,884</b>	<b>\$ 13,912</b>	<b>\$ 22,835</b>	<b>\$ 434,087</b>
<b><u>Cash and Investment Assets - December 31</u></b>					
<b>Restricted assets:</b>					
Cash and investments	\$ 8,556	\$ 68,884	\$ 13,912	\$ 22,835	\$ 434,087
<b>Total cash and investment assets - December 31</b>	<b>\$ 8,556</b>	<b>\$ 68,884</b>	<b>\$ 13,912</b>	<b>\$ 22,835</b>	<b>\$ 434,087</b>
<b><u>Cash and Investment Fund Balance - December 31</u></b>					
<b>Restricted for:</b>					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ 51,741
Other purposes	8,556	68,884	13,912	22,835	382,346
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 8,556</b>	<b>\$ 68,884</b>	<b>\$ 13,912</b>	<b>\$ 22,835</b>	<b>\$ 434,087</b>

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

CITY OF MOUNT VERNON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2007

	<u>Police Pension</u>	<u>Fire Pension</u>	<u>Totals</u>
Additions:			
Contributions:			
Employer	\$ 18,096	\$ 22,526	\$ 40,622
State	<u>64,852</u>	<u>55,051</u>	<u>119,903</u>
Total contributions	82,948	77,577	160,525
Loans	<u>90,000</u>	<u>65,000</u>	<u>155,000</u>
Total additions	<u>172,948</u>	<u>142,577</u>	<u>315,525</u>
Deductions:			
Benefits	104,311	97,382	201,693
Loans	90,000	65,000	155,000
Administrative and general	<u>2,212</u>	<u>3,482</u>	<u>5,694</u>
Total deductions	<u>196,523</u>	<u>165,864</u>	<u>362,387</u>
Deficiency of total additions over total deductions	(23,575)	(23,287)	(46,862)
Cash and investment fund balance - beginning	<u>134,637</u>	<u>102,697</u>	<u>237,334</u>
Cash and investment fund balance - ending	<u>\$ 111,062</u>	<u>\$ 79,410</u>	<u>\$ 190,472</u>

CITY OF MOUNT VERNON  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2007

	<u>Insurance</u>	<u>Payroll</u>	<u>Totals</u>
Additions:			
Agency fund additions	\$ 123,662	\$ 2,882,301	\$ 3,005,963
Deductions:			
Agency fund deductions	<u>116,203</u>	<u>2,875,864</u>	<u>2,992,067</u>
Excess of total additions over total deductions	7,459	6,437	13,896
Cash and investment fund balance - beginning	<u>86</u>	<u>18,384</u>	<u>18,470</u>
Cash and investment fund balance - ending	<u>\$ 7,545</u>	<u>\$ 24,821</u>	<u>\$ 32,366</u>

CITY OF MOUNT VERNON  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF CAPITAL ASSETS  
 For The Year Ended December 31, 2007

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 338,651
Buildings	1,546,757
Improvements other than buildings	172,627
Machinery and equipment	<u>3,032,578</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 5,090,613</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities	*

\* - The Water and Wastewater Utilities do not maintain capital asset records.

CITY OF MOUNT VERNON  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF LONG-TERM DEBT  
December 31, 2007

The City has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Fire truck	\$ 348,199	\$ 66,618
Street sweeper	26,168	27,384
Note payable:		
Land	<u>50,000</u>	<u>50,000</u>
Total governmental activities debt	<u>\$ 424,367</u>	<u>\$ 144,002</u>
Business-type activities:		
Water Utility:		
Capital leases:		
Backhoe	\$ 9,624	\$ 9,996
Meter replacement and other improvements project	1,944,281	178,691
Revenue bonds:		
1997 revenue bonds	1,960,000	247,962
State revolving loan payable:		
2001 water rehabilitation projects	<u>3,044,049</u>	<u>129,425</u>
Total Water Utility	<u>6,957,954</u>	<u>566,074</u>
Wastewater Utility:		
Revenue bonds:		
2001 refunding revenue bonds	715,000	199,720
State revolving loan:		
2001 wastewater rehabilitation projects	1,577,118	107,825
2006 wastewater rehabilitation projects	357,970	20,321
Note payable:		
2007 bond anticipation notes payable	<u>1,400,000</u>	<u>-</u>
Total Wastewater Utility	<u>4,050,088</u>	<u>327,866</u>
Total business-type activities debt	<u>\$ 11,008,042</u>	<u>\$ 893,940</u>

CITY OF MOUNT VERNON  
AUDIT RESULTS AND COMMENTS

DELINQUENT WASTEWATER ACCOUNTS (Applies to Wastewater Utility)

As stated in several prior reports, delinquent wastewater fees and penalties had not been recorded with the County Recorder nor were they certified to the County Auditor which would result in a lien against the property.

