

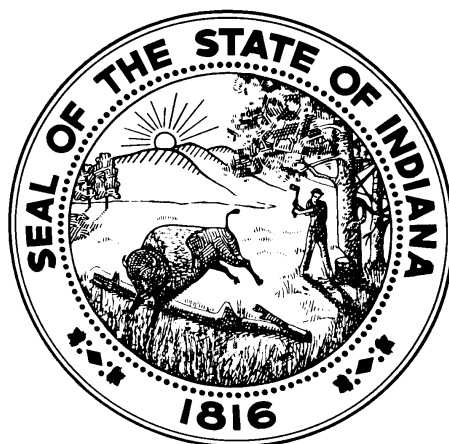
**STATE BOARD OF ACCOUNTS**  
**302 West Washington Street**  
**Room E418**  
**INDIANAPOLIS, INDIANA 46204-2769**

ANNUAL FINANCIAL REPORT

2007

CITY OF VINCENNES

KNOX COUNTY, INDIANA



**FILED**  
07/17/2008



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### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Beverly S. Marsh	01-01-04 to 12-31-11
Mayor	Terry D. Mooney Alan Baldwin	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Board of Public Works and Safety	Terry D. Mooney Alan Baldwin	01-01-04 to 12-31-07 01-01-08 to 12-31-11
President of the Common Council	Mark R. Hill Duane Chattin	01-01-07 to 12-31-07 01-01-08 to 12-31-08
Superintendent of Utilities	Kirk Bouchie	01-01-07 to 12-31-08
President of the Utility Service Board	William Hopper	01-01-07 to 12-31-08



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

TO: THE OFFICIALS OF THE CITY OF 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, 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 May 29, 2008, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants. Our report on compliance and on internal control over financial reporting should be read along with this report.

Our audit was performed for the purpose of forming an opinion on the basic financial statements of the City taken as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

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

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.

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

May 29, 2008



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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 VINCENNES, KNOX 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 Vincennes (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 May 29, 2008. 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.

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)

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.

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.

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

May 29, 2008

CITY OF VINCENNES  
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	\$ 1,399,346	\$ 170,138	\$ 1,212,890	\$ 699,242	\$ 682,924	\$ -	\$ 682,924
Public safety	6,030,486	14,746	357,451	29,442	(5,628,847)	-	(5,628,847)
Highways and streets	2,193,154	12,122	1,354,156	158,514	(668,362)	-	(668,362)
Sanitation	482,127	239,910	-	-	(242,217)	-	(242,217)
Health and welfare	494,822	384,275	39,112	-	(71,435)	-	(71,435)
Culture and recreation	545,368	88,801	26,301	6,269	(423,997)	-	(423,997)
Urban redevelopment and housing	37,312	-	33,309	-	(4,003)	-	(4,003)
Economic development	1,784,481	-	220,313	43,043	(1,521,125)	-	(1,521,125)
Total governmental activities	12,967,096	909,992	3,243,532	936,510	(7,877,062)	-	(7,877,062)
Business-type activities:							
Water	3,201,955	2,318,240	-	-	-	(883,715)	(883,715)
Wastewater	5,401,633	4,143,484	-	-	-	(1,258,149)	(1,258,149)
Total business-type activities	8,603,588	6,461,724	-	-	-	(2,141,864)	(2,141,864)
Total primary government	\$ 21,570,684	\$ 7,371,716	\$ 3,243,532	\$ 936,510	(7,877,062)	(2,141,864)	(10,018,926)
General receipts:							
Property taxes					6,984,551	-	6,984,551
Other local sources					2,072,153	919,149	2,991,302
Unrestricted investment earnings					400,192	419,103	819,295
Total general receipts					9,456,896	1,338,252	10,795,148
Change in net assets					1,579,834	(803,612)	776,222
Net assets - beginning					7,960,200	8,727,157	16,687,357
Net assets - ending					\$ 9,540,034	\$ 7,923,545	\$ 17,463,579
<u>Assets</u>							
Cash and investments					\$ 1,878,448	\$ 1,996,636	\$ 3,875,084
Restricted assets:							
Cash and investments					7,661,586	5,926,909	13,588,495
Total assets					\$ 9,540,034	\$ 7,923,545	\$ 17,463,579
<u>Net Assets</u>							
Restricted for:							
Culture and recreation					\$ 168,927	\$ -	\$ 168,927
Highways and streets					1,580,698	-	1,580,698
Urban redevelopment and housing					359,081	-	359,081
Public safety					554,696	-	554,696
Sanitation					244,778	-	244,778
Health and welfare					907,375	-	907,375
Economic development					499,156	-	499,156
Debt service					611,745	273,816	885,561
Other purposes					2,735,130	5,653,093	8,388,223
Unrestricted					1,878,448	1,996,636	3,875,084
Total net assets					\$ 9,540,034	\$ 7,923,545	\$ 17,463,579

