

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF JEFFERSONVILLE
CLARK COUNTY, INDIANA

January 1, 2016 to December 31, 2016



FILED
12/07/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Amy M. Deering Heather Metcalf	01-01-16 to 01-21-16 01-22-16 to 12-31-18
Mayor	Mike Moore	01-01-16 to 12-31-19
President of the Board of Public Works and Safety	Mike Moore	01-01-16 to 12-31-18
President of the Common Council	Matt Owen Lisa Gill	01-01-16 to 12-31-16 01-01-17 to 12-31-18
Utility Office Manager	Elisha Gibson	01-01-16 to 12-31-18



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Jeffersonville (City), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

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


Other Information

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 15, 2018, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

November 15, 2018



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Jeffersonville (City), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement, and have issued our report thereon dated November 15, 2018, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001, that we consider to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001.

City of Jeffersonville's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

November 15, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

CITY OF JEFFERSONVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
General Fund	\$ 5,141,701	\$ 28,775,617	\$ 27,113,051	\$ 6,804,267
STREET DEPT. MVH	2,389,174	1,675,496	1,227,704	2,836,966
LOCAL ROADS & STREETS	154,210	513,132	273,482	393,860
SANITATION	1,760,558	1,892,632	1,770,401	1,882,789
LOCAL LAW ENFORCMENT CONT. ED.	40,558	559	-	41,117
CLERKS RECORD PERPETUAT	8,317	571	-	8,888
UNSAFE BUILDING/DEMOLITION N/R	127,518	43,457	66,285	104,690
SHARE OF GAMING REVENUES	243,582	266,288	279,999	229,871
PARK & RECREATION	1,640,614	2,511,463	2,546,799	1,605,278
RAINY DAY FUND	4,658,364	-	-	4,658,364
ECONOMIC DEV INCOME TAX	1,071,700	2,317,749	1,864,764	1,524,685
Levy Excess	5,980	-	5,980	-
CUM. CAPITAL DEVELOPMENT	565,383	153,186	87,462	631,107
CUM. CAPITAL IMPROVEMENT	262,034	114,573	67,681	308,926
POLICE PENSION	433,650	859,850	838,951	454,549
FIRE PENSION	631,466	1,196,219	1,257,944	569,741
CITY COURT CASH CHANGE	200	-	200	-
PUBLIC SAFETY - LOIT	1,774,502	2,477,997	2,505,401	1,747,098
FEMA GRANT - TRAINING	3	-	3	-
COURT RESTITUTION	4,243	65	4,308	-
COURT COLLECTIONS	117,317	63,517	180,834	-
CITY COURT BOND FUND	16,440	-	16,440	-
PROBATION USER FUND	95,316	12,129	107,445	-
JEFFERSONVILLE USER FEE	7,480	510	7,990	-
CITY COURT NON REVERTING	193,961	-	193,961	-
Redevelopment City Hall Bond	299,516	-	299,516	-
Redevelopment Verterans Pkwy Bond	383,802	-	383,802	-
2013/2014 JAG Grant	4	-	4	-
2015 JAG Grant	481	9,052	9,533	-
STREET DEPART NON-REVERT	41,688	48,928	82,368	8,248
FIRE DEPARTMENT NON-REVER	35	50	-	85
Parks Activity	221,500	706,434	745,184	182,750
ANIMAL SHEL. SPAY/NEU PRO	3,129	57,369	59,988	510
CITY ENGINEER NON-REV.	32,372	-	23,320	9,052
CASH CHANGE	460	200	-	660
PETTY CASH	953	-	-	953
Woehrle Const/Expan & Parks Projects	2,000,000	-	1,971,420	28,580
CCYS - PT Grant	-	37,406	37,406	-
RIVERSTAGE	115,877	230,907	265,626	81,158
GRANT - YOUTH COALITION	7,913	7,400	9,689	5,624
VEHICLE MAIN FUEL & REP	957,357	995,985	734,114	1,219,228
Community Crossings Transportation Grant	-	1,000,000	-	1,000,000
Special LOIT Distribution	-	4,589,123	-	4,589,123
CITY ATTORNEY DIVERSN FND	4,775	-	-	4,775
DONATIONS	48,693	43,862	36,134	56,421
BEAUTIFICATION NON/REV	14,064	22,150	24,188	12,026
THUNDER COMMITTEE NON-REV	68,483	33,392	31,526	70,349
PUBLIC ARTS	139,128	114,473	114,145	139,456
Woehrle Const/Expan Retainage	-	162,188	63,617	98,571
SPRINT LEASE NON REVERTIN	113,432	14,717	17,400	110,749
ECONOMIC DEV ABATEMENT	255,858	72,221	30,000	298,079
TIF63-VOGT VALVE ALLOC	632,183	907,476	374,039	1,165,620
TIF64-GALVSTAR ALLOC	1,120,965	902,817	171,159	1,852,623

