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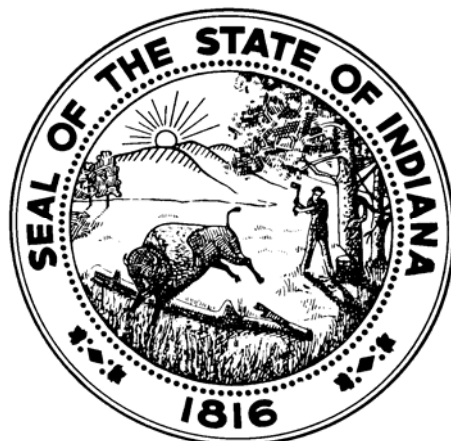
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2006

CITY OF VINCENNES

KNOX COUNTY, INDIANA



**FILED**  
10/25/2007



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials.....	2
Independent Auditor's Report.....	3-4
Report Communicating Internal Control Related Matters Identified in an Audit.....	5
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Activities and Net Assets – Cash and Investment Basis .....	6
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.....	7
Proprietary Funds:	
Statement of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Proprietary Funds.....	8
Fiduciary Funds:	
Statement of Additions, Deductions, and Changes in Cash and Investment Balances – Fiduciary Funds .....	9
Notes to Financial Statements .....	10-21
Required Supplementary Information:	
Schedules of Funding Progress.....	22
Schedule of Contributions From the Employer and Other Contributing Entities.....	23
Supplementary Information:	
Combining Schedule of Assets and Fund Balances and Receipts, Disbursements, and Changes in Fund Balances – Cash and Investment Basis – Other Governmental Funds.....	24-31
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Pension Trust Funds.....	32
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Private-Purpose Trust Funds.....	33
Combining Schedule of Additions, Deductions, and Changes in Cash and Investment Balances – Agency Funds.....	34
Schedule of Capital Assets.....	35
Schedule of Long-Term Debt.....	36
Other Report.....	37
Audit Results and Comments:	
Appropriations.....	38
Missing Recycling Funds .....	38-39
Overpayment of Firefighter Salary.....	39
Exit Conference.....	40

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Beverly S. Marsh	01-01-04 to 12-31-07
Mayor	Terry D. Mooney	01-01-04 to 12-31-07
President of the Board of Public Works and Safety	Terry D. Mooney	01-01-04 to 12-31-07
President of the Common Council	Mark R. Hill	01-01-06 to 12-31-07
Superintendent of Utilities	Kirk Bouchie	01-01-06 to 12-31-07
Chairman of the Utility Service Board	William Hopper	01-01-06 to 12-31-07



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF VINCENNES, KNOX 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 Vincennes (City), as of and for the year ended December 31, 2006, 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 an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 opinion.

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, 2006, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

The Schedules of Funding Progress and the 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

Our audit was conducted for the purpose of forming an opinion 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

August 20, 2007



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REPORT COMMUNICATING INTERNAL CONTROL  
RELATED MATTERS IDENTIFIED IN AN AUDIT

TO: THE OFFICIALS OF THE CITY OF VINCENNES, KNOX COUNTY, INDIANA

In planning and performing our audit of the financial statements of the City of Vincennes (City) as of and for the year ended December 31, 2006, in accordance with auditing standards generally accepted in the United States of America, we considered the City's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses.

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 result 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.

This communication is intended solely for the information and use of management, the Common Council, and others within the organization, and is not intended to be and should not be used by anyone other than these specified parties.

STATE BOARD OF ACCOUNTS

August 20, 2007

CITY OF VINCENNES  
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS  
For The Year Ended December 31, 2006

Functions/Programs	Disbursements	Program Receipts			Net (Disbursement) Receipt and Changes in Net Assets		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
<b>Primary government:</b>							
<b>Governmental activities:</b>							
General government	\$ 2,440,164	\$ 241,041	\$ 933,884	\$ 9,090	\$ (1,256,149)	\$ -	\$ (1,256,149)
Public safety	6,322,994	38,728	342,569	84,191	(5,857,506)	-	(5,857,506)
Highways and streets	1,970,907	-	824,286	-	(1,146,621)	-	(1,146,621)
Health and welfare	472,737	234,772	7,646	-	(230,319)	-	(230,319)
Urban redevelopment and housing	55,962	-	198,597	-	142,635	-	142,635
Sanitation	400,894	223,444	-	-	(177,450)	-	(177,450)
Economic development	1,431,456	-	-	739,896	(691,560)	-	(691,560)
Culture and recreation	691,703	92,367	25,454	-	(573,882)	-	(573,882)
<b>Total governmental activities</b>	<b>13,786,817</b>	<b>830,352</b>	<b>2,332,436</b>	<b>833,177</b>	<b>(9,790,852)</b>	<b>-</b>	<b>(9,790,852)</b>
<b>Business-type activities:</b>							
Water	3,075,425	2,256,480	-	234,794	-	(584,151)	(584,151)
Wastewater	4,940,937	4,270,853	-	-	-	(670,084)	(670,084)
<b>Total business-type activities</b>	<b>8,016,362</b>	<b>6,527,333</b>	<b>-</b>	<b>234,794</b>	<b>-</b>	<b>(1,254,235)</b>	<b>(1,254,235)</b>
<b>Total primary government</b>	<b>\$ 21,803,179</b>	<b>\$ 7,357,685</b>	<b>\$ 2,332,436</b>	<b>\$ 1,067,971</b>	<b>(9,790,852)</b>	<b>(1,254,235)</b>	<b>(11,045,087)</b>
<b>General receipts:</b>							
Property taxes					7,092,273	-	7,092,273
Other local sources					638,572	648,333	1,286,905
Bonds and loans					800,000	-	800,000
Unrestricted investment earnings					317,111	428,929	746,040
<b>Total general receipts</b>					<b>8,847,956</b>	<b>1,077,262</b>	<b>9,925,218</b>
<b>Change in net assets</b>					<b>(942,896)</b>	<b>(176,973)</b>	<b>(1,119,869)</b>
<b>Net assets - beginning</b>					<b>8,903,096</b>	<b>8,904,130</b>	<b>17,807,226</b>
<b>Net assets - ending</b>					<b>\$ 7,960,200</b>	<b>\$ 8,727,157</b>	<b>\$ 16,687,357</b>
<b>Assets</b>							
Cash and investments					\$ 1,312,583	\$ 2,374,181	\$ 3,686,764
<b>Restricted assets:</b>							
Cash and investments					6,647,617	6,352,976	13,000,593
<b>Total assets</b>					<b>\$ 7,960,200</b>	<b>\$ 8,727,157</b>	<b>\$ 16,687,357</b>
<b>Net Assets</b>							
<b>Restricted for:</b>							
Culture and recreation					\$ 219,569	\$ -	\$ 219,569
Highways and streets					1,139,229	-	1,139,229
Economic development					1,105,352	-	1,105,352
Urban redevelopment and housing					264,151	-	264,151
Public safety					1,305,529	-	1,305,529
Sanitation					172,599	-	172,599
Health and welfare					826,623	-	826,623
Debt service					592,424	340,021	932,445
Other purposes					1,022,141	6,012,955	7,035,096
<b>Unrestricted</b>					<b>1,312,583</b>	<b>2,374,181</b>	<b>3,686,764</b>
<b>Total net assets</b>					<b>\$ 7,960,200</b>	<b>\$ 8,727,157</b>	<b>\$ 16,687,357</b>