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, 2007

	General	TIF	Rainy Day	Fire Department	MVH	Other Governmental Funds	Totals
<b>Receipts:</b>							
Taxes	\$ 2,779,927	\$ 944,985	\$ -	\$ 2,278,677	\$ 532,603	\$ 448,359	\$ 6,984,551
Licenses and permits	109,507	-	-	-	-	23,834	133,341
Intergovernmental	1,588,803	158,514	1,387,897	256,815	723,535	1,363,055	5,478,619
Charges for services	275,631	-	-	-	2,520	343,596	621,747
Other	309,880	34,906	65,326	125	6,978	911,457	1,328,672
<b>Total receipts</b>	<b>5,063,748</b>	<b>1,138,405</b>	<b>1,453,223</b>	<b>2,535,617</b>	<b>1,265,636</b>	<b>3,090,301</b>	<b>14,546,930</b>
<b>Disbursements:</b>							
General government	1,039,106	-	-	-	-	360,240	1,399,346
Public safety	2,601,759	-	-	2,372,935	-	135,085	5,109,779
Highways and streets	26,095	-	-	-	1,332,419	667,284	2,025,798
Sanitation	244,800	-	-	-	-	237,327	482,127
Health and welfare	430,539	-	-	-	-	64,283	494,822
Culture and recreation	15,000	-	-	-	-	530,268	545,268
Urban redevelopment and housing	-	-	-	-	-	37,312	37,312
Economic development	-	810,672	-	-	-	686,370	1,497,042
<b>Debt service:</b>							
Principal	-	190,000	-	-	-	120,000	310,000
Interest	-	97,439	-	-	-	32,110	129,549
<b>Capital outlay:</b>							
Highways and streets	-	-	-	-	-	167,356	167,356
Public safety	-	-	-	-	-	768,597	768,597
<b>Total disbursements</b>	<b>4,357,299</b>	<b>1,098,111</b>	<b>-</b>	<b>2,372,935</b>	<b>1,332,419</b>	<b>3,806,232</b>	<b>12,966,996</b>
<b>Excess (deficiency) of receipts over disbursements</b>	<b>706,449</b>	<b>40,294</b>	<b>1,453,223</b>	<b>162,682</b>	<b>(66,783)</b>	<b>(715,931)</b>	<b>1,579,934</b>
<b>Other financing sources (uses):</b>							
Transfers in	-	-	-	-	-	303,130	303,130
Transfers out	(140,584)	-	-	(104,718)	(32,094)	(25,734)	(303,130)
Other receipts (disbursements)	-	-	-	-	-	(100)	(100)
<b>Total other financing sources (uses)</b>	<b>(140,584)</b>	<b>-</b>	<b>-</b>	<b>(104,718)</b>	<b>(32,094)</b>	<b>277,296</b>	<b>(100)</b>
<b>Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses</b>	<b>565,865</b>	<b>40,294</b>	<b>1,453,223</b>	<b>57,964</b>	<b>(98,877)</b>	<b>(438,635)</b>	<b>1,579,834</b>
<b>Cash and investment fund balance - beginning</b>	<b>1,312,583</b>	<b>520,598</b>	<b>285,815</b>	<b>341,160</b>	<b>644,685</b>	<b>4,855,359</b>	<b>7,960,200</b>
<b>Cash and investment fund balance - ending</b>	<b>\$ 1,878,448</b>	<b>\$ 560,892</b>	<b>\$ 1,739,038</b>	<b>\$ 399,124</b>	<b>\$ 545,808</b>	<b>\$ 4,416,724</b>	<b>\$ 9,540,034</b>
<b>Cash and Investment Assets - December 31</b>							
Cash and investments	\$ 1,878,448	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,878,448
<b>Restricted assets:</b>							
Cash and investments	-	560,892	1,739,038	399,124	545,808	4,416,724	7,661,586
<b>Total cash and investment assets - December 31</b>	<b>\$ 1,878,448</b>	<b>\$ 560,892</b>	<b>\$ 1,739,038</b>	<b>\$ 399,124</b>	<b>\$ 545,808</b>	<b>\$ 4,416,724</b>	<b>\$ 9,540,034</b>
<b>Cash and Investment Fund Balance - December 31</b>							
<b>Restricted for:</b>							
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 168,927	\$ 168,927
Highways and streets	-	-	-	-	545,808	1,034,890	1,580,698
Urban redevelopment and housing	-	-	-	-	-	359,081	359,081
Public safety	-	-	-	399,124	-	155,572	554,696
Sanitation	-	-	-	-	-	244,778	244,778
Health and welfare	-	-	-	-	-	907,375	907,375
Economic development	-	276,623	-	-	-	222,533	499,156
Debt service	-	284,269	-	-	-	327,476	611,745
Other purposes	-	-	1,739,038	-	-	996,092	2,735,130
Unrestricted	1,878,448	-	-	-	-	-	1,878,448
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 1,878,448</b>	<b>\$ 560,892</b>	<b>\$ 1,739,038</b>	<b>\$ 399,124</b>	<b>\$ 545,808</b>	<b>\$ 4,416,724</b>	<b>\$ 9,540,034</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  
PROPRIETARY FUNDS  
As of and for the Year Ended December 31, 2007

	<u>Water Utility</u>	<u>Wastewater Utility</u>	<u>Totals</u>
Operating receipts:			
Metered water receipts:			
Residential	\$ 2,318,240	\$ -	\$ 2,318,240
Measured revenue:			
Residential	-	4,143,484	4,143,484
Other	<u>698,386</u>	<u>164,477</u>	<u>862,863</u>
Total operating receipts	<u>3,016,626</u>	<u>4,307,961</u>	<u>7,324,587</u>
Operating disbursements:			
Material and supplies - cost of goods sold	562,263	812,648	1,374,911
Salaries and wages - employee benefits	<u>1,429,116</u>	<u>1,418,521</u>	<u>2,847,637</u>
Total operating disbursements	<u>1,991,379</u>	<u>2,231,169</u>	<u>4,222,548</u>
Excess of operating receipts over operating disbursements	<u>1,025,247</u>	<u>2,076,792</u>	<u>3,102,039</u>
Nonoperating receipts (disbursements):			
Proceeds from sales of capital assets	-	56,286	56,286
Interest and investment receipts	118,437	300,666	419,103
Debt service of principal	(822,671)	(1,450,364)	(2,273,035)
Debt service of interest	(145,390)	(933,097)	(1,078,487)
Purchase of capital assets	<u>(242,515)</u>	<u>(787,003)</u>	<u>(1,029,518)</u>
Total nonoperating disbursements	<u>(1,092,139)</u>	<u>(2,813,512)</u>	<u>(3,905,651)</u>
Deficiency of receipts under disbursements and nonoperating disbursements	(66,892)	(736,720)	(803,612)
Cash and investment fund balance - beginning	<u>2,557,524</u>	<u>6,169,633</u>	<u>8,727,157</u>
Cash and investment fund balance - ending	<u>\$ 2,490,632</u>	<u>\$ 5,432,913</u>	<u>\$ 7,923,545</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 839,352	\$ 1,157,284	\$ 1,996,636
Restricted assets:			
Cash and investments	<u>1,651,280</u>	<u>4,275,629</u>	<u>5,926,909</u>
Total cash and investment assets - December 31	<u>\$ 2,490,632</u>	<u>\$ 5,432,913</u>	<u>\$ 7,923,545</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 50,131	\$ 223,685	\$ 273,816
Other purposes	1,601,149	4,051,944	5,653,093
Unrestricted	<u>839,352</u>	<u>1,157,284</u>	<u>1,996,636</u>
Total cash and investment fund balance - December 31	<u>\$ 2,490,632</u>	<u>\$ 5,432,913</u>	<u>\$ 7,923,545</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, 2007