CITY OF JEFFERSONVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
POLICE FALLS LANDING C	250,006	-	-	250,006
TIF66-KEYSTONE ALLOC	469,574	172,041	72,813	568,802
TIF67-BETHNOVA ALLOC	106,885	212,565	114,238	205,212
DEPARTMENT OF LAW N/R	9,666	-	-	9,666
TIF5761-ICR ALLOC	11,806,478	11,382,521	8,023,931	15,165,068
TIF62-HARB FALLS ALLOC	785,540	2,425,930	1,029,151	2,182,319
2013 Falls Land Ser A DSR	159,256	-	-	159,256
2013 ICR Series B DSR	778,372	-	-	778,372
2013 Falls Land Ser C DSR	400,469	-	-	400,469
2013 ICR Series D DSR	274,635	-	-	274,635
2013 ICR Series E DSR	128,163	-	-	128,163
FEDERAL ASSET FORFEITURE	53,372	74,757	29,267	98,862
POLICE NON-REVERTING FUND	40,696	19,052	15,374	44,374
REDEVELOPMENT OPERATING	740,276	1,093,315	499,971	1,333,620
REDEVELOPMENT CASI	883,480	85,135	804,740	163,875
REDEV REVOLVING LOAN	240,003	37,491	-	277,494
REDEVELOPMENT GRANTS	59,060	5,250	-	64,310
REDEV VETERANS PKWY RETAI	131,833	238	-	132,071
2014 EPA Brownfield Grant	10,907	217,844	225,971	2,780
SIDEWALK CONSTRUCTION (In Lieu)	13,500	5,700	-	19,200
COURT MONEY DUE TO STATE	34,063	-	34,063	-
SIDEWALK RENOVATION N/R (50/50)	50,513	22,341	7,668	65,186
COURT COST DUE COUNTY	24,380	3,382	27,762	-
LOCAL LAW ENFORCMNT CONT. ED.	79,765	67,546	37,757	109,554
JEFF BLDG AUT OPER N/R	535,831	253,278	179,157	609,952
FEDERAL GRANTS	-	37,999	37,999	-
2016/2017 CHILD RESTRAINT GRANT	-	1,241	1,190	51
2016 JAG Grant	-	29,229	-	29,229
JEFF BLDG AUT CAP IMP RES	343,915	70,000	117,708	296,207
NON-REVERTING HEALTH INS.	1,755,564	6,843,314	7,015,897	1,582,981
PAYROLL	41,494	11,049,840	11,041,094	50,240
EAST END BRIDGE PROJECT	(4,128)	4,128	-	-
WW 2016 2016 SEWER BAN	-	4,243,721	4,086,135	157,586
SEWAGE OPERATING & MAINTENANCE	4,423,615	18,252,279	14,941,796	7,734,098
SRF 2011C	-	61,089	61,089	-
WW SRF 2012 CONSTRUCTION	154,187	55	154,242	-
WW 2014 SEWER BAN	826,649	-	826,649	-
CASH CHANGE	300	-	300	-
PETTY CASH	400	-	400	-
Wastewater Pre-Treatment	2,000	7,827	-	9,827
WW SINKING FUND	178,900	2,918,408	2,987,488	109,820
SEWAGE CUMULATIVE IMPROVE	9,460	275,976	283,876	1,560
WW SRF SINKING FUND	4,815,046	4,118,016	7,521,829	1,411,233
WW DEBT SERVICE RESERVE FUND	5,496,726	705,001	-	6,201,727
05 SEWER CONSTRUCTION	14,059	9	2,026	12,042
WW 2010 BAB CONSTRUCTION	59,979	20	59,997	2
WW CAPACITY FEE	3,044,386	1,557,562	10,534	4,591,414
SEWAGE DRAINAGE	800,979	1,602,870	1,496,936	906,913
Totals	<u>\$ 67,837,193</u>	<u>\$ 120,688,130</u>	<u>\$ 107,650,311</u>	<u>\$ 80,875,012</u>

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

CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental receipts include, but are not limited to, the following: federal grants, state grants,

CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

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

E. Disbursements

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

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

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses. Amounts disbursed for operating the utilities.

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

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

On Behalf Payments

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

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

Plan Description

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

CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

Funding Policy

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

Note 7. Restatements

For the year ended December 31, 2016, certain changes have been made to some of the beginning balances of the financial statement to more appropriately reflect financial activity of the City. The following schedule presents a summary of restated beginning balances:

Fund	Balance as of December 31, 2015	Prior Period Adjustment	Balance as of January 1, 2016
2006 ABC DSR	\$ 906,963	\$ (906,963)	\$ -

Note 8. Holding Corporations

The City had entered into a capital lease with the Jeffersonville Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2016 totaled \$459,500. During 2016, the Jeffersonville Redevelopment Authority refinanced the lessor's debt and assumed responsibility for the lessor's lease with the City. The lessor has been dissolved and is no longer in existence.

The City has entered into capital leases with the Jeffersonville Redevelopment Authority (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2016 totaled \$581,167.

CITY OF JEFFERSONVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Subsequent Events*

On September 21, 2017, the City issued 2017A bonds to provide an advance refunding of the outstanding sewage works revenue bonds of 2010, Series B. They also issued 2017B bonds to provide a current refunding of the outstanding sewage works revenue bonds of 2009.