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

CITY OF VINCENNES  
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, 2006

	General	EDIT	TIF	Other Governmental Funds	Totals
<b>Receipts:</b>					
Taxes	\$ 2,836,224	\$ -	\$ 705,932	\$ 3,550,117	\$ 7,092,273
Licenses and permits	72,711	-	-	3,570	76,281
Intergovernmental	1,301,324	656,917	97,536	1,400,096	3,455,873
Charges for services	279,219	-	-	408,713	687,932
Other	216,565	52,396	52,367	265,072	586,400
<b>Total receipts</b>	<b>4,706,043</b>	<b>709,313</b>	<b>855,835</b>	<b>5,627,568</b>	<b>11,898,759</b>
<b>Disbursements:</b>					
General government	1,031,323	13,558	-	108,659	1,153,540
Public safety	2,397,937	-	-	2,407,932	4,805,869
Highways and streets	41,913	206,685	-	1,058,004	1,306,602
Sanitation	245,485	-	-	155,409	400,894
Health and welfare	404,651	32,356	-	35,730	472,737
Culture and recreation	15,000	159,053	-	371,451	545,504
Urban redevelopment and housing	-	-	-	55,962	55,962
Economic development	-	319,344	827,248	-	1,146,592
Debt service:					
Principal	-	355,062	180,000	156,119	691,181
Interest	-	30,003	104,864	15,498	150,365
Capital outlay:					
Highways and streets	-	-	-	213,808	213,808
<b>Total disbursements</b>	<b>4,136,309</b>	<b>1,116,061</b>	<b>1,112,112</b>	<b>4,578,572</b>	<b>10,943,054</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>569,734</b>	<b>(406,748)</b>	<b>(256,277)</b>	<b>1,048,996</b>	<b>955,705</b>
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	800,000	800,000
Interfund loans	(1,243,763)	-	-	(1,600,000)	(2,843,763)
Transfers in	67,844	14,162	-	41,821	123,827
Transfers out	(16,821)	-	-	(107,006)	(123,827)
Other receipts	375	-	-	144,787	145,162
<b>Total other financing sources (uses)</b>	<b>(1,192,365)</b>	<b>14,162</b>	<b>-</b>	<b>(720,398)</b>	<b>(1,898,601)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(622,631)</b>	<b>(392,586)</b>	<b>(256,277)</b>	<b>328,598</b>	<b>(942,896)</b>
Cash and investment fund balance - beginning	1,935,214	1,264,779	776,875	4,926,228	8,903,096
Cash and investment fund balance - ending	<u>\$ 1,312,583</u>	<u>\$ 872,193</u>	<u>\$ 520,598</u>	<u>\$ 5,254,826</u>	<u>\$ 7,960,200</u>
<b>Cash and Investment Assets - December 31</b>					
Cash and investments	\$ 1,312,583	\$ -	\$ -	\$ -	\$ 1,312,583
Restricted assets:					
Cash and investments	-	872,193	520,598	5,254,826	6,647,617
<b>Total cash and investment assets - December 31</b>	<u>\$ 1,312,583</u>	<u>\$ 872,193</u>	<u>\$ 520,598</u>	<u>\$ 5,254,826</u>	<u>\$ 7,960,200</u>
<b>Cash and Investment Fund Balance - December 31</b>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ 219,569	\$ 219,569
Highways and streets	-	-	-	1,139,229	1,139,229
Economic development	-	872,193	233,159	-	1,105,352
Urban redevelopment and housing	-	-	-	264,151	264,151
Public safety	-	-	-	1,305,529	1,305,529
Sanitation	-	-	-	172,599	172,599
Health and welfare	-	-	-	826,623	826,623
Debt service	-	-	287,439	304,985	592,424
Other purposes	-	-	-	1,022,141	1,022,141
Unrestricted	1,312,583	-	-	-	1,312,583
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1,312,583</u>	<u>\$ 872,193</u>	<u>\$ 520,598</u>	<u>\$ 5,254,826</u>	<u>\$ 7,960,200</u>

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

CITY OF VINCENNES  
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, 2006

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Metered water receipts:			
Residential	\$ 2,256,480	\$ -	\$ 2,256,480
Measured revenue:			
Residential	-	4,270,853	4,270,853
Other	472,740	130,381	603,121
Total operating receipts	<u>2,729,220</u>	<u>4,401,234</u>	<u>7,130,454</u>
Operating disbursements:			
Materials and supplies - cost of goods sold	462,131	805,347	1,267,478
Salaries and wages - employee benefits	1,196,850	1,303,461	2,500,311
Total operating disbursements	<u>1,658,981</u>	<u>2,108,808</u>	<u>3,767,789</u>
Excess of operating receipts over operating disbursements	<u>1,070,239</u>	<u>2,292,426</u>	<u>3,362,665</u>
Nonoperating receipts (disbursements):			
Interest and investment receipts	114,812	314,117	428,929
Proceeds from sales of capital assets	45,212	-	45,212
Debt service of principal	(802,158)	(1,401,453)	(2,203,611)
Debt service of interest	(169,855)	(981,733)	(1,151,588)
Purchase of capital assets	(444,431)	(448,943)	(893,374)
Total nonoperating disbursements	<u>(1,256,420)</u>	<u>(2,518,012)</u>	<u>(3,774,432)</u>
Deficiency of receipts over disbursements and nonoperating disbursements	(186,181)	(225,586)	(411,767)
Capital contributions	<u>234,794</u>	<u>-</u>	<u>234,794</u>
Excess (deficiency) of receipts, contributions and transfers in over disbursements and transfers out	48,613	(225,586)	(176,973)
Cash and investment fund balance - beginning	<u>2,508,911</u>	<u>6,395,219</u>	<u>8,904,130</u>
Cash and investment fund balance - ending	<u>\$ 2,557,524</u>	<u>\$ 6,169,633</u>	<u>\$ 8,727,157</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 828,717	\$ 1,545,464	\$ 2,374,181
Restricted assets:			
Cash and investments	<u>1,728,807</u>	<u>4,624,169</u>	<u>6,352,976</u>
Total cash and investment assets - December 31	<u>\$ 2,557,524</u>	<u>\$ 6,169,633</u>	<u>\$ 8,727,157</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 111,810	\$ 228,211	\$ 340,021
Other purposes	1,616,997	4,395,958	6,012,955
Unrestricted	<u>828,717</u>	<u>1,545,464</u>	<u>2,374,181</u>
Total cash and investment fund balance - December 31	<u>\$ 2,557,524</u>	<u>\$ 6,169,633</u>	<u>\$ 8,727,157</u>