	Pension Trust Funds	Private-Purpose Trust Funds	Agency Funds
Additions:			
Contributions:			
Taxes	\$ 882,223	\$ -	\$ -
Plan members	4,913	-	-
State	920,070	-	-
Other	-	5,015	-
	<u>-</u>	<u>5,015</u>	<u>-</u>
Total contributions	<u>1,807,206</u>	<u>5,015</u>	<u>-</u>
Investment earnings:			
Interest	-	2,366	-
Agency fund additions	-	-	5,829,523
	<u>-</u>	<u>-</u>	<u>5,829,523</u>
Total additions	<u>1,807,206</u>	<u>7,381</u>	<u>5,829,523</u>
Deductions:			
Benefits	1,468,576	-	-
Administrative and general	93,832	5,621	-
Agency fund deductions	-	-	5,829,498
	<u>-</u>	<u>-</u>	<u>5,829,498</u>
Total deductions	<u>1,562,408</u>	<u>5,621</u>	<u>5,829,498</u>
Excess of total additions over total deductions	244,798	1,760	25
Cash and investment fund balance - beginning	<u>1,060,374</u>	<u>52,745</u>	<u>125</u>
Cash and investment fund balance - ending	<u>\$ 1,305,172</u>	<u>\$ 54,505</u>	<u>\$ 150</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 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 \$168,000.

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 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, 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:

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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 rainy day fund accounts for general property tax monies collected and transfers from City funds to act as a savings account for future emergency or City improvement projects.

The fire department fund accounts for general property tax monies collected for fire protection and emergency services for citizens of the City.

The motor vehicle highway fund (MVH) accounts for state and local monies collected for highway and street construction and improvements.

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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the City'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:

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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

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

Fund Financial Statements

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

E. Receipts and Disbursements

1. Program Receipts

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

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds 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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

II. Stewardship, Compliance and Accountability

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 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, 2007, 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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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, 2007, were as follows:

Transfer From	Transfer To	2007
General Fund	Other governmental funds	\$ 140,584
Motor Vehicle Highway Fund	Other governmental funds	32,094
Fire Department Fund	Other governmental funds	104,718
Other governmental funds	Other governmental funds	25,734
Total		\$ 303,130

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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 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, 2007, there was a redevelopment bond outstanding a principal amount payable of \$1,850,000.

C. Loans Receivable – City of Vincennes Revolving Loan Fund

Date of Loan	Borrower	Purpose	Original Amount	Interest Rate	Balance 12-31-07
11-30-04	Tolliver Glass, Inc.	Expansion	\$ 50,000	5%	\$ 42,500
09-15-05	Bi-State Authority	Expansion	50,000	5%	45,000
08-22-06	Hurricane Ditcher, Inc.	Expansion	143,415	5%	110,582
12-07-07	Vincennes Cub League	Expansion	75,000	5%	75,000

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.

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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:

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.

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

b. 1925 Police Officers' Pension Plan

Plan Description

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

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

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>

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	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

Actuarial Assumptions

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	84%	(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	181%	(24,784)

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
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, 2007, was comprised of the following:

	1925 Police Officers' Pension	1937 Firefighters' Pension
Retirees and beneficiaries currently receiving benefits	19	34
Current active employees	1	0

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

CITY OF VINCENNES  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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 \$467,660, \$422,571, and \$422,894, 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%	\$ 1,548,866	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, 2007

	Local Road and Street	Parks and Recreation	Law Enforcement Continuing Education	Riverboat Fund	EDIT	Cumulative Capital Improvement
Receipts:						
Taxes	\$ -	\$ 202,974	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	5,120	-	-	-
Intergovernmental	79,478	22,030	-	117,924	624,906	65,685
Charges for services	-	45,435	6,732	-	-	-
Other	12,122	824	-	-	46,932	-
<b>Total receipts</b>	<b>91,600</b>	<b>271,263</b>	<b>11,852</b>	<b>117,924</b>	<b>671,838</b>	<b>65,685</b>
Disbursements:						
General government	-	-	-	141,126	66,756	-
Public safety	-	-	13,297	-	-	-
Highways and streets	-	-	-	-	111,973	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	16,287	-
Culture and recreation	-	319,727	-	-	68,427	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	489,675	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	73,660
Public safety	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>319,727</b>	<b>13,297</b>	<b>141,126</b>	<b>753,118</b>	<b>73,660</b>
Excess (deficiency) of receipts over disbursements	91,600	(48,464)	(1,445)	(23,202)	(81,280)	(7,975)
Other financing sources (uses):						
Interfund loans	-	-	-	-	(568,380)	-
Transfers in	-	-	-	-	-	-
Transfers out	-	(12,208)	-	-	-	-
Other receipts (disbursements)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(12,208)</b>	<b>-</b>	<b>-</b>	<b>(568,380)</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	91,600	(60,672)	(1,445)	(23,202)	(649,660)	(7,975)
Cash and investment fund balance - beginning	226,428	155,943	23,878	389,209	872,193	43,521
Cash and investment fund balance - ending	\$ 318,028	\$ 95,271	\$ 22,433	\$ 366,007	\$ 222,533	\$ 35,546
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 318,028	\$ 95,271	\$ 22,433	\$ 366,007	\$ 222,533	\$ 35,546
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Culture and recreation	\$ -	\$ 95,271	\$ -	\$ -	\$ -	\$ -
Highways and streets	318,028	-	-	-	-	35,546
Urban redevelopment and housing	-	-	-	-	-	-
Public safety	-	-	22,433	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	222,533	-
Debt service	-	-	-	-	-	-
Other purposes	-	-	-	366,007	-	-
<b>Total cash and investment fund balance - December 31</b>	<b>\$ 318,028</b>	<b>\$ 95,271</b>	<b>\$ 22,433</b>	<b>\$ 366,007</b>	<b>\$ 222,533</b>	<b>\$ 35,546</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, 2007  
 (Continued)