Note 10. *Other Postemployment Benefits*

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

OTHER INFORMATION - UNAUDITED

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

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

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

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General Fund	STREET DEPT. MVH	LOCAL ROADS & STREETS	SANITATION	LOCAL LAW ENFORCMNT CONT. ED.	CLERKS RECORD PERPETUAT
Cash and investments - beginning	\$ 5,141,701	\$ 2,389,174	\$ 154,210	\$ 1,760,558	\$ 40,558	\$ 8,317
Receipts:						
Taxes	16,949,914	147,556	-	1,683,436	-	-
Licenses and permits	1,002,102	25,368	-	-	-	-
Intergovernmental receipts	9,845,257	1,470,346	460,544	131,819	-	-
Charges for services	40,078	400	41,338	45,648	-	-
Fines and forfeits	5,720	-	-	-	559	571
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	932,546	31,826	11,250	31,729	-	-
Total receipts	28,775,617	1,675,496	513,132	1,892,632	559	571
Disbursements:						
Personal services	17,158,091	771,469	-	992,277	-	-
Supplies	503,408	362,108	273,482	210,169	-	-
Other services and charges	8,677,519	94,127	-	451,069	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	198,289	-	-	500	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	575,744	-	-	116,386	-	-
Total disbursements	27,113,051	1,227,704	273,482	1,770,401	-	-
Excess (deficiency) of receipts over disbursements	1,662,566	447,792	239,650	122,231	559	571
Cash and investments - ending	\$ 6,804,267	\$ 2,836,966	\$ 393,860	\$ 1,882,789	\$ 41,117	\$ 8,888

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	UNSAFE BUILDING/DEMOLITION N/R	SHARE OF GAMING REVENUES	PARK & RECREATION	RAINY DAY FUND	ECONOMIC DEV INCOME TAX
Cash and investments - beginning	\$ 127,518	\$ 243,582	\$ 1,640,614	\$ 4,658,364	\$ 1,071,700
Receipts:					
Taxes	-	-	2,188,940	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	266,288	171,402	-	2,317,749
Charges for services	43,457	-	123,701	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	27,420	-	-
Total receipts	43,457	266,288	2,511,463	-	2,317,749
Disbursements:					
Personal services	-	-	1,136,287	-	-
Supplies	-	-	208,043	-	-
Other services and charges	66,285	154,999	713,094	-	504,293
Debt service - principal and interest	-	-	-	-	486,721
Capital outlay	-	-	223,672	-	762,432
Utility operating expenses	-	-	-	-	-
Other disbursements	-	125,000	265,703	-	111,318
Total disbursements	66,285	279,999	2,546,799	-	1,864,764
Excess (deficiency) of receipts over disbursements	(22,828)	(13,711)	(35,336)	-	452,985
Cash and investments - ending	\$ 104,690	\$ 229,871	\$ 1,605,278	\$ 4,658,364	\$ 1,524,685

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Levy Excess	CUM. CAPITAL DEVELOPMENT	CUM. CAPITAL IMPROVEMENT	POLICE PENSION	FIRE PENSION	CITY COURT CASH CHANGE
Cash and investments - beginning	\$ 5,980	\$ 565,383	\$ 262,034	\$ 433,650	\$ 631,466	\$ 200
Receipts:						
Taxes	-	142,062	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	11,124	114,573	859,850	1,196,219	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	153,186	114,573	859,850	1,196,219	-
Disbursements:						
Personal services	-	-	-	838,951	1,257,897	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	47	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	87,462	67,681	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	5,980	-	-	-	-	200
Total disbursements	5,980	87,462	67,681	838,951	1,257,944	200
Excess (deficiency) of receipts over disbursements	(5,980)	65,724	46,892	20,899	(61,725)	(200)
Cash and investments - ending	\$ -	\$ 631,107	\$ 308,926	\$ 454,549	\$ 569,741	\$ -

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	PUBLIC SAFETY - LOIT	FEMA GRANT - TRAINING	COURT RESTITUTION	COURT COLLECTIONS	CITY COURT BOND FUND	PROBATION USER FUND
Cash and investments - beginning	\$ 1,774,502	\$ 3	\$ 4,243	\$ 117,317	\$ 16,440	\$ 95,316
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	2,420,273	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	65	63,517	-	9,395
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	57,724	-	-	-	-	2,734
Total receipts	2,477,997	-	65	63,517	-	12,129
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	66,848	3	-	-	-	-
Other services and charges	1,248,507	-	4,308	180,834	16,440	107,445
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	1,190,046	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	2,505,401	3	4,308	180,834	16,440	107,445
Excess (deficiency) of receipts over disbursements	(27,404)	(3)	(4,243)	(117,317)	(16,440)	(95,316)
Cash and investments - ending	\$ 1,747,098	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	JEFFERSONVILLE USER FEE	CITY COURT NON REVERTING	Redevelopment City Hall Bond	Redevelopment Verterans Pkwy Bond	2013/2014 JAG Grant
Cash and investments - beginning	\$ 7,480	\$ 193,961	\$ 299,516	\$ 383,802	\$ 4
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	510	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	510	-	-	-	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	7,990	193,961	-	-	4
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	383,802	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	299,516	-	-
Total disbursements	7,990	193,961	299,516	383,802	4
Excess (deficiency) of receipts over disbursements	(7,480)	(193,961)	(299,516)	(383,802)	(4)
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	2015 JAG Grant	STREET DEPART NON-REVERT	FIRE DEPARTMENT NON-REVER	Parks Activity	ANIMAL SHEL. SPAY/NEU PRO	CITY ENGINEER NON-REV.
Cash and investments - beginning	\$ 481	\$ 41,688	\$ 35	\$ 221,500	\$ 3,129	\$ 32,372
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	57,369	-
Intergovernmental receipts	9,052	-	-	4,925	-	-
Charges for services	-	48,928	50	376,453	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	325,056	-	-
Total receipts	9,052	48,928	50	706,434	57,369	-
Disbursements:						
Personal services	-	-	-	193,614	-	-
Supplies	-	79,151	-	145,623	-	-
Other services and charges	9,533	3,217	-	333,291	59,988	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	64,924	-	23,320
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	7,732	-	-
Total disbursements	9,533	82,368	-	745,184	59,988	23,320
Excess (deficiency) of receipts over disbursements	(481)	(33,440)	50	(38,750)	(2,619)	(23,320)
Cash and investments - ending	\$ -	\$ 8,248	\$ 85	\$ 182,750	\$ 510	\$ 9,052