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

CITY OF VINCENNES  
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
FIDUCIARY FUNDS  
For The Year Ended December 31, 2006

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Taxes	\$ 426,371	\$ -	\$ -
Plan members	13,851	-	-
State	438,779	-	-
Other	-	1,387	-
	<u>879,001</u>	<u>1,387</u>	<u>-</u>
Total contributions			
Investment earnings:			
Interest	-	1,653	-
Agency fund additions	-	-	5,379,793
	<u>879,001</u>	<u>3,040</u>	<u>5,379,793</u>
Total additions			
Deductions:			
Benefits	761,973	-	-
Administrative and general	15,392	4,059	-
Agency fund deductions	-	-	5,379,843
	<u>777,365</u>	<u>4,059</u>	<u>5,379,843</u>
Total deductions			
Excess (deficiency) of total additions over total deductions	101,636	(1,019)	(50)
Cash and investment fund balance - beginning	<u>958,738</u>	<u>53,764</u>	<u>175</u>
Cash and investment fund balance - ending	<u>\$ 1,060,374</u>	<u>\$ 52,745</u>	<u>\$ 125</u>

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

CITY OF VINCENNES  
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, water, wastewater, and urban redevelopment and housing.

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

Primary Government: City of Vincennes

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

Related Organizations

The City's officials are also responsible for appointing members of the boards of other organizations, but the City's accountability for these organizations does not extend beyond making the appointments. The City appoints the board members of the Knox County Area Plan Commission, Vincennes Housing Authority, Knox County Development Corporation, and Southern Indiana Development Corporation. The City supported Knox County Development Corporation with \$291,000.

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 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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

The county economic development income tax fund (CEDIT) accounts for the City's share of tax monies collected by the county for payment of economic development projects throughout the City.

The tax incremental fund (TIF) accounts for general property tax monies collected in certain districts of the City for highway and street projects within that district.

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.

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.

The private-purpose trust funds report trust arrangements under which principal and income benefit the individuals named by the grantors.

Agency funds account for assets held by the City as an agent for recipients of payroll withholdings 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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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's water and wastewater functions 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.

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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 and the similar discretely presented component unit 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:

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 Statement of Activities and Net Assets – Cash and Investment Basis.

CITY OF VINCENNES  
 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.

B. Disbursements in Excess of Appropriations

For the year ended December 31, 2006, disbursements exceeded budgeted appropriations in the following fund by the amounts below:

Fund	2006
County Economic Development Income Tax (CEDIT)	<u>\$ 116,061</u>

These disbursements were funded by prior CEDIT tax revenues collected and saved by the City within the CEDIT fund.

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

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

2. Investments

Authorization for investment activity is stated in Indiana Code 5-13. As of December 31, 2006, the City had the following investments:

Investment Type	Primary Government Market Value
U.S. treasuries and securities	\$ 25,000

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 City 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 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 City'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.

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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Investment Type	Investment Maturities (in Years)		
	Less Than 1	1-2	More Than 2
U.S. treasuries and securities	\$ -	\$ -	\$ 25,000

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2006, were as follows:

Transfer From	Transfer To	2006
General Fund	Other governmental	\$ 16,821
Other governmental	General Fund	67,844
	CEDIT	14,162
	Other governmental	25,000
Total		\$ 123,827

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

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.

Job Related Injuries

During 1994, the City joined with other governmental entities in 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. Conduit Debt Obligation

From time to time, the City has issued Redevelopment 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

CITY OF VINCENNES  
 NOTES TO FINANCIAL STATEMENTS  
 (Continued)

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 notes to the financial statements.

As of December 31, 2006, there was a redevelopment bond outstanding with a principal amount payable of \$2,040,000.

C. Loans Receivable – City of Vincennes Revolving Loan Fund

Date of Loan	Borrower	Purpose	Original Amount	Interest Rate	Balance 12-31-06
08-01-03	Vincennes Cub League	Expansion	\$ 37,500	5%	\$ 30,000
08-22-03	Hurricane Ditcher, Inc.	Expansion	143,415	5%	118,242
11-30-04	Tolliver Glass Inc.	Expansion	50,000	5%	42,500
09-15-05	Bi-State Authority	Expansion	50,000	5%	47,500

D. Rate Structure – Enterprise Funds

Water Utility

On March 26, 2001, the Common Council adopted Ordinance No. 5-2001 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on March 25, 2002.

Wastewater Utility

The current rate structure was approved by the Common Council on March 25, 2002.

E. 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:

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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.

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.

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.

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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Information for the Above Plans

	PERF	Water Utility PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Annual required contribution	\$ 56,565	\$ 50,488	\$ 330,900	\$ 682,200
Interest on net pension obligation	(3,730)	1,162	84,000	231,100
Adjustment to annual required contribution	<u>4,251</u>	<u>(1,324)</u>	<u>(91,600)</u>	<u>(252,000)</u>
Annual pension cost	57,086	50,326	323,300	661,300
Contributions made	<u>48,130</u>	<u>91,133</u>	<u>515,331</u>	<u>714,827</u>
Increase (decrease) in net pension obligation	8,956	(40,807)	(192,031)	(53,527)
Net pension obligation, beginning of year	<u>(51,453)</u>	<u>16,023</u>	<u>1,244,959</u>	<u>3,424,408</u>
Net pension obligation, end of year	<u>\$ (42,497)</u>	<u>\$ (24,784)</u>	<u>\$ 1,052,928</u>	<u>\$ 3,370,881</u>
	PERF	Water Utility PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Contribution rates:				
City	3%	8%	537%	246%
Plan members	3%	3%	6%	6%
Actuarial valuation date	07-01-06	07-01-06	01-01-06	01-01-06
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	01-01-05	01-01-05
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 VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

Actuarial Assumptions	PERF	Water Utility PERF	1925 Police Officers' Pension	1937 Firefighters' Pension
Investment rate of return	7.25%	7.25%	6%	6%
Projected future salary increases:				
Total	5%	5%	4%	4%
Attributed to inflation	4%	4%	4%	4%
Attributed to merit/seniority	1%	1%	0%	0%
Cost-of-living adjustments	2%	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	06-30-04	\$ 35,191	155%	\$ (53,096)
	06-30-05	54,269	97%	(51,453)
	06-30-06	57,086	89%	(42,497)
Water Utility PERF	06-30-04	58,519	98%	13,967
	06-30-05	65,681	97%	16,023
	06-30-06	50,326	139%	(24,784)
1925 Police Officers' Pension Plan	12-31-03	451,600	114%	1,276,090
	12-31-04	484,200	106%	1,244,959
	12-31-05	323,300	159%	1,052,928
1937 Firefighters' Pension Plan	12-31-03	936,000	76%	3,186,635
	12-31-04	952,600	75%	3,424,408
	12-31-05	661,300	108%	3,370,881

Membership in the 1925 Police Officers' Pension Plan and the 1937 Firefighters' Pension Plan at January 1, 2006, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	18	26
Terminated employees entitled to but not yet receiving benefits	-	-
Current active employees	2	5

CITY OF VINCENNES  
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, 2006, 2005, and 2004, were \$422,571, \$422,894, and \$412,571, respectively, equal to the required contributions for each year.