	Cumulative Capital Development	Memorial Park Earnings	Mausoleum	Mausoleum Earnings	Cemetery Perpetual Care	Fire Debt
Receipts:						
Taxes	\$ 82,001	\$ -	\$ -	\$ -	\$ -	\$ 163,384
Licenses and permits	-	-	-	-	-	18,414
Intergovernmental	8,651	-	-	-	-	-
Charges for services	-	-	33,175	3,840	-	-
Other	-	27,075	2,979	5,568	-	-
Total receipts	90,652	27,075	36,154	9,408	-	181,798
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	12,788	-	8,095	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	120,000
Interest	-	-	-	-	-	32,110
Capital outlay:						
Highways and streets	93,696	-	-	-	-	-
Public safety	-	-	-	-	-	-
Total disbursements	93,696	12,788	-	8,095	-	152,110
Excess (deficiency) of receipts over disbursements	(3,044)	14,287	36,154	1,313	-	29,688
Other financing sources (uses):						
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	18,735	-
Transfers out	(3,829)	-	-	-	-	(7,197)
Other receipts (disbursements)	-	-	(20,000)	20,000	-	-
Total other financing sources (uses)	(3,829)	-	(20,000)	20,000	18,735	(7,197)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(6,873)	14,287	16,154	21,313	18,735	22,491
Cash and investment fund balance - beginning	224,595	145,534	86,652	113,646	429,573	14,949
Cash and investment fund balance - ending	\$ 217,722	\$ 159,821	\$ 102,806	\$ 134,959	\$ 448,308	\$ 37,440
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	\$ 217,722	\$ 159,821	\$ 102,806	\$ 134,959	\$ 448,308	\$ 37,440
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	217,722	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	159,821	102,806	134,959	448,308	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	37,440
Other purposes	-	-	-	-	-	-
Total cash and investment fund balance - December 31	\$ 217,722	\$ 159,821	\$ 102,806	\$ 134,959	\$ 448,308	\$ 37,440

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, 2007  
 (Continued)

	Capital Improvement Bond	Park and Recreation Non-Reverting	Chicago Park WR-00-17	Arson Investigation	Recycle Fund	Police Training Center
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	300	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	239,610	-
Other	-	43,366	-	-	49,567	-
<b>Total receipts</b>	<b>-</b>	<b>43,366</b>	<b>-</b>	<b>-</b>	<b>289,477</b>	<b>-</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	217,934	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	39,722	100,618	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>39,722</b>	<b>100,618</b>	<b>-</b>	<b>217,934</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	-	3,644	(100,618)	-	71,543	-
Other financing sources (uses):						
Interfund loans	-	-	100,618	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts (disbursements)	-	(100)	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(100)</b>	<b>100,618</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	3,544	-	-	71,543	-
Cash and investment fund balance - beginning	1,542	42,477	19,274	951	133,246	27
Cash and investment fund balance - ending	<u>1,542</u>	<u>46,021</u>	<u>19,274</u>	<u>951</u>	<u>204,789</u>	<u>27</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>1,542</u>	<u>46,021</u>	<u>19,274</u>	<u>951</u>	<u>204,789</u>	<u>27</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Culture and recreation	\$ -	\$ 46,021	\$ 19,274	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Public safety	-	-	-	951	-	27
Sanitation	-	-	-	-	204,789	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	1,542	-	-	-	-	-
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>1,542</u></b>	<b><u>46,021</u></b>	<b><u>19,274</u></b>	<b><u>951</u></b>	<b><u>204,789</u></b>	<b><u>27</u></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, 2007  
 (Continued)

	CAGIT	Pet Port Donations	Revolving Loan	Revolving Loan Interest	Police Dept. Donation	Police Drug Investigation
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	10,926	50,159	25,156	14,150	3,093
<b>Total receipts</b>	<b>-</b>	<b>10,926</b>	<b>50,159</b>	<b>25,156</b>	<b>14,150</b>	<b>3,093</b>
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	9,062	9,910
Highways and streets	-	-	-	-	-	-
Sanitation	-	-	-	-	-	-
Health and welfare	-	10,113	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	2,870	-	-
Economic development	-	-	45,000	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>10,113</b>	<b>45,000</b>	<b>2,870</b>	<b>9,062</b>	<b>9,910</b>
Excess (deficiency) of receipts over disbursements	-	813	5,159	22,286	5,088	(6,817)
Other financing sources (uses):						
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	2,500	-	-	-
Transfers out	-	-	-	(2,500)	-	-
Other receipts (disbursements)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>2,500</b>	<b>(2,500)</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	813	7,659	19,786	5,088	(6,817)
Cash and investment fund balance - beginning	119,837	9,709	209,561	53,457	1,855	8,626
Cash and investment fund balance - ending	<u>\$ 119,837</u>	<u>\$ 10,522</u>	<u>\$ 217,220</u>	<u>\$ 73,243</u>	<u>\$ 6,943</u>	<u>\$ 1,809</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>\$ 119,837</u>	<u>\$ 10,522</u>	<u>\$ 217,220</u>	<u>\$ 73,243</u>	<u>\$ 6,943</u>	<u>\$ 1,809</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Urban redevelopment and housing	-	-	217,220	73,243	-	-
Public safety	-	-	-	-	6,943	1,809
Sanitation	-	-	-	-	-	-
Health and welfare	-	10,522	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Other purposes	119,837	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 119,837</u></b>	<b><u>\$ 10,522</u></b>	<b><u>\$ 217,220</u></b>	<b><u>\$ 73,243</u></b>	<b><u>\$ 6,943</u></b>	<b><u>\$ 1,809</u></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, 2007  
 (Continued)