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	CASH CHANGE	PETTY CASH	Woehrle Const/Expan & Parks Projects	CCYS - PT Grant	RIVERSTAGE	GRANT - YOUTH COALITION
Cash and investments - beginning	\$ 460	\$ 953	\$ 2,000,000	\$ -	\$ 115,877	\$ 7,913
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	37,406	-	7,400
Charges for services	-	-	-	-	17,138	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	200	-	-	-	213,769	-
Total receipts	200	-	-	37,406	230,907	7,400
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	33,810	9,689
Other services and charges	-	-	-	37,406	225,115	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	1,971,420	-	6,589	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	112	-
Total disbursements	-	-	1,971,420	37,406	265,626	9,689
Excess (deficiency) of receipts over disbursements	200	-	(1,971,420)	-	(34,719)	(2,289)
Cash and investments - ending	\$ 660	\$ 953	\$ 28,580	\$ -	\$ 81,158	\$ 5,624

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	VEHICLE MAIN FUEL & REP	Community Crossings Transportation Grant	Special LOIT Distribution	CITY ATTORNEY DIVERSN FND	DONATIONS	BEAUTIFICATION NON/REV
Cash and investments - beginning	\$ 957,357	\$ -	\$ -	\$ 4,775	\$ 48,693	\$ 14,064
Receipts:						
Taxes	-	-	4,589,123	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	1,000,000	-	-	-	-
Charges for services	-	-	-	-	-	19,995
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	995,985	-	-	-	43,862	2,155
Total receipts	995,985	1,000,000	4,589,123	-	43,862	22,150
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	734,114	-	-	-	-	24,188
Other services and charges	-	-	-	-	36,134	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	734,114	-	-	-	36,134	24,188
Excess (deficiency) of receipts over disbursements	261,871	1,000,000	4,589,123	-	7,728	(2,038)
Cash and investments - ending	\$ 1,219,228	\$ 1,000,000	\$ 4,589,123	\$ 4,775	\$ 56,421	\$ 12,026

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	THUNDER COMMITTEE NON-REV	PUBLIC ARTS	Woehrle Const/Expan Retainage	SPRINT LEASE NON REVERTIN	ECONOMIC DEV ABATEMENT	TIF63-VOGT VALVE ALLOC
Cash and investments - beginning	\$ 68,483	\$ 139,128	\$ -	\$ 113,432	\$ 255,858	\$ 632,183
Receipts:						
Taxes	-	-	-	-	-	907,476
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	13,270	-	-	-	-
Charges for services	33,392	-	-	14,717	72,221	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	101,203	162,188	-	-	-
Total receipts	33,392	114,473	162,188	14,717	72,221	907,476
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	23,336	6,263	-	-	-	-
Other services and charges	8,190	107,882	-	-	30,000	6,836
Debt service - principal and interest	-	-	-	-	-	367,203
Capital outlay	-	-	63,617	17,400	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	31,526	114,145	63,617	17,400	30,000	374,039
Excess (deficiency) of receipts over disbursements	1,866	328	98,571	(2,683)	42,221	533,437
Cash and investments - ending	\$ 70,349	\$ 139,456	\$ 98,571	\$ 110,749	\$ 298,079	\$ 1,165,620

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	TIF64-GALVSTAR ALLOC	POLICE FALLS LANDING C	TIF66-KEYSTONE ALLOC	TIF67-BETHNOVA ALLOC	DEPARTMENT OF LAW N/R
Cash and investments - beginning	\$ 1,120,965	\$ 250,006	\$ 469,574	\$ 106,885	\$ 9,666
Receipts:					
Taxes	902,817	-	172,041	212,565	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	-	-
Total receipts	902,817	-	172,041	212,565	-
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	16,286	-	6,836	-	-
Debt service - principal and interest	154,873	-	65,977	114,238	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	171,159	-	72,813	114,238	-
Excess (deficiency) of receipts over disbursements	731,658	-	99,228	98,327	-
Cash and investments - ending	\$ 1,852,623	\$ 250,006	\$ 568,802	\$ 205,212	\$ 9,666

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	TIF5761-ICR ALLOC	TIF62-HARB FALLS ALLOC	2013 Falls Land Ser A DSR	2013 ICR Series B DSR	2013 Falls Land Ser C DSR	2013 ICR Series D DSR
Cash and investments - beginning	\$ 11,806,478	\$ 785,540	\$ 159,256	\$ 778,372	\$ 400,469	\$ 274,635
Receipts:						
Taxes	8,357,441	1,988,088	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	2,976,213	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	48,867	437,842	-	-	-	-
Total receipts	11,382,521	2,425,930	-	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	214,488	66,469	-	-	-	-
Debt service - principal and interest	2,586,653	737,475	-	-	-	-
Capital outlay	5,222,790	225,207	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	8,023,931	1,029,151	-	-	-	-
Excess (deficiency) of receipts over disbursements	3,358,590	1,396,779	-	-	-	-
Cash and investments - ending	\$ 15,165,068	\$ 2,182,319	\$ 159,256	\$ 778,372	\$ 400,469	\$ 274,635