CITY OF VINCENNES  
REQUIRED SUPPLEMENTARY INFORMATION  
SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund - City of Vincennes

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)
07-01-04	\$ 1,561,671	\$ 1,370,441	\$ 191,230	114%	\$ 1,548,886	12%
07-01-05	1,602,759	1,399,392	203,367	115%	1,572,110	13%
07-01-06	1,457,202	1,524,387	(67,185)	96%	1,646,383	(4%)

Public Employees' Retirement Fund - City of Vincennes Water Department

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)
07-01-04	\$ 1,141,048	\$ 1,478,411	\$ (337,363)	77%	\$ 912,814	(37%)
07-01-05	1,194,460	1,441,131	(246,671)	83%	731,973	(34%)
07-01-06	1,201,505	1,659,380	(457,875)	72%	853,947	(54%)

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)
01-01-01	\$ 162,866	\$ 5,016,900	\$ (4,854,034)	3%	\$ 54,600	(8,890%)
01-01-02	247,868	4,363,500	(4,115,632)	6%	54,600	(7,538%)
01-01-03	396,064	4,518,500	(4,122,436)	9%	57,800	(7,132%)
01-01-04	187,791	4,662,100	(4,474,309)	4%	61,000	(7,335%)
01-01-05	386,840	4,534,600	(4,147,760)	9%	61,600	(6,733%)
01-01-06	408,994	4,393,300	(3,984,306)	9%	61,600	(6,468%)

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)
01-01-01	\$ 291,245	\$ 9,087,100	\$ (8,795,855)	3%	\$ 287,100	(3,064%)
01-01-02	319,231	8,823,400	(8,504,169)	4%	300,000	(2,835%)
01-01-03	630,893	8,786,700	(8,155,807)	7%	309,000	(2,639%)
01-01-04	340,226	9,103,900	(8,763,674)	4%	304,800	(2,875%)
01-01-05	571,898	8,917,100	(8,345,202)	6%	307,800	(2,711%)
01-01-06	651,380	8,428,900	(7,777,520)	8%	277,100	(2,807%)

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

	Year Ending	Annual Required Contribution (ARC)	Percentage of ARC Contributed	
			City	State
1925 Police Officers' Pension Plan	12-31-00	\$ 495,800	21%	26%
	12-31-01	520,200	27%	29%
	12-31-02	470,900	21%	72%
	12-31-03	512,100	68%	33%
	12-31-04	548,600	62%	32%
	12-31-05	330,900	101%	55%
1937 Firefighters' Pension Plan	12-31-00	969,600	33%	21%
	12-31-01	988,200	27%	23%
	12-31-02	996,200	24%	52%
	12-31-03	1,069,700	43%	24%
	12-31-04	1,113,300	42%	22%
	12-31-05	682,200	69%	36%

CITY OF VINCENNES  
 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, 2006

	Motor Vehicle Highway	Local Road and Street	Parks and Recreation	Law Enforcement Continuing Education	Riverboat Fund	Rainy Day Fund	Cumulative Capital Improvement
<b>Receipts:</b>							
Taxes	\$ 747,201	\$ -	\$ 284,426	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	3,470	-	-	-
Intergovernmental	759,929	78,983	29,817	-	117,682	-	66,809
Charges for services	-	-	45,691	7,109	-	-	-
Other	4,646	17,841	16,708	-	-	-	-
<b>Total receipts</b>	<b>1,511,776</b>	<b>96,824</b>	<b>376,642</b>	<b>10,579</b>	<b>117,682</b>	<b>-</b>	<b>66,809</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	7,629	-	-	-
Highways and streets	1,058,004	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	321,944	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets	-	-	-	-	-	-	69,535
<b>Total disbursements</b>	<b>1,058,004</b>	<b>-</b>	<b>321,944</b>	<b>7,629</b>	<b>-</b>	<b>-</b>	<b>69,535</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>453,772</b>	<b>96,824</b>	<b>54,698</b>	<b>2,950</b>	<b>117,682</b>	<b>-</b>	<b>(2,726)</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	(300,000)	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>(300,000)</b>	<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</b>	<b>153,772</b>	<b>96,824</b>	<b>54,698</b>	<b>2,950</b>	<b>117,682</b>	<b>-</b>	<b>(2,726)</b>
Cash and investment fund balance - beginning	490,913	129,604	101,245	20,928	271,527	285,815	46,247
Cash and investment fund balance - ending	<u>\$ 644,685</u>	<u>\$ 226,428</u>	<u>\$ 155,943</u>	<u>\$ 23,878</u>	<u>\$ 389,209</u>	<u>\$ 285,815</u>	<u>\$ 43,521</u>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	<u>\$ 644,685</u>	<u>\$ 226,428</u>	<u>\$ 155,943</u>	<u>\$ 23,878</u>	<u>\$ 389,209</u>	<u>\$ 285,815</u>	<u>\$ 43,521</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ 155,943	\$ -	\$ -	\$ -	\$ -
Highways and streets	644,685	226,428	-	-	-	-	43,521
Urban redevelopment and housing	-	-	-	-	-	-	-
Public safety	-	-	-	23,878	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	389,209	285,815	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 644,685</u>	<u>\$ 226,428</u>	<u>\$ 155,943</u>	<u>\$ 23,878</u>	<u>\$ 389,209</u>	<u>\$ 285,815</u>	<u>\$ 43,521</u>

CITY OF VINCENNES  
 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, 2006  
 (Continued)