	Alarm System	Weed Ordinance #13-94	Youth Experience Summer	DARE	Non-Reverting Donation Fire	Debt Service Redevelopment Bond
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	4,775	10,029	-	-	-	-
Other	-	-	675	140	5,358	-
<b>Total receipts</b>	<b>4,775</b>	<b>10,029</b>	<b>675</b>	<b>140</b>	<b>5,358</b>	<b>-</b>
Disbursements:						
General government	13,451	-	-	-	-	-
Public safety	-	-	-	7,861	5,553	-
Highways and streets	-	-	-	-	-	-
Sanitation	-	7,692	-	-	-	-
Health and welfare	-	-	-	-	-	-
Culture and recreation	-	-	70	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
Highways and streets	-	-	-	-	-	-
Public safety	-	-	-	-	-	-
<b>Total disbursements</b>	<b>13,451</b>	<b>7,692</b>	<b>70</b>	<b>7,861</b>	<b>5,553</b>	<b>-</b>
Excess (deficiency) of receipts over disbursements	(8,676)	2,337	605	(7,721)	(195)	-
Other financing sources (uses):						
Interfund loans	-	-	-	-	-	-
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts (disbursements)	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(8,676)	2,337	605	(7,721)	(195)	-
Cash and investment fund balance - beginning	11,536	37,485	1,875	11,186	3,859	288,494
Cash and investment fund balance - ending	<u>\$ 2,860</u>	<u>\$ 39,822</u>	<u>\$ 2,480</u>	<u>\$ 3,465</u>	<u>\$ 3,664</u>	<u>\$ 288,494</u>
<b>Cash and Investment Assets - December 31</b>						
Restricted assets:						
Cash and investments	<u>\$ 2,860</u>	<u>\$ 39,822</u>	<u>\$ 2,480</u>	<u>\$ 3,465</u>	<u>\$ 3,664</u>	<u>\$ 288,494</u>
<b>Cash and Investment Fund Balance - December 31</b>						
Restricted for:						
Culture and recreation	\$ -	\$ -	\$ 2,480	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Public safety	2,860	-	-	3,465	3,664	-
Sanitation	-	39,822	-	-	-	-
Health and welfare	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	288,494
Other purposes	-	-	-	-	-	-
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 2,860</u></b>	<b><u>\$ 39,822</u></b>	<b><u>\$ 2,480</u></b>	<b><u>\$ 3,465</u></b>	<b><u>\$ 3,664</u></b>	<b><u>\$ 288,494</u></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, 2007  
 (Continued)

	Police Breath Test Instruments	Non-Reverting Police Dept.	Neighborhood Facilities	Donations	Federal Forfeiture and Seizures
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	53,348
Charges for services	-	-	-	-	-
Other	-	4,400	112,659	10,016	-
	<u>-</u>	<u>4,400</u>	<u>112,659</u>	<u>10,016</u>	<u>-</u>
Total receipts	-	4,400	112,659	10,016	53,348
Disbursements:					
General government	-	-	107,999	12,038	-
Public safety	-	-	-	-	83,985
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Public safety	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>107,999</u>	<u>12,038</u>	<u>83,985</u>
Total disbursements	-	-	107,999	12,038	83,985
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>4,400</u>	<u>4,660</u>	<u>(2,022)</u>	<u>(30,637)</u>
Other financing sources (uses):					
Interfund loans	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts (disbursements)	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,400	4,660	(2,022)	(30,637)
Cash and investment fund balance - beginning	<u>1,581</u>	<u>3,165</u>	<u>92,419</u>	<u>7,356</u>	<u>71,426</u>
Cash and investment fund balance - ending	<u>\$ 1,581</u>	<u>\$ 7,565</u>	<u>\$ 97,079</u>	<u>\$ 5,334</u>	<u>\$ 40,789</u>
<u>Cash and Investment Assets - December 31</u>					
Restricted assets:					
Cash and investments	<u>\$ 1,581</u>	<u>\$ 7,565</u>	<u>\$ 97,079</u>	<u>\$ 5,334</u>	<u>\$ 40,789</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Public safety	1,581	7,565	-	-	40,789
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Other purposes	-	-	97,079	5,334	-
	<u>-</u>	<u>-</u>	<u>97,079</u>	<u>5,334</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 1,581</u>	<u>\$ 7,565</u>	<u>\$ 97,079</u>	<u>\$ 5,334</u>	<u>\$ 40,789</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, 2007  
 (Continued)

	Rental Housing	K-9 Donations	Cemetery Road Repairs and Improvements	Donations Promotion of the City	Urban Enterprise Zone
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Other	-	6,721	9,450	-	33,309
<b>Total receipts</b>	<b>-</b>	<b>6,721</b>	<b>9,450</b>	<b>-</b>	<b>33,309</b>
Disbursements:					
General government	-	-	-	18,870	-
Public safety	-	5,417	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	34,442
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Public safety	-	-	-	-	-
<b>Total disbursements</b>	<b>-</b>	<b>5,417</b>	<b>-</b>	<b>18,870</b>	<b>34,442</b>
Excess (deficiency) of receipts over disbursements	-	1,304	9,450	(18,870)	(1,133)
Other financing sources (uses):					
Interfund loans	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts (disbursements)	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	1,304	9,450	(18,870)	(1,133)
Cash and investment fund balance - beginning	22,153	572	41,340	103,905	1,133
Cash and investment fund balance - ending	<u>\$ 22,153</u>	<u>\$ 1,876</u>	<u>\$ 50,790</u>	<u>\$ 85,035</u>	<u>\$ -</u>
<b>Cash and Investment Assets - December 31</b>					
Restricted assets:					
Cash and investments	<u>\$ 22,153</u>	<u>\$ 1,876</u>	<u>\$ 50,790</u>	<u>\$ 85,035</u>	<u>\$ -</u>
<b>Cash and Investment Fund Balance - December 31</b>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Public safety	-	1,876	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	50,790	-	-
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Other purposes	22,153	-	-	85,035	-
<b>Total cash and investment fund balance - December 31</b>	<u>\$ 22,153</u>	<u>\$ 1,876</u>	<u>\$ 50,790</u>	<u>\$ 85,035</u>	<u>\$ -</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, 2007  
 (Continued)