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	2013 ICR Series E DSR	FEDERAL ASSET FORFEITURE	POLICE NON-REVERTING FUND	REDEVELOPMENT OPERATING	REDEVELOPMENT CASI
Cash and investments - beginning	\$ 128,163	\$ 53,372	\$ 40,696	\$ 740,276	\$ 883,480
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	1,000	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	18,052	25,431	85,000
Fines and forfeits	-	74,757	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	-	-	1,067,884	135
Total receipts	-	74,757	19,052	1,093,315	85,135
Disbursements:					
Personal services	-	-	-	253,266	-
Supplies	-	-	-	10,343	-
Other services and charges	-	29,267	569	236,355	13,293
Debt service - principal and interest	-	-	-	-	35,070
Capital outlay	-	-	14,805	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	7	756,377
Total disbursements	-	29,267	15,374	499,971	804,740
Excess (deficiency) of receipts over disbursements	-	45,490	3,678	593,344	(719,605)
Cash and investments - ending	\$ 128,163	\$ 98,862	\$ 44,374	\$ 1,333,620	\$ 163,875

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	REDEV REVOLVING LOAN	REDEVELOPMENT GRANTS	REDEV VETERANS PKWY RETAI	2014 EPA Brownfield Grant	SIDEWALK CONSTRUCTION (In Lieu)
Cash and investments - beginning	\$ 240,003	\$ 59,060	\$ 131,833	\$ 10,907	\$ 13,500
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	217,844	-
Charges for services	37,119	-	-	-	5,700
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	372	5,250	238	-	-
Total receipts	37,491	5,250	238	217,844	5,700
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	225,971	-
Debt service - principal and interest	-	-	-	-	-
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	-	-	-	225,971	-
Excess (deficiency) of receipts over disbursements	37,491	5,250	238	(8,127)	5,700
Cash and investments - ending	\$ 277,494	\$ 64,310	\$ 132,071	\$ 2,780	\$ 19,200

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	COURT MONEY DUE TO STATE	SIDEWALK RENOVATION N/R (50/50)	COURT COST DUE COUNTY	LOCAL LAW ENFORCMT CONT. ED.	JEFF BLDG AUT OPER N/R	FEDERAL GRANTS
Cash and investments - beginning	\$ 34,063	\$ 50,513	\$ 24,380	\$ 79,765	\$ 535,831	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	28,040	-	-
Intergovernmental receipts	-	-	-	-	-	37,999
Charges for services	-	2,341	-	36,746	250,000	-
Fines and forfeits	-	-	3,382	2,760	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	20,000	-	-	3,278	-
Total receipts	-	22,341	3,382	67,546	253,278	37,999
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	5,624	-
Other services and charges	34,063	7,668	27,762	10,235	141,991	24,999
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	27,522	31,542	13,000
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	34,063	7,668	27,762	37,757	179,157	37,999
Excess (deficiency) of receipts over disbursements	(34,063)	14,673	(24,380)	29,789	74,121	-
Cash and investments - ending	\$ -	\$ 65,186	\$ -	\$ 109,554	\$ 609,952	\$ -

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	2016/2017 CHILD RESTRAINT GRANT	2016 JAG Grant	JEFF BLDG AUT CAP IMP RES	NON-REVERTING HEALTH INS.	PAYROLL	EAST END BRIDGE PROJECT
Cash and investments - beginning	\$ -	\$ -	\$ 343,915	\$ 1,755,564	\$ 41,494	\$ (4,128)
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,241	29,229	-	-	-	-
Charges for services	-	-	70,000	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	4,128
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	6,843,314	11,049,840	-
Total receipts	1,241	29,229	70,000	6,843,314	11,049,840	4,128
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	1,190	-	-	7,015,897	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	117,708	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	11,041,094	-
Total disbursements	1,190	-	117,708	7,015,897	11,041,094	-
Excess (deficiency) of receipts over disbursements	51	29,229	(47,708)	(172,583)	8,746	4,128
Cash and investments - ending	\$ 51	\$ 29,229	\$ 296,207	\$ 1,582,981	\$ 50,240	\$ -

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	WW 2016 2016 SEWER BAN	SEWAGE OPERATING & MAINTENANCE	SRF 2011C	WW SRF 2012 CONSTRUCTION	WW 2014 SEWER BAN	CASH CHANGE
Cash and investments - beginning	\$ -	\$ 4,423,615	\$ -	\$ 154,187	\$ 826,649	\$ 300
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	61,089	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	17,872,429	-	-	-	-
Penalties	-	332,181	-	-	-	-
Other receipts	4,243,721	47,669	-	55	-	-
Total receipts	4,243,721	18,252,279	61,089	55	-	-
Disbursements:						
Personal services	-	2,504,693	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	3,384,840	-	-	-	-	-
Capital outlay	391,369	423,173	61,089	154,242	-	-
Utility operating expenses	309,926	4,915,096	-	-	140,145	300
Other disbursements	-	7,098,834	-	-	686,504	-
Total disbursements	4,086,135	14,941,796	61,089	154,242	826,649	300
Excess (deficiency) of receipts over disbursements	157,586	3,310,483	-	(154,187)	(826,649)	(300)
Cash and investments - ending	\$ 157,586	\$ 7,734,098	\$ -	\$ -	\$ -	\$ -