	Cumulative Development	Cemetery	Memorial Park Earnings	Mausoleum	Mausoleum Earnings	Cemetery Perpetual Care	Fire Department
<b>Receipts:</b>							
Taxes	\$ 89,186	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,272,979
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	9,090	-	-	-	-	-	246,535
Charges for services	-	-	-	19,625	-	-	-
Other	-	-	18,392	1,823	6,152	-	4,863
<b>Total receipts</b>	<b>98,276</b>	<b>-</b>	<b>18,392</b>	<b>21,448</b>	<b>6,152</b>	<b>-</b>	<b>2,524,377</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	2,265,007
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	13,585	-	5,510	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets	144,273	-	-	-	-	-	-
<b>Total disbursements</b>	<b>144,273</b>	<b>-</b>	<b>13,585</b>	<b>-</b>	<b>5,510</b>	<b>-</b>	<b>2,265,007</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>(45,997)</b>	<b>-</b>	<b>4,807</b>	<b>21,448</b>	<b>642</b>	<b>-</b>	<b>259,370</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	(1,300,000)
Transfers in	-	-	-	-	20,000	16,821	-
Transfers out	-	(67,844)	-	(20,000)	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(67,844)</b>	<b>-</b>	<b>(20,000)</b>	<b>20,000</b>	<b>16,821</b>	<b>(1,300,000)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>(45,997)</b>	<b>(67,844)</b>	<b>4,807</b>	<b>1,448</b>	<b>20,642</b>	<b>16,821</b>	<b>(1,040,630)</b>
<b>Cash and investment fund balance - beginning</b>	<b>270,592</b>	<b>67,844</b>	<b>140,727</b>	<b>85,204</b>	<b>93,004</b>	<b>412,752</b>	<b>1,381,790</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 224,595</b>	<b>\$ -</b>	<b>\$ 145,534</b>	<b>\$ 86,652</b>	<b>\$ 113,646</b>	<b>\$ 429,573</b>	<b>\$ 341,160</b>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 224,595	\$ -	\$ 145,534	\$ 86,652	\$ 113,646	\$ 429,573	\$ 341,160
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	224,595	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	341,160
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	145,534	86,652	113,646	429,573	-
Debt service	-	-	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 224,595</b>	<b>\$ -</b>	<b>\$ 145,534</b>	<b>\$ 86,652</b>	<b>\$ 113,646</b>	<b>\$ 429,573</b>	<b>\$ 341,160</b>

CITY OF VINCENNES  
 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, 2006  
 (Continued)

	Fire Debt	Capital Improvement Bond	Park and Recreation Nonreverting	Chicago Park WR-00-17	Arson Investigation	Recycle Fund	Police Training Center
<b>Receipts:</b>							
Taxes	\$ 156,325	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	100	-
Intergovernmental	16,945	-	-	-	-	-	-
Charges for services	-	-	-	-	-	203,912	-
Other	25	-	46,676	-	92	979	-
<b>Total receipts</b>	<b>173,295</b>	<b>-</b>	<b>46,676</b>	<b>-</b>	<b>92</b>	<b>204,991</b>	<b>-</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	145,886	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	49,507	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
<b>Debt service:</b>							
Principal	156,119	-	-	-	-	-	-
Interest	15,498	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>171,617</b>	<b>-</b>	<b>49,507</b>	<b>-</b>	<b>-</b>	<b>145,886</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>1,678</b>	<b>-</b>	<b>(2,831)</b>	<b>-</b>	<b>92</b>	<b>59,105</b>	<b>-</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	125	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>125</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>1,678</b>	<b>-</b>	<b>(2,706)</b>	<b>-</b>	<b>92</b>	<b>59,105</b>	<b>-</b>
<b>Cash and investment fund balance - beginning</b>	<b>13,271</b>	<b>1,542</b>	<b>45,183</b>	<b>19,274</b>	<b>859</b>	<b>74,141</b>	<b>27</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 14,949</b>	<b>\$ 1,542</b>	<b>\$ 42,477</b>	<b>\$ 19,274</b>	<b>\$ 951</b>	<b>\$ 133,246</b>	<b>\$ 27</b>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	\$ 14,949	\$ 1,542	\$ 42,477	\$ 19,274	\$ 951	\$ 133,246	\$ 27
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ 42,477	\$ 19,274	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Public safety	-	-	-	-	951	-	27
Sanitation	-	-	-	-	-	133,246	-
Health and welfare	-	-	-	-	-	-	-
Debt service	14,949	1,542	-	-	-	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 14,949</b>	<b>\$ 1,542</b>	<b>\$ 42,477</b>	<b>\$ 19,274</b>	<b>\$ 951</b>	<b>\$ 133,246</b>	<b>\$ 27</b>

CITY OF VINCENNES  
 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, 2006  
 (Continued)

	CAGIT	Pet Port Donations	Revolving Loan	Revolving Loan Interest	Police Dept. Donation	Police Drug Investigation	Alarm System
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	4,325
Other	-	7,646	-	34,926	4,741	15,799	-
<b>Total receipts</b>	<b>-</b>	<b>7,646</b>	<b>-</b>	<b>34,926</b>	<b>4,741</b>	<b>15,799</b>	<b>4,325</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	-	-	12,014	20,053	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	8,775	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	2,600	-	-	-
<b>Debt service:</b>							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
<b>Capital outlay:</b>							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>8,775</b>	<b>-</b>	<b>2,600</b>	<b>12,014</b>	<b>20,053</b>	<b>-</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>-</b>	<b>(1,129)</b>	<b>-</b>	<b>32,326</b>	<b>(7,273)</b>	<b>(4,254)</b>	<b>4,325</b>
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	5,000	-	-	-	-
Transfers out	-	-	-	(19,162)	-	-	-
Other receipts	-	-	144,662	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>149,662</b>	<b>(19,162)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>-</b>	<b>(1,129)</b>	<b>149,662</b>	<b>13,164</b>	<b>(7,273)</b>	<b>(4,254)</b>	<b>4,325</b>
Cash and investment fund balance - beginning	119,837	10,838	59,899	40,293	9,128	12,880	7,211
Cash and investment fund balance - ending	<u>\$ 119,837</u>	<u>\$ 9,709</u>	<u>\$ 209,561</u>	<u>\$ 53,457</u>	<u>\$ 1,855</u>	<u>\$ 8,626</u>	<u>\$ 11,536</u>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	<u>\$ 119,837</u>	<u>\$ 9,709</u>	<u>\$ 209,561</u>	<u>\$ 53,457</u>	<u>\$ 1,855</u>	<u>\$ 8,626</u>	<u>\$ 11,536</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	209,561	53,457	-	-	-
Public safety	-	-	-	-	1,855	8,626	11,536
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	9,709	-	-	-	-	-
Debt service	-	-	-	-	-	-	-
Other purposes	119,837	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 119,837</u>	<u>\$ 9,709</u>	<u>\$ 209,561</u>	<u>\$ 53,457</u>	<u>\$ 1,855</u>	<u>\$ 8,626</u>	<u>\$ 11,536</u>

CITY OF VINCENNES  
 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, 2006  
 (Continued)