	FEMA Grant	Fire Dept. Tobacco Cessation	Fire Health and Safety Equipment	City Council Donation	Solid Waste Grant Recycle
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	2,577	-	-	-	10,000
Charges for services	-	-	-	-	-
Other	-	-	1,922	-	-
	<u>-</u>	<u>-</u>	<u>1,922</u>	<u>-</u>	<u>-</u>
Total receipts	<u>2,577</u>	<u>-</u>	<u>1,922</u>	<u>-</u>	<u>10,000</u>
Disbursements:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	11,701
Health and welfare	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Public safety	-	-	768,597	-	-
	<u>-</u>	<u>-</u>	<u>768,597</u>	<u>-</u>	<u>-</u>
Total disbursements	<u>-</u>	<u>-</u>	<u>768,597</u>	<u>-</u>	<u>11,701</u>
Excess (deficiency) of receipts over disbursements	<u>2,577</u>	<u>-</u>	<u>(766,675)</u>	<u>-</u>	<u>(1,701)</u>
Other financing sources (uses):					
Interfund loans	-	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts (disbursements)	-	-	-	-	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>2,577</u>	<u>-</u>	<u>(766,675)</u>	<u>-</u>	<u>(1,701)</u>
Cash and investment fund balance - beginning	<u>23,273</u>	<u>169</u>	<u>800,000</u>	<u>1,447</u>	<u>1,868</u>
Cash and investment fund balance - ending	<u>\$ 25,850</u>	<u>\$ 169</u>	<u>\$ 33,325</u>	<u>\$ 1,447</u>	<u>\$ 167</u>
<u>Cash and Investment Assets - December 31</u>					
Restricted assets:					
Cash and investments	<u>\$ 25,850</u>	<u>\$ 169</u>	<u>\$ 33,325</u>	<u>\$ 1,447</u>	<u>\$ 167</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Public safety	25,850	-	33,325	-	-
Sanitation	-	-	-	-	167
Health and welfare	-	169	-	-	-
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Other purposes	-	-	-	1,447	-
	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,447</u>	<u>-</u>
Total cash and investment fund balance - December 31	<u>\$ 25,850</u>	<u>\$ 169</u>	<u>\$ 33,325</u>	<u>\$ 1,447</u>	<u>\$ 167</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, 2007  
 (Continued)

	Hazmat Reimbursement	Levy Excess Fund	Downtown Revitalization Donations	Downtown Revitalization Grant	Brownfield Grant
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-
Intergovernmental	-	-	-	105,313	17,000
Charges for services	-	-	-	-	-
Other	-	17,305	115,000	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total receipts	-	17,305	115,000	105,313	17,000
Disbursements:					
General government	-	-	-	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	17,000
Culture and recreation	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-
Economic development	-	-	46,382	105,313	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
Highways and streets	-	-	-	-	-
Public safety	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total disbursements	-	-	46,382	105,313	17,000
Excess (deficiency) of receipts over disbursements	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	17,305	68,618	-	-
Other financing sources (uses):					
Interfund loans	-	-	-	-	-
Transfers in	-	281,895	-	-	-
Transfers out	-	-	-	-	-
Other receipts (disbursements)	-	-	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total other financing sources (uses)	-	281,895	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	-	299,200	68,618	-	-
Cash and investment fund balance - beginning	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	2,434	-	-	-	-
Cash and investment fund balance - ending	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,434	\$ 299,200	\$ 68,618	\$ -	\$ -
<u>Cash and Investment Assets - December 31</u>					
Restricted assets:					
Cash and investments	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,434	\$ 299,200	\$ 68,618	\$ -	\$ -
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Culture and recreation	\$ -	\$ -	\$ -	\$ -	\$ -
Highways and streets	-	-	-	-	-
Urban redevelopment and housing	-	-	68,618	-	-
Public safety	2,434	-	-	-	-
Sanitation	-	-	-	-	-
Health and welfare	-	-	-	-	-
Economic development	-	-	-	-	-
Debt service	-	-	-	-	-
Other purposes	-	299,200	-	-	-
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total cash and investment fund balance - December 31	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
	\$ 2,434	\$ 299,200	\$ 68,618	\$ -	\$ -

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, 2007  
 (Continued)

	Railroad Relocation Donations	Railroad Relocation Grant	Park Restricted Donation	Park Lawn Equipment	Totals
<b>Receipts:</b>					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 448,359
Licenses and permits	-	-	-	-	23,834
Intergovernmental	-	256,143	-	-	1,363,055
Charges for services	-	-	-	-	343,596
Other	295,000	-	1,316	6,269	911,457
<b>Total receipts</b>	<b>295,000</b>	<b>256,143</b>	<b>1,316</b>	<b>6,269</b>	<b>3,090,301</b>
<b>Disbursements:</b>					
General government	-	-	-	-	360,240
Public safety	-	-	-	-	135,085
Highways and streets	-	555,311	-	-	667,284
Sanitation	-	-	-	-	237,327
Health and welfare	-	-	-	-	64,283
Culture and recreation	-	-	943	761	530,268
Urban redevelopment and housing	-	-	-	-	37,312
Economic development	-	-	-	-	686,370
<b>Debt service:</b>					
Principal	-	-	-	-	120,000
Interest	-	-	-	-	32,110
<b>Capital outlay:</b>					
Highways and streets	-	-	-	-	167,356
Public safety	-	-	-	-	768,597
<b>Total disbursements</b>	<b>-</b>	<b>555,311</b>	<b>943</b>	<b>761</b>	<b>3,806,232</b>
Excess (deficiency) of receipts over disbursements	295,000	(299,168)	373	5,508	(715,931)
<b>Other financing sources (uses):</b>					
Interfund loans	-	467,762	-	-	-
Transfers in	-	-	-	-	303,130
Transfers out	-	-	-	-	(25,734)
Other receipts (disbursements)	-	-	-	-	(100)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>467,762</b>	<b>-</b>	<b>-</b>	<b>277,296</b>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	295,000	168,594	373	5,508	(438,635)
Cash and investment fund balance - beginning	-	-	-	-	4,855,359
Cash and investment fund balance - ending	<u>\$ 295,000</u>	<u>\$ 168,594</u>	<u>\$ 373</u>	<u>\$ 5,508</u>	<u>\$ 4,416,724</u>
<b>Cash and Investment Assets - December 31</b>					
<b>Restricted assets:</b>					
Cash and investments	<u>\$ 295,000</u>	<u>\$ 168,594</u>	<u>\$ 373</u>	<u>\$ 5,508</u>	<u>\$ 4,416,724</u>
<b>Cash and Investment Fund Balance - December 31</b>					
<b>Restricted for:</b>					
Culture and recreation	\$ -	\$ -	\$ 373	\$ 5,508	\$ 168,927
Highways and streets	295,000	168,594	-	-	1,034,890
Urban redevelopment and housing	-	-	-	-	359,081
Public safety	-	-	-	-	155,572
Sanitation	-	-	-	-	244,778
Health and welfare	-	-	-	-	907,375
Economic development	-	-	-	-	222,533
Debt service	-	-	-	-	327,476
Other purposes	-	-	-	-	996,092
<b>Total cash and investment fund balance - December 31</b>	<b><u>\$ 295,000</u></b>	<b><u>\$ 168,594</u></b>	<b><u>\$ 373</u></b>	<b><u>\$ 5,508</u></b>	<b><u>\$ 4,416,724</u></b>