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	PETTY CASH	Wastewater Pre-Treatment	WW SINKING FUND	SEWAGE CUMULATIVE IMPROVE	WW SRF SINKING FUND	WW DEBT SERVICE RESERVE FUND
Cash and investments - beginning	\$ 400	\$ 2,000	\$ 178,900	\$ 9,460	\$ 4,815,046	\$ 5,496,726
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	309,490	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	7,827	-	8,000	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	2,608,918	267,976	4,118,016	705,001
Total receipts	-	7,827	2,918,408	275,976	4,118,016	705,001
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	2,987,448	-	7,521,829	-
Capital outlay	-	-	-	283,876	-	-
Utility operating expenses	400	-	-	-	-	-
Other disbursements	-	-	40	-	-	-
Total disbursements	400	-	2,987,488	283,876	7,521,829	-
Excess (deficiency) of receipts over disbursements	(400)	7,827	(69,080)	(7,900)	(3,403,813)	705,001
Cash and investments - ending	\$ -	\$ 9,827	\$ 109,820	\$ 1,560	\$ 1,411,233	\$ 6,201,727

CITY OF JEFFERSONVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	05 SEWER CONSTRUCTION	WW 2010 BAB CONSTRUCTION	WW CAPACITY FEE	SEWAGE DRAINAGE	Totals
Cash and investments - beginning	\$ 14,059	\$ 59,979	\$ 3,044,386	\$ 800,979	\$ 67,837,193
Receipts:					
Taxes	-	-	-	-	38,241,459
Licenses and permits	-	-	-	-	1,113,879
Intergovernmental receipts	-	-	-	-	23,970,602
Charges for services	-	-	-	-	1,407,905
Fines and forfeits	-	-	-	-	161,236
Utility fees	-	-	1,528,862	1,522,282	20,943,528
Penalties	-	-	-	-	332,181
Other receipts	9	20	28,700	80,588	34,517,340
Total receipts	9	20	1,557,562	1,602,870	120,688,130
Disbursements:					
Personal services	-	-	-	438,407	25,544,952
Supplies	-	-	-	-	2,696,202
Other services and charges	-	-	-	435,414	21,787,267
Debt service - principal and interest	-	-	-	-	18,442,327
Capital outlay	2,026	5,690	-	3,131	12,038,324
Utility operating expenses	-	54,307	10,534	324,723	5,755,431
Other disbursements	-	-	-	295,261	21,385,808
Total disbursements	2,026	59,997	10,534	1,496,936	107,650,311
Excess (deficiency) of receipts over disbursements	(2,017)	(59,977)	1,547,028	105,934	13,037,819
Cash and investments - ending	\$ 12,042	\$ 2	\$ 4,591,414	\$ 906,913	\$ 80,875,012

CITY OF JEFFERSONVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Drainage	\$ 3,131	\$ 248,516
Wastewater	-	2,958,396
Governmental activities	<u>51,812</u>	<u>25,935</u>
Totals	<u>\$ 54,943</u>	<u>\$ 3,232,847</u>

CITY OF JEFFERSONVILLE
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Ally Financial	Municipal Lease Purchase 2013 Chevy Tahoe	\$ 7,889	03/06/13	03/06/17
Ally Financial	Municipal Lease Purchase 2013 Chevy Traverse	8,651	03/06/13	03/06/17
Ally Financial	Municipal Lease Purchase 2013 Chevy Impala	5,849	03/06/13	03/06/17
Jeffersonville Building Authority	City Hall	320,000	01/01/17	12/31/17
New Washington State Bank	Lease Purchase Two Freightliner Packers	33,630	09/04/12	03/25/17
New Washington State Bank	2017 Dodge Chargers (16 total)	204,686	12/15/16	03/10/18
New Washington State Bank	Fire Truck Apparatus	323,556	01/15/16	07/15/19
New Washington State Bank	2017 Chevy Tahoes (5 total)	43,513	03/01/17	04/01/19
Redevelopment Authority	2016 Lease Rental - Reissue 2006 ABC	825,350	08/15/16	08/15/26
Redevelopment Authority	Lease Rental Aquatic Center - Reissue Series 2009	<u>334,938</u>	02/01/10	02/01/22
Total governmental activities		<u>2,108,062</u>		
Wastewater:				
Caterpillar Financial Services Corp	CT660 Caterpillar Truck	25,352	09/26/12	10/26/17
TCF Equipment Finance	Hydro Excavator	75,164	03/09/17	09/09/21
TCF Equipment Finance	Mini Excavator	30,812	04/07/17	10/07/19
TCF Equipment Finance	CCTV Camera Truck	<u>72,356</u>	04/24/17	10/24/21
Total Wastewater		<u>203,684</u>		
Total of annual lease payments		<u>\$ 2,311,746</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Revenue bonds	2008 Tax Increment Bonds for Veterans Pkwy & Thompson Rd	\$ 1,875,000	\$ 252,538
Revenue bonds	2005B Tax Increment Bonds for Economic Dev relating to Med Venture	279,182	287,158
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series A	1,930,000	154,269
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series B	7,325,000	778,907
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series C	4,770,000	397,918
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series D	3,055,000	323,375
Revenue bonds	2013 Tax Increment Revenue Bonds 2013 - Series E	1,750,000	74,375
Notes and loans payable	2012 BAN for Vissing and CCSA Park Improvements	550,000	561,526
Notes and loans payable	Infrastructure Bank Loan INDOT Overpass Construction	2,497,706	270,000
Notes and loans payable	Notes for Purchase of CASI	<u>186,289</u>	<u>38,257</u>
Total governmental activities		<u>24,218,177</u>	<u>3,138,323</u>
Wastewater:			
Revenue bonds	1999 SRF Sewage Works	1,117,277	195,268
Revenue bonds	2012 SRF WWTP Improvements	10,332,000	697,780
Revenue bonds	2013 Sewage Works Refunding (1999 2003 2005A) Revenue Bonds	7,835,000	535,125
Revenue bonds	2008 SRF Expansion of Downtown Treatment Plant	8,469,000	552,065
Revenue bonds	2009 Revenue Bonds Refunding 1998 Bonds	935,000	492,400
Revenue bonds	2009 SRF Improvements	1,117,000	103,155
Revenue bonds	2010A SRF Improvements	1,965,000	150,520
Revenue bonds	2010B Revenue Certain Additions Extensions & Improvements	17,355,000	1,925,163
Revenue bonds	2011 Series A SRF Tenth St Lift Station and Certain other Improvement	19,990,000	1,165,732
Revenue bonds	2011 Series B SRF Brownfield Remediation	485,863	39,000
Revenue bonds	2011 Series C SRF North WW Treatment Plant	17,853,000	1,201,660
Tax anticipation warrants	2016 Sewage Works Anticipation Note BAN (Refunds 2014)	<u>3,585,000</u>	<u>53,776</u>
Total Wastewater		<u>91,039,140</u>	<u>7,111,644</u>
Totals		<u>\$ 115,257,317</u>	<u>\$ 10,249,967</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for the Major Federal Program