	Weed Ordinance No. 13-94	Youth Experience Summer	DARE	Nonreverting Donation Fire	Debt Service Redevelopment Bond	Police Breath Test Instruments	Nonreverting Police Dept.
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	3,749	-
Charges for services	19,432	-	-	-	-	-	-
Other	-	1,200	4,000	10,057	-	-	2,700
<b>Total receipts</b>	<b>19,432</b>	<b>1,200</b>	<b>4,000</b>	<b>10,057</b>	<b>-</b>	<b>3,749</b>	<b>2,700</b>
<b>Disbursements:</b>							
General government	-	-	-	-	-	-	-
Public safety	-	-	3,165	11,404	-	2,168	240
Highways and streets	-	-	-	-	-	-	-
Sanitation	1,391	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>1,391</b>	<b>-</b>	<b>3,165</b>	<b>11,404</b>	<b>-</b>	<b>2,168</b>	<b>240</b>
Excess (deficiency) of receipts over disbursements	18,041	1,200	835	(1,347)	-	1,581	2,460
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</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	18,041	1,200	835	(1,347)	-	1,581	2,460
Cash and investment fund balance - beginning	19,444	675	10,351	5,206	288,494	-	705
Cash and investment fund balance - ending	<u>\$ 37,485</u>	<u>\$ 1,875</u>	<u>\$ 11,186</u>	<u>\$ 3,859</u>	<u>\$ 288,494</u>	<u>\$ 1,581</u>	<u>\$ 3,165</u>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	<u>\$ 37,485</u>	<u>\$ 1,875</u>	<u>\$ 11,186</u>	<u>\$ 3,859</u>	<u>\$ 288,494</u>	<u>\$ 1,581</u>	<u>\$ 3,165</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ 1,875	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Public safety	-	-	11,186	3,859	-	1,581	3,165
Sanitation	37,485	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-	-
Debt service	-	-	-	-	288,494	-	-
Other purposes	-	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 37,485</u>	<u>\$ 1,875</u>	<u>\$ 11,186</u>	<u>\$ 3,859</u>	<u>\$ 288,494</u>	<u>\$ 1,581</u>	<u>\$ 3,165</u>

CITY OF VINCENNES  
 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, 2006  
 (Continued)

	Neighborhood Facilities	Donations	Federal Forfeiture and Seizures	Rental Housing	K-9 Donations	Cemetery Road Repairs and Improvements	Donations Promotion of the City
<b>Receipts:</b>							
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	48,722	-	-	-	-
Charges for services	108,619	-	-	-	-	-	-
Other	-	12,515	26	-	180	9,900	-
<b>Total receipts</b>	<b>108,619</b>	<b>12,515</b>	<b>48,748</b>	<b>-</b>	<b>180</b>	<b>9,900</b>	<b>-</b>
<b>Disbursements:</b>							
General government	100,518	7,159	-	179	-	-	-
Public safety	-	-	74,652	-	249	-	-
Highways and streets	-	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	7,860	-
Culture and recreation	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Debt service:							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-
Capital outlay:							
Highways and streets	-	-	-	-	-	-	-
<b>Total disbursements</b>	<b>100,518</b>	<b>7,159</b>	<b>74,652</b>	<b>179</b>	<b>249</b>	<b>7,860</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	8,101	5,356	(25,904)	(179)	(69)	2,040	-
<b>Other financing sources (uses):</b>							
Bond proceeds	-	-	-	-	-	-	-
Interfund loans	-	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</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	8,101	5,356	(25,904)	(179)	(69)	2,040	-
Cash and investment fund balance - beginning	84,318	2,000	97,330	22,332	641	39,300	103,905
Cash and investment fund balance - ending	<u>\$ 92,419</u>	<u>\$ 7,356</u>	<u>\$ 71,426</u>	<u>\$ 22,153</u>	<u>\$ 572</u>	<u>\$ 41,340</u>	<u>\$ 103,905</u>
<b>Cash and Investment Assets - December 31</b>							
<b>Restricted assets:</b>							
Cash and investments	<u>\$ 92,419</u>	<u>\$ 7,356</u>	<u>\$ 71,426</u>	<u>\$ 22,153</u>	<u>\$ 572</u>	<u>\$ 41,340</u>	<u>\$ 103,905</u>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-	-
Public safety	-	-	71,426	-	572	-	-
Sanitation	-	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	41,340	-
Debt service	-	-	-	-	-	-	-
Other purposes	92,419	7,356	-	22,153	-	-	103,905
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 92,419</u>	<u>\$ 7,356</u>	<u>\$ 71,426</u>	<u>\$ 22,153</u>	<u>\$ 572</u>	<u>\$ 41,340</u>	<u>\$ 103,905</u>

CITY OF VINCENNES  
 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, 2006  
 (Continued)

	Urban Enterprise Zone	Arson/ Inspection Training Fee	FEMA Grant	Fire Dept. Tobacco Cessation	Fire Health and Safety Equipment
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Other	41,935	-	-	-	-
<b>Total receipts</b>	<b>41,935</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Disbursements:</b>					
General government	-	-	-	-	-
Public safety	-	3,950	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	41,362	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
<b>Total disbursements</b>	<b>41,362</b>	<b>3,950</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	573	(3,950)	-	-	-
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	-	800,000
Interfund loans	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>800,000</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	573	(3,950)	-	-	800,000
Cash and investment fund balance - beginning	560	3,950	23,273	169	-
Cash and investment fund balance - ending	<u>\$ 1,133</u>	<u>\$ -</u>	<u>\$ 23,273</u>	<u>\$ 169</u>	<u>\$ 800,000</u>
<b>Cash and Investment Assets - December 31</b>					
<b>Restricted assets:</b>					
Cash and investments	<u>\$ 1,133</u>	<u>\$ -</u>	<u>\$ 23,273</u>	<u>\$ 169</u>	<u>\$ 800,000</u>
<b>Cash and Investment Fund Balance - December 31</b>					
<b>Restricted for:</b>					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	1,133	-	-	-	-
Public safety	-	-	23,273	-	800,000
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	169	-
Debt service	-	-	-	-	-
Other purposes	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1,133</u>	<u>\$ -</u>	<u>\$ 23,273</u>	<u>\$ 169</u>	<u>\$ 800,000</u>

CITY OF VINCENNES  
 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, 2006  
 (Continued)