IC 36-9-23-33 states in part:

"(b) Except as provided in subsection (l), the officer charged with the collection of fees and penalties assessed under this chapter shall enforce their payment. As often as the officer determines is necessary in a calendar year, the officer shall prepare either of the following:

(1) a list of the delinquent fees and penalties that are enforceable under this section, which must include the following:

(A) the name or names of the owner or owners of each lot or parcel of real property on which fees are delinquent;

(B) a description of the premises, as shown by the records of the county auditor; and

(C) the amount of the delinquent fees, together with the penalty; or

(2) an individual instrument for each lot or parcel of real property on which the fees are delinquent.

(c) The officer shall record a copy of each list or each individual instrument with the county recorder. . . ."

"(e) Using the lists and instruments prepared under subsection (b) and recorded under subsection (c), the officer shall, not later than ten (10) days after the list or each individual instrument is recorded under subsection (c), certify to the county auditor a list of the liens that remain unpaid for collection in the next May . . ."

ACCOUNTS RECEIVABLE (Applies to Water and Wastewater Utilities)

As stated in several prior reports, officials have not established and adopted adequate written collection policies for addressing uncollectible Water and Wastewater accounts. Presently, accounts that are 90 days past due are assigned to a collection agency but not deleted from the active account status; however, this procedure has not been established by a written policy.

CITY OF MOUNT VERNON  
AUDIT RESULTS AND COMMENTS  
(Continued)

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ACCOUNTABLE ITEMS (Applies to Water and Wastewater Utilities)

We noted a loss of approximately 24% in the amount of water pumped by the Water Utility as compared to water consumption billed to customers for the year 2007. The loss has decreased from a previous high of 31% since officials have completed a water meter replacement project. Because the Wastewater charges are computed on water consumption, the Wastewater Utility is losing revenue as well.

Similar comments have appeared in the past three reports.

Goods for sale, billings, and other collections are considered accountable items. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CAPITAL ASSET RECORDS (Applies to Water and Wastewater Utilities)

As stated in several prior reports, information presented for audit indicates the Water and Wastewater Utilities do not maintain sufficient detailed records of capital assets for their Capital Asset accounts. Upon purchase, the costs of the capital assets are added to an aggregate Capital Asset account in the General Ledger. However, records providing historical costs for some of the Utilities' capital assets are not available, and records classifying and summarizing the Utilities' capital assets are incomplete. Deletions or disposals of capital assets are not recorded.

Every governmental unit should have a complete inventory of all capital assets owned which reflects their acquisition value. Such inventory should be recorded in the Capital Assets Ledger form. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
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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 MOUNT VERNON, POSEY COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Mount Vernon (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal programs for the year ended December 31, 2007. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the City's management. Our responsibility is to express an opinion on the City's compliance based on our audit.

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

As described in item 2007-1 in the accompanying Schedule of Findings and Questioned Costs, the City did not comply with requirements regarding Equipment and Real Property Management that are applicable to its Capitalization Grants for Clean Water State Revolving Funds and Capitalization Grants for Drinking Water State Revolving Funds. Compliance with such requirements is necessary, in our opinion, for the City to comply with requirements applicable to those programs.

Internal Control Over Compliance

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

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 internal control over compliance was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in the entity's internal control that might be significant deficiencies or material weaknesses as defined below. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

A control deficiency in a City's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiency in internal control over compliance described in item 2007-1 of the accompanying Schedule of Findings and Questioned Costs to be a significant deficiency.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. Of the significant deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs, we consider item 2007-1, to be material weaknesses.

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, Common Council, Board of Public Works, Utility Service Board, 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

March 12, 2009

CITY OF MOUNT VERNON  
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
 For The Year Ended December 31, 2007

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 HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs			
Community Development Block Grants/State's Program	14.228		
Community Focus Fund		CF-06-247	\$ 257,250
Community Focus Fund Planning Grant		PL-05-003	<u>18,500</u>
Total for Federal Grantor Agency			<u>275,750</u>
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>			
Pass-Through Indiana Finance Authority			
Capitalization Grants for Clean Water State Revolving Funds	66.458		
		CS182331 01	7,927
		WW06496502	<u>117,060</u>
Total for Program			<u>124,987</u>
Capitalization Grants for Drinking Water State Revolving Funds	66.468	DW101175 01	<u>260,314</u>
Total for Federal Grantor Agency			<u>385,301</u>
Total Federal Awards Expended			<u>\$ 661,051</u>

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

CITY OF MOUNT VERNON  
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 Mount Vernon (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 MOUNT VERNON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

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

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	yes
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Type of auditor's report issued on compliance for major programs: Qualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Clean Water State Revolving Funds
66.468	Capitalization Grants for Drinking Water State Revolving Funds

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.