We have audited the City of Jeffersonville's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2016. The City's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

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

Auditor's Responsibility

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

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

Opinion on the Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

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


Report on Internal Control over Compliance

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

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

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

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


Paul D. Joyce, CPA
State Examiner

November 15, 2018

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CITY OF JEFFERSONVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through To Subrecipient	Total Federal Awards Expended
Department of Transportation					
Highway Planning and Construction Cluster Highway Planning and Construction INDOT - LPA Jeffersonville 10th St Rehabilitation Project	Indiana Department of Transportation	20.205	DES# 0810280	\$ -	\$ 2,822,870
Total - Highway Planning and Construction Cluster				-	2,822,870
Highway Safety Cluster State and Community Highway Safety Clark County Traffic Safety Partnership Clark County Traffic Safety Partnership	City of Charlestown Town of Sellersburg	20.600	FY2016 FY2016	- -	1,763 5,373
Total - State and Community Highway Safety				-	7,136
Alcohol Impaired Driving Countermeasures Incentive Grants I Clark County DUI Taskforce Clark County DUI Taskforce	City of Charlestown Town of Sellersburg	20.601	FY2016 FY2016	- -	1,484 3,464
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				-	4,948
Occupant Protection Incentive Grants Non-Motorist Grant	Indiana Criminal Justice Institute	20.602	D3-16-10261	-	13,000
Total - Highway Safety Cluster				-	25,084
Total - Department of Transportation				-	2,847,954
Department of the Interior					
Clean Vessel Act Marine Clean Vessel Act	Indiana Department of Emergency Management	15.616	A305-3-75	-	47,848
Sportfishing and Boating Safety Act Marina Boating Infrastructure Tier 1 Grant	Indiana Department of Emergency Management	15.622	A305-3-74	-	100,000
Total - Department of the Interior				-	147,848
Department of Justice					
Juvenile Accountability Block Grants Juvenile Justice Grant Juvenile Justice Grant	Indiana Criminal Justice Institute	16.523	11-JBFX-001703 12-JBFX-00403	3,413 33,993	3,413 33,993
Total - Juvenile Accountability Block Grants				37,406	37,406
Bulletproof Vest Partnership Program Bulletproof Vests	Direct Grant	16.607	2015	-	4,153
Edward Byrne Memorial Justice Assistance Grant Program 2015 JAG Grant 2016 JAG Grant	Direct Grant	16.738	2015-DJ-BX-1036 2016-DJ-BX-0777	4,003 2,540	4,003 29,229
Total - Edward Byrne Memorial Justice Assistance Grant Program				6,543	33,232
Equitable Sharing Program Police Forfeiture	Direct Grant	16.922	2016	-	29,268
Total - Department of Justice				43,949	104,059
National Endowment for the Arts					
Promotion of the Arts_Partnership Agreements Public Arts - Tree Carving Public Arts - Sand Sculpting	Community Arts Program Hanover College	45.025	APS-160012 APS-170021	- -	985 3,694
Total - Promotion of the Arts_Partnership Agreements				-	4,679
Total - National Endowment for the Arts				-	4,679
Environmental Protection Agency					
Brownfields Assessment and Cleanup Cooperative Agreements 2014 EPA Brownfield	Indiana Finance Authority	66.818	BF00E01345	-	217,844
Total - Environmental Protection Agency				-	217,844
Department of Homeland Security					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) Wind Storm	Direct Grant	97.036	DR 1795 019-38358-00	-	30,928
Port Security Grant Program Port Security Grant	Direct Grant	97.056	EMW-2014-PU-00123	-	24,999
Total - Department of Homeland Security				-	55,927
Total federal awards expended				\$ 43,949	\$ 3,378,311

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

CITY OF JEFFERSONVILLE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

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

CITY OF JEFFERSONVILLE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

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

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

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Highway Planning and Construction Cluster	Unmodified
Dollar threshold used to distinguish between Type A and Type B programs: \$750,000	
Auditee qualified as low-risk auditee?	no

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat of Finding 2015-001 from the immediately prior audit.