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

	Police Pension	Fire Pension	Totals
Additions:			
Contributions:			
Taxes	\$ 124,311	\$ 757,912	\$ 882,223
Plan members	2,615	2,298	4,913
State	<u>369,545</u>	<u>550,525</u>	<u>920,070</u>
Total contributions	<u>496,471</u>	<u>1,310,735</u>	<u>1,807,206</u>
Deductions:			
Benefits	304,257	1,164,319	1,468,576
Administrative and general	<u>73,638</u>	<u>20,194</u>	<u>93,832</u>
Total deductions	<u>377,895</u>	<u>1,184,513</u>	<u>1,562,408</u>
Excess of total additions over total deductions	118,576	126,222	244,798
Cash and investment fund balance - beginning	<u>408,994</u>	<u>651,380</u>	<u>1,060,374</u>
Cash and investment fund balance - ending	<u>\$ 527,570</u>	<u>\$ 777,602</u>	<u>\$ 1,305,172</u>

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, 2007

	Cemetery Donation	Perpetual Care J. Cannon	Sutherland Estate	Police Drug Buy Money	George Mischler Estate	Totals
Additions:						
Contributions:						
Other	\$ -	\$ -	\$ -	\$ 5,015	\$ -	\$ 5,015
Investment earnings:						
Interest	-	2,086	278	-	2	2,366
Total additions	-	2,086	278	5,015	2	7,381
Deductions:						
Administrative and general	-	754	304	4,563	-	5,621
Excess (deficiency) of total additions over total deductions	-	1,332	(26)	452	2	1,760
Cash and investment fund balance - beginning	107	42,384	6,690	2,937	627	52,745
Cash and investment fund balance - ending	<u>\$ 107</u>	<u>\$ 43,716</u>	<u>\$ 6,664</u>	<u>\$ 3,389</u>	<u>\$ 629</u>	<u>\$ 54,505</u>

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

	<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	<u>\$ 5,630,363</u>	<u>\$ 64,810</u>	<u>\$ 68,811</u>	<u>\$ 47,432</u>	<u>\$ 675</u>	<u>\$ 17,432</u>	<u>\$ 5,829,523</u>
Deductions:							
Agency fund deductions	<u>5,630,363</u>	<u>64,810</u>	<u>68,811</u>	<u>47,432</u>	<u>650</u>	<u>17,432</u>	<u>5,829,498</u>
Excess of total additions over total deductions	-	-	-	-	25	-	25
Cash and investment fund balance - beginning	-	-	-	-	125	-	125
Cash and investment fund balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 150</u>	<u>\$ -</u>	<u>\$ 150</u>

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*Beverly S. Marsh*

Clerk-Treasurer  
City of Vincennes

CITY OF VINCENNES  
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	\$ 858,510
Buildings	6,327,897
Improvements other than buildings	569,536
Machinery and equipment	<u>6,262,504</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 14,018,447</u>

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Water utility:				
Capital assets, not being depreciated:				
Land	259,093	-	-	259,093
Capital assets, being depreciated:				
Buildings	5,758,408	11,762	-	5,770,170
Improvements other than buildings	19,023,980	158,349	17,266	19,165,063
Machinery and equipment	1,157,281	55,404	2,326	1,210,359
Transportation equipment	231,132	17,000	38,591	209,541
Less accumulated depreciation for:				
Buildings	(1,359,740)	(132,766)	-	(1,492,506)
Improvements other than buildings	(5,120,881)	(489,187)	(51,013)	(5,559,055)
Machinery and equipment	(613,321)	(83,474)	(4,460)	(692,335)
Transportation equipment	(106,803)	(33,698)	(38,591)	(101,910)
Total water utility capital assets, net	<u>19,229,149</u>	<u>(496,610)</u>	<u>(35,881)</u>	<u>18,768,420</u>

Wastewater utility:

Capital assets, not being depreciated:

Land	95,000	9,862	-	104,862
Construction in progress	29,621,403	-	29,621,403	-

Capital assets, being depreciated:

Buildings	8,004,461	19,347,301	148,218	27,203,544
Improvements other than buildings	9,594,842	7,392,631	13,106	16,974,367
Machinery and equipment	1,553,211	3,621,225	82,503	5,091,933
Transportation equipment	374,417	37,387	64,210	347,594

Less accumulated depreciation for:

Buildings	(3,129,190)	(360,206)	(137,672)	(3,351,724)
Improvements other than buildings	(3,771,858)	(263,713)	-	(4,035,571)
Machinery and equipment	(530,695)	(211,507)	(82,503)	(659,699)
Transportation equipment	(194,088)	(51,180)	(31,576)	(213,692)

Total Wastewater utility capital assets, net

	<u>41,617,503</u>	<u>29,521,800</u>	<u>29,677,689</u>	<u>41,461,614</u>
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Total business-type activities  
capital assets, net

	<u><u>60,846,652</u></u>	<u><u>29,025,190</u></u>	<u><u>29,641,808</u></u>	<u><u>60,230,034</u></u>
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203 Vigo Street  
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*Beverly S. Marsh*  
 Clerk-Treasurer  
 City of Vincennes

