

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

CITY OF JEFFERSONVILLE

CLARK COUNTY, INDIANA

January 1, 2017 to December 31, 2017



FILED
12/07/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
City Controller	Heather Metcalf	01-01-17 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 12-31-19
President of the Common Council	Lisa Gill	01-01-17 to 12-31-18
Utility Office Manager	Elisha Gibson	01-01-17 to 12-31-18



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDIANAPOLIS, INDIANA 46204-2769

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

This report is supplemental to our audit report of the City of Jeffersonville (City), for the period from January 1, 2017 to December 31, 2017. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement Audit Report of the City, which provides our opinion on the City's financial statement. This report may be found at www.in.gov/sboa/.

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Paul D. Joyce
Paul D. Joyce, CPA
State Examiner

November 15, 2018

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CITY CONTROLLER
CITY OF JEFFERSONVILLE

CITY CONTROLLER
CITY OF JEFFERSONVILLE
AUDIT RESULT AND COMMENT

USE OF TAX INCREMENT FINANCING (TIF) FUNDS

The same comment also appeared in prior Report B51499.

The City used TIF funds for ongoing maintenance of properties that have already been redeveloped. The redeveloped properties and the amount of TIF funds used for the ongoing maintenance for those properties were as follows:

<u>Redeveloped Properties</u>	<u>Maintenance</u>	<u>Security</u>	<u>Totals</u>
Big 4 Station	\$ 7,208	\$ 2,250	\$ 9,458
Big 4 Ramp	2,923	13,950	16,873
Fisherman's Wharf	37,075	-	37,075
Allison Brook Park	-	3,150	3,150
Totals	<u>\$ 47,206</u>	<u>\$ 19,350</u>	<u>\$ 66,556</u>

Additionally, TIF funds were spent for vehicles in the amount of \$42,533 and for neighborhood watch signs in the amount of \$472.

Indiana Code 36-7-14-39(b)(3) states in part:

". . . property tax proceeds . . . shall be allocated to the redevelopment district and when collected, paid into an allocation fund area that may be used by the redevelopment district only to do one (1) or more of the following:

- (A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.
- (B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.
- (C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.
- (D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.
- (E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

CITY CONTROLLER
CITY OF JEFFERSONVILLE
AUDIT RESULT AND COMMENT
(Continued)

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter.

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under [IC 36-1-10](#).

(I) For property taxes first due and payable before January 1, 2009, . . .

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located:

(i) in the allocation area; and

(ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance. . . .

(L) Pay the costs of carrying out an eligible efficiency project (as defined in [IC 36-9-41-1.5](#)) within the unit that established the redevelopment commission. However, property tax proceeds may be used under this clause to pay the costs of carrying out an eligible efficiency project only if those property tax proceeds exceed the amount necessary to do the following: . . .

The allocation fund may not be used for operating expenses of the commission."

Sources and uses of funds should be limited to those authorized by the enabling statute, ordinance, resolution, or grant agreement. (Accounting and Uniform