	City Council Donation	Storm Water Drainage Plan	Solid Waste Grant Recycle	Hazmat Reimbursement	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 3,550,117
Licenses and permits	-	-	-	-	3,570
Intergovernmental	-	12,000	-	9,835	1,400,096
Charges for services	-	-	-	-	408,713
Other	1,250	-	-	-	265,072
<b>Total receipts</b>	<b>1,250</b>	<b>12,000</b>	<b>-</b>	<b>9,835</b>	<b>5,627,568</b>
<b>Disbursements:</b>					
General government	803	-	-	-	108,659
Public safety	-	-	-	7,401	2,407,932
Highways and streets	-	-	-	-	1,058,004
Sanitation	-	-	8,132	-	155,409
Health and welfare	-	-	-	-	35,730
Culture and recreation	-	-	-	-	371,451
Urban redevelopment and housing	-	12,000	-	-	55,962
Debt service:					
Principal	-	-	-	-	156,119
Interest	-	-	-	-	15,498
Capital outlay:					
Highways and streets	-	-	-	-	213,808
<b>Total disbursements</b>	<b>803</b>	<b>12,000</b>	<b>8,132</b>	<b>7,401</b>	<b>4,578,572</b>
Excess (deficiency) of receipts over disbursements	447	-	(8,132)	2,434	1,048,996
<b>Other financing sources (uses):</b>					
Bond proceeds	-	-	-	-	800,000
Interfund loans	-	-	-	-	(1,600,000)
Transfers in	-	-	-	-	41,821
Transfers out	-	-	-	-	(107,006)
Other receipts	-	-	-	-	144,787
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(720,398)</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	447	-	(8,132)	2,434	328,598
Cash and investment fund balance - beginning	1,000	-	10,000	-	4,926,228
Cash and investment fund balance - ending	<u>\$ 1,447</u>	<u>\$ -</u>	<u>\$ 1,868</u>	<u>\$ 2,434</u>	<u>\$ 5,254,826</u>
<b>Cash and Investment Assets - December 31</b>					
<b>Restricted assets:</b>					
Cash and investments	<u>\$ 1,447</u>	<u>\$ -</u>	<u>\$ 1,868</u>	<u>\$ 2,434</u>	<u>\$ 5,254,826</u>
<b>Cash and Investment Fund Balance - December 31</b>					
<b>Restricted for:</b>					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ 219,569
Highways and streets	-	-	-	-	1,139,229
Urban redevelopment and housing	-	-	-	-	264,151
Public safety	-	-	-	2,434	1,305,529
Sanitation	-	-	1,868	-	172,599
Health and welfare	-	-	-	-	826,623
Debt service	-	-	-	-	304,985
Other purposes	1,447	-	-	-	1,022,141
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 1,447</u>	<u>\$ -</u>	<u>\$ 1,868</u>	<u>\$ 2,434</u>	<u>\$ 5,254,826</u>

CITY OF VINCENNES  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PENSION TRUST FUNDS  
 For The Year Ended December 31, 2006

	Police Pension	Fire Pension	Totals
Additions:			
Contributions:			
Taxes	\$ 145,149	\$ 281,222	\$ 426,371
Plan members	3,540	10,311	13,851
State	176,123	262,656	438,779
Total contributions	324,812	554,189	879,001
Deductions:			
Benefits	295,497	466,476	761,973
Administrative and general	7,161	8,231	15,392
Total deductions	302,658	474,707	777,365
Excess of total additions over total deductions	22,154	79,482	101,636
Cash and investment fund balance - beginning	386,840	571,898	958,738
Cash and investment fund balance - ending	\$ 408,994	\$ 651,380	\$ 1,060,374

CITY OF VINCENNES  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 PRIVATE-PURPOSE TRUST FUNDS  
 For The Year Ended December 31, 2006

	Cemetery Donation	Perpetual Care J. Cannon	Sutherland Estate	Police Drug Buy Money	George Mischler Estate	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 1,387	\$ -	\$ 1,387
Investment earnings:						
Interest	-	1,465	175	-	13	1,653
Total additions	-	1,465	175	1,387	13	3,040
Deductions:						
Administrative and general	-	3,926	133	-	-	4,059
Excess (deficiency) of total additions over total deductions	-	(2,461)	42	1,387	13	(1,019)
Cash and investment fund balance - beginning	107	44,845	6,648	1,550	614	53,764
Cash and investment fund balance - ending	<u>\$ 107</u>	<u>\$ 42,384</u>	<u>\$ 6,690</u>	<u>\$ 2,937</u>	<u>\$ 627</u>	<u>\$ 52,745</u>

CITY OF VINCENNES  
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES  
 AGENCY FUNDS  
 For The Year Ended December 31, 2006

	<u>Payroll</u>	<u>1977 Police Pension</u>	<u>1977 Fire Pension</u>	<u>PERF</u>	<u>US Savings Bonds</u>	<u>Voluntary PERF</u>	<u>Totals</u>
Additions:							
Agency fund additions	\$ 5,194,777	\$ 61,791	\$ 58,636	\$ 46,367	\$ 1,500	\$ 16,722	\$ 5,379,793
Deductions:							
Agency fund deductions	<u>5,194,777</u>	<u>61,791</u>	<u>58,636</u>	<u>46,367</u>	<u>1,550</u>	<u>16,722</u>	<u>5,379,843</u>
Deficiency of total additions over total deductions	-	-	-	-	(50)	-	(50)
Cash and investment fund balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>175</u>	<u>-</u>	<u>175</u>
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 125</u>	<u>\$ -</u>	<u>\$ 125</u>



*Beverly S. Marsh*

Clerk-Treasurer  
City of Vincennes

CITY OF VINCENNES  
SUPPLEMENTARY INFORMATION  
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2006

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>				
<b>Governmental activities:</b>					
Capital assets, not being depreciated:					
Land	\$ 858,510				
Buildings	6,093,172				
Improvements other than buildings	569,536				
Machinery and equipment	<u>6,107,846</u>				
<b>Total governmental activities, capital assets not being depreciated</b>	<b><u>\$ 13,629,064</u></b>				
		<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
<b>Business-type activities:</b>					
<b>Water utility:</b>					
Capital assets, not being depreciated:					
Land		259,093	-	-	259,093
Construction in progress		5,761,345	42,750	5,804,095	-
Capital assets, being depreciated:					
Buildings		2,781,017	2,977,391	-	5,758,408
Improvements other than buildings		16,061,021	2,964,491	1,532	19,023,980
Machinery and equipment		1,093,511	211,695	147,925	1,157,281
Transportation equipment		231,132	-	-	231,132
Less accumulated depreciation for:					
Buildings		(1,272,972)	(86,768)	-	(1,359,740)
Improvements other than buildings		(4,735,759)	(423,156)	(38,034)	(5,120,881)
Machinery and equipment		(605,802)	(73,730)	(66,211)	(613,321)
Transportation equipment		(69,653)	(37,150)	-	(106,803)
<b>Total water utility capital assets, net</b>		<b><u>19,502,933</u></b>	<b><u>5,575,523</u></b>	<b><u>5,849,307</u></b>	<b><u>19,229,149</u></b>
<b>Wastewater utility:</b>					
Capital assets, not being depreciated:					
Land		95,000	-	-	95,000
Construction in progress		29,481,912	139,491	-	29,621,403
Capital assets, being depreciated:					
Buildings		7,978,367	26,094	-	8,004,461
Improvements other than buildings		9,523,066	71,776	-	9,594,842
Machinery and equipment		1,250,479	302,732	-	1,553,211
Transportation equipment		326,075	48,342	-	374,417
Less accumulated depreciation for:					
Buildings		(2,944,995)	(184,195)	-	(3,129,190)
Improvements other than buildings		(3,583,049)	(188,809)	-	(3,771,858)
Machinery and equipment		(431,625)	(99,070)	-	(530,695)
Transportation equipment		(147,958)	(46,130)	-	(194,088)
<b>Total Wastewater utility capital assets, net</b>		<b><u>41,547,272</u></b>	<b><u>70,231</u></b>	<b><u>-</u></b>	<b><u>41,617,503</u></b>
<b>Total business-type activities capital assets, net</b>		<b><u>61,050,205</u></b>	<b><u>5,645,754</u></b>	<b><u>5,849,307</u></b>	<b><u>60,846,652</u></b>