CITY OF VINCENNES  
 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 Due Within One Year
<b>Governmental Activities:</b>		
Capital leases:		
Street sweeper	\$ 81,732	\$ 25,746
Wheel loader	90,947	12,015
Case backhoe	48,512	5,488
Bonds payable:		
General obligation bonds:		
Fire equipment	<u>680,000</u>	<u>60,000</u>
<b>Total governmental activities long-term debt</b>	<b><u>\$ 901,191</u></b>	<b><u>\$ 103,249</u></b>
<b>Business-type Activities:</b>		
Water Utility		
Loans payable:		
2004 state revolving loan fund	3,801,717	183,804
Wastewater Utility		
Loans payable:		
2004 state revolving loan fund	24,371,207	599,109
Revenue bonds:		
2003 sewageworks revenue refunding bonds	<u>2,110,000</u>	<u>145,000</u>
<b>Total Wastewater Utility</b>	<b><u>26,481,207</u></b>	<b><u>744,109</u></b>
<b>Total business-type activities long-term debt:</b>	<b><u>\$ 30,282,924</u></b>	<b><u>\$ 927,913</u></b>

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

CELL PHONE USAGE

Every department head for the City is responsible for determining who gets a cell phone and what plan is purchased. Several City employees have cell phones provided and paid for by the City, which are used during working hours and outside of normal work hours. Usage logs were not presented for audit.

Assets of the governmental unit may not be used in a manner unrelated to the functions and purposes of the governmental unit. Whenever an item or other asset owned by the political subdivision is entrusted to an officer or employee, to be used at times outside the normal work time for business purposes, such as a cellular phone, or vehicle, a log should be maintained which clearly shows the business use. (Uniform and Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CREDIT CARDS

Numerous credit card purchases were made and paid for without proper supporting documentation. For instance, food purchases were paid for with just a credit card slip attached to the claim. Also, numerous other items were paid for without a detailed receipt documenting what was purchased.

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

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

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

CITY OF VINCENNES  
AUDIT RESULTS AND COMMENTS  
(Continued)

MEAL EXPENSE ADVANCES

The former Mayor was advanced \$500 from a City credit card for purchasing of meals during a trip to Japan. This advance of monies was never approved by the City Council. Also, there was no submission of invoices or documentation of food consumed during the trip attached to the credit card claim for payment.

Indiana Code 5-11-10-1.6 states in part: "This subsection does not prevent a municipality from making meal expense advances to a municipal employee who will be traveling on official municipal business if the municipal fiscal body has adopted an ordinance allowing the advance payment, specifying the maximum amount that may be paid in advance, specifying the required invoices and other documentation that must be submitted by the municipal employee, and providing for reimbursement from the wages of the municipal employee if the municipal employee does not submit the required invoices and documentation."

Each governmental unit should adopt a written travel policy in conformity with applicable statutes. Reimbursement for lodging and meals should be based upon actual receipts for amounts paid unless otherwise authorized by statute. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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 received by the City. As of August 1, 2007, the City had received \$2,500 in restitution from the Knox County Clerk's office leaving a balance owed to the City of \$5,898.78. No restitution payments have been made since August 1, 2007.

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)

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)

CITY OF VINCENNES  
AUDIT RESULTS AND COMMENTS  
(Continued)

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 this firefighter's 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 a clothing allowance of \$162.50 for the fourth quarter of 2006 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. As of April 17, 2008, the City had received \$987.50 in restitution from the firefighter. The remaining balance owned to the City as of this date was \$6,875. Since the last payment on restitution was made on October 1, 2007, the firefighter is considered in violation of the terms of the promissory note and is behind on payments by \$675. The City is considering legal action if restitution is not made in a timely manner. Options include garnishment of wages at his current employment and the filing of a judgment in court, which would result in a lien against his property for ten years. If restitution is not met after that, the City may file a new judgment.

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. . . ."

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

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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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 VINCENNES, KNOX COUNTY, INDIANA

Compliance

We have audited the compliance of the City of Vincennes (City) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 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.

In our opinion, the City complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2007.

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)

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

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

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

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

May 29, 2008

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

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. HOUSING AND URBAN DEVELOPMENT</u>			
Pass-Through Indiana Office of Community and Rural Affairs Community Development Block Grants/State's Program Downtown Revitalization Grant	14.228	CF-06-222	\$ 199,382
Total for federal grantor agency			<u>199,382</u>
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Local Law Enforcement Block Grant Program	16.592		
Drug Task Force Overtime FY2007		I2-06-0051/YCC3B	11,591
Drug Task Force Overtime FY2008		I2-06-0080/YNA2B	<u>869</u>
Total for program			<u>12,460</u>
Drug Prevention Program	16.728		
Federal Drug and Seizure		FY2007	<u>53,348</u>
Pass-Through Indiana Criminal Justice Institute Bulletproof Vest Partnership Program	16.607	FY2007	<u>9,100</u>
Total for federal grantor agency			<u>74,908</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation Highway Planning and Construction Cluster			
Highway Planning and Construction	20.205		
Hart St. Project		STP-9942(049)	59,930
Railroad Relocation Study		43575-PL-001-062907	374,209
Railroad Relocation Study		43575-PL-001-072707	<u>266,149</u>
Total for cluster			<u>700,288</u>
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster			
State and Community Highway Safety	20.600		
Operation Pull Over FY2007		OP-07-01-01-90	6,100
Operation Pull Over FY2008		OP-08-01-01-97	<u>1,500</u>
Total for cluster			<u>7,600</u>
Total for federal grantor agency			<u>707,888</u>
Total federal awards expended			<u>\$ 982,178</u>

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

CITY OF VINCENNES  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City of Vincennes (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 VINCENNES  
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  
 Reportable conditions identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:  
 Material weaknesses identified? no  
 Reportable conditions identified that are not considered to be material weaknesses? none reported

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

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
20.205	Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

CITY OF VINCENNES  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

CITY OF VINCENNES  
EXIT CONFERENCE

The contents of this report were discussed on May 29, 2008, with Duane Chattin, President of the Common Council; Beverly S. Marsh, Clerk-Treasurer; Alan Baldwin, Mayor; and Lori S. Buehlien, Chief of Staff. The officials concurred with our audit findings.