Condition

The City's internal control system was insufficient to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City's accountant prepared and entered the SEFA via the Indiana Gateway for Government Units financial reporting system and the City Controller reviewed the information entered; however, errors were not identified.

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

Context

Due to the lack of effective controls, the SEFA contained the following errors:

1. Expenditures for five federal grants were overstated by a total of \$24,846.
2. Three state grants with expenditures totaling \$65,921 were incorrectly included.
3. Expenditures for one grant was understated by \$30,928.
4. There were numerous errors in reporting the awarding agency, program title, project title, pass-through entity, and CFDA numbers.

Audit adjustments were proposed, accepted by the City, and made to the SEFA.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

The Green Book identifies a list of control activity categories that are meant only to illustrate the range and variety of control activities; the list is by no means all inclusive, but is reproduced here for reference purposes: . . .

- Accurate and timely recording of transactions. . . ."

2 CFR 200.508 states in part: "The auditee must: . . . (b) Prepare appropriate financial statements, including the schedule of expenditures of Federal awards in accordance with § 200.510 Financial statements. . . ."

2 CFR 200.510(b) states:

"*Schedule of expenditures of Federal awards*. The auditee must also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements which must include the total Federal awards expended as determined in accordance with § 200.502 Basis for determining Federal awards expended. While not required, the auditee

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

may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple Federal award years, the auditee may list the amount of Federal awards expended for each Federal award year separately. At a minimum, the schedule must:

- (1) List individual Federal programs by Federal agency. For a cluster of programs, provide the cluster name, list individual Federal programs within the cluster of programs, and provide the applicable Federal agency name. For R&D, total Federal awards expended must be shown either by individual Federal award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity must be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available. For a cluster of programs also provide the total for the cluster.
- (4) Include the total amount provided to subrecipients from each Federal program.
- (5) For loan or loan guarantee programs described in § 200.502 Basis for determining Federal awards expended, paragraph (b), identify in the notes to the schedule the balances outstanding at the end of the audit period. This is in addition to including the total Federal awards expended for loan or loan guarantee programs in the schedule.
- (6) Include notes that describe that significant accounting policies used in preparing the schedule, and note whether or not the auditee elected to use the 10% de minimis cost rate as covered in § 200.414 Indirect (F&A) costs."

Cause

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained the errors identified in the *Context*.

Recommendation

We recommended that the City's management establish controls related to the preparation of the SEFA.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE-PREPARED DOCUMENTS

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

FINANCE DEPARTMENT

Jeffersonville City Hall
500 Quartermaster Court, Suite 300
Jeffersonville, Indiana 47130

812-285-6422 office
812-283-6426 fax

Mike Moore
Mayor

Heather Metcalf
Director of Finance/
Controller
hmetcalf@cityofjeff.net

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2015-001

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Heather Metcalf
Contact Phone Number: 812-285-6492

Status of Audit Finding:

The City followed the Corrective Action Plan set forth in the 10/20/16 letter. The City Accountant entered the information for the 2016 SEFA in the Gateway system. The Controller verified the entries through reports from the BS&A software and initialed for verification on 2/22/17 before submitting the Annual Report in the Gateway system.

Although we followed the Corrective Action Plan set forth in the 10/20/2016 letter, it was not sufficient in capturing all information needed for the 2016 SEFA. The information provided by the departments applying for the grants, to the Finance Department, was not the correct information needed or lacked the crucial information needed. In the future, a form with all the information needed will be developed to be filled out by the person involved with each grant. The Accountant and Controller will also verify all EFT payments from the State of Indiana regarding Federal Grants from the emails the state provides, and will verify the Agency information and Program Titles for each CFDA number through the Federal website.

FINDING 2015-002

Fiscal year in which the finding initially occurred: 2015
Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct:
Contact Person Responsible for Corrective Action: Heather Metcalf
Contact Phone Number: 812-285-6492

Status of Audit Finding:

1. The City followed the Corrective Action Plan set forth in the 10/20/16 letter. The departments were trained between September and October 2016 to start filling out their own deposit slips. This process is still currently in place.
2. The City followed the Corrective Action Plan set forth in the 10/20/16 letter. The City Assistant Controller now uses the Trial Balance report to calculate the liability adjustments. This is verified by the City Controller.
3. The City followed the Corrective Action Plan set forth in the 10/20/16 letter. All reconciling items are identified and resolved timely.


(Signature)

Controller
(Title)

10-16-18
(Date)



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Mayor

Heather Metcalf
Director of Finance/
Controller
hmetcalf@cityofjeff.net

CORRECTIVE ACTION PLAN

FINDING 2016-001

Contact Person Responsible for Corrective Action: Heather Metcalf, Controller
Contact Phone Number: 812-285-6492

Views of Responsible Official:

We concur with the findings.

Description of Corrective Action Plan:

In the future, a form with all the information needed will be developed to be filled out by the person involved with each grant. The Accountant and Controller will also verify all EFT payments from the State of Indiana regarding Federal Grants from the emails the state provides, and will verify the Agency information and Program Titles for each CFDA number through the Federal website.

Anticipated Completion Date:

We anticipate the form to be developed by the end of the year, 2018. The input and verification by the Accountant and Controller will be completed for the 2018 Annual Report submittal in Gateway by March 1, 2019.



(Signature)

Controller

(Title)

10-16-18

(Date)

OTHER REPORTS

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