CITY OF MOUNT VERNON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING 2007-1, EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: U.S. Environmental Protection Agency  
Federal Programs: Capitalization Grants for Clean Water State Revolving Funds,  
Capitalization Grants for Drinking Water State Revolving Funds  
CFDA Numbers: 66.458, 66.468  
Pass-Through Entity: Indiana Finance Authority

The Utilities have not maintained a detailed capital asset system, which would account for all capital assets acquired with federal financial assistance. Also, property and equipment inventories have not been conducted.

As a result, the Utilities are unable to effectively monitor the retention or disposition of capital assets acquired with federal funds. Failure to conduct complete and accurate inventories and reconcile the results to the detailed capital asset ledger could result in some assets being lost, stolen, or misappropriated and not detected within a reasonable time.

Pursuant to 40 CFR 30.34 (f) (1) through (3):

"(f) The recipient's property management standards for equipment acquired with Federal funds and federally-owned equipment shall include all of the following.

- (1) Equipment records shall be maintained accurately and shall include the following information.
  - (i) A description of the equipment.
  - (ii) Manufacturer's serial number, model number, Federal stock number, national stock number, or other identification number.
  - (iii) Source of the equipment, including the award number.
  - (iv) Whether title vests in the recipient or the Federal Government.
  - (v) Acquisition date (or date received, if the equipment was furnished by the Federal Government) and cost.
  - (vi) Information from which one can calculate the percentage of Federal participation in the cost of the equipment (not applicable to equipment furnished by the Federal Government).
  - (vii) Location and condition of the equipment and the date the information was reported.
  - (viii) Unit acquisition cost.
  - (ix) Ultimate disposition data, including date of disposal and sales price or the method used to determine current fair market value where a recipient compensates EPA for its share.

CITY OF MOUNT VERNON  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS  
(Continued)

- (2) Equipment owned by the Federal Government shall be identified to indicate Federal ownership.
- (3) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years. Any differences between quantities determined by the physical inspection and those shown in the accounting records shall be investigated to determine the causes of the difference. The recipient shall, in connection with the inventory, verify the existence, current utilization, and continued need for the equipment."

We recommended that the Utilities maintain a capital asset system that will fulfill the requirements imposed by 40 CFR 30.34.

*Cristi L. Wolfe*  
City Clerk-Treasurer  
City Hall Annex - 520 Main Street  
Mount Vernon, Indiana 47620-1846

KAE 3/11/09

March 12, 2009

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING NO. 2003-2

Federal Agency: U.S. Environmental Protection Agency  
Federal Programs: Capitalization Grants for Clean Water State Revolving Funds  
Capitalization Grants for Drinking Water State Revolving Funds  
CFDA numbers: 66.458  
66.468  
Federal Award Numbers: CS182331 01  
DW 10117501  
Auditee Contact Person: Cristi Wolfe  
Title of Contact Person: Clerk-Treasurer  
Phone Number: 812-838-3317

The City of Mount Vernon, Indiana has a capital asset policy codified at Title V, Chapter 36, Sections 36-20 – 36.22 of the City of Mount Vernon Code of Ordinances. Notice of failure of each utility to maintain records pursuant to this policy has been given by my office to each utility. Compliance has been requested within 60 days of the date of this letter.

  
Cristi Wolfe

Clerk-Treasurer

*Cristi L. Wolfe*  
City Clerk-Treasurer  
City Hall Annex - 520 Main Street  
Mount Vernon, Indiana 47620-1846

KAE 3/11/09

March 12, 2009

CORRECTIVE ACTION PLAN

FINDING NO. 2007-1

Federal Agency: U.S. Environmental Protection Agency

Federal Programs: Capitalization Grants for Clean Water State Revolving Funds  
Capitalization Grants for Drinking Water State Revolving Funds

CFDA numbers: 66.458  
66.468

Federal Award Numbers: CS182331 01 and WW06496502  
DW 10117501

Auditee Contact Person: Cristi Wolfe

Title of Contact Person: Clerk-Treasurer

Phone Number: 812-838-3317

Corrective Action:

The City of Mount Vernon, Indiana has a capital asset policy codified at Title V, Chapter 36, Sections 36-20 - 36.22 of the City of Mount Vernon Code of Ordinances. Notice of failure of each utility to maintain records pursuant to this policy has been given by my office to each utility. Compliance has been requested within 60 days of the date of this letter.

  
Cristi Wolfe

Clerk-Treasurer

CITY OF MOUNT VERNON  
EXIT CONFERENCE

The contents of this report were discussed on March 18, 2009, with Cristi Wolfe, Clerk-Treasurer; John Tucker, Mayor; and Bill Curtis, President of the Common Council and the Utility Service Board. The officials concurred with our audit findings.