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*Beverly S. Marsh*  
 Clerk-Treasurer  
 City of Vincennes

CITY OF VINCENNES  
 SUPPLEMENTARY INFORMATION  
 SCHEDULE OF LONG-TERM DEBT

For The Year Ended December 31, 2006

CAPITAL LEASES

The City has entered into the following debts:

Description of Asset	Present Value of Net Minimum Lease Payments	Due Within One Year
<b>Governmental Activities:</b>		
Capital leases:		
Street sweeper	\$ 136,500	\$ 30,412
Wheel loader	102,962	12,015
Ford explorer/police cars	43,658	43,658
	<u>Ending Balance</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>		
General obligation bonds:		
Fire equipment	\$ 800,000	\$ 60,000
<b>Total governmental activities long-term debt</b>	<u>\$ 1,083,120</u>	<u>\$ 146,085</u>
<b>Business-type Activities:</b>		
Water Utility		
Revenue bonds:		
2003 waterworks refunding revenue bonds	\$ 645,000	\$ 645,000
Loans payable:		
2004 state revolving loan fund	<u>3,979,388</u>	<u>177,671</u>
<b>Total Water Utility</b>	<u>4,624,388</u>	<u>822,671</u>
Wastewater Utility		
Revenue bonds:		
2003 sewageworks revenue refunding bonds	2,390,000	140,000
Loans payable:		
2004 state revolving loan fund	<u>25,541,571</u>	<u>578,953</u>
<b>Total Wastewater Utility</b>	<u>27,931,571</u>	<u>718,953</u>
<b>Total business-type activities long-term debt:</b>	<u>\$ 32,555,959</u>	<u>\$ 1,541,624</u>

CITY OF VINCENNES  
OTHER REPORT

The annual report presented herein was prepared in addition to another official report prepared for the individual City office listed below:

Water and Wastewater Utilities

CITY OF VINCENNES  
AUDIT RESULTS AND COMMENTS

APPROPRIATIONS

The records presented for audit indicated the following expenditure was in excess of the budgeted appropriation:

Fund	Year	Excess Amount Expended
County Economic Development Income Tax (CEDIT)	2006	<u>\$ 116,061</u>

Indiana Code 6-1.1-18-4 states in part: ". . . the proper officers of a political subdivision shall appropriate funds in such a manner that the expenditures for a year do not exceed its budget for that year as finally determined under this article."

MISSING RECYCLING FUNDS

The Vincennes Police Department conducted an investigation of the City of Vincennes Street Superintendent concerning missing recycling funds. The investigation disclosed that Street Department employees, in City owned vehicles, delivered aluminum cans and steel items to a local recycling center. Upon delivery, they received a check that was payable to the respective Street Department employee. The employee cashed the check and gave the money to the Street Superintendent. This cash was never deposited into the City's bank account. The Street Superintendent submitted his resignation as of March 31, 2003. On April 8, 2003, the Vincennes Police Department filed charges at the Knox County Prosecuting Attorney's office on the counts of official misconduct and theft. The Knox County Prosecutor requested restitution in the amount of \$8,398.78 to be paid by the former Street Superintendent.

On February 24, 2004, a plea agreement was entered into for the charge of conversion, calling for probation of 365 days and restitution to the City. Beginning on October 21, 2005, restitution payments were being received by the City. As of August 1, 2007, the City had received \$2,500 in restitution from the Knox County Clerk's office. As of August 1, 2007, the remaining balance owed to the City was \$5,898.78.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF VINCENNES  
AUDIT RESULTS AND COMMENTS  
(Continued)

Indiana Code 5-13-6-1 (d) states in part: "A city or town shall deposit funds not later than the next business day following the receipt of the funds in depositories selected by the city or town as provided in an ordinance adopted by the city or town and approved as depositories of state funds."

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OVERPAYMENT OF FIREFIGHTER SALARY

The City Fire Chief and City Attorney performed an investigation on the wages of a Firefighter. The Firefighter was hired on October 1, 2000, with an advanced EMT certification. Pursuant to the salary ordinance, this certification is compensated at \$350 per quarter for each quarter the Firefighter maintains the certification. It was noted during the investigation that his certification was void after April 1, 2001. He did not reapply for his certification and, also, did not notify the Chief or City that his certification had expired. The City paid this Firefighter \$350 per quarter for 22 quarters dating from April 1, 2001 to September 30, 2006. He was also paid \$162.50 for the fourth quarter's clothing allowance that he was not entitled to, since he resigned on October 1, 2006. In total, he was overpaid \$7,862.50 in wages during the time period investigated.

After his resignation on October 1, 2006, the Firefighter paid \$862.50 towards restitution. Subsequently, he entered into a promissory note agreement with the City to make restitution at \$50 per month for the remaining \$7,000 due. He made one payment of \$50 on January 1, 2007. As of August 1, 2007, the City had received \$912.50 in restitution from the Firefighter. The remaining balance owed to the City as of this date was \$6,950. Since the last payment towards restitution was made on January 31, 2007, the Firefighter is considered in violation of the terms of the promissory note. The Fire Chief stated the City will take legal action if the restitution is not made.

Funds misappropriated, diverted or unaccounted for through malfeasance, misfeasance, or non-feasance in office of any officer or employee may be the personal obligation of the responsible officer or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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

Indiana Code 36-8-3-3(d) states in part: "The annual compensation of all members of the police and fire departments and other appointees shall be fixed by ordinance of the legislative body not later than September 30 of each year for the ensuing budget year. The ordinance may grade the members of the departments and regulate their pay by rank as well as by length of service."

CITY OF VINCENNES  
EXIT CONFERENCE

The contents of this report were discussed on August 20, 2007, with Mark R. Hill, President of the Common Council; Beverly S. Marsh, Clerk-Treasurer; and Terry D. Mooney, Mayor. The officials concurred with our audit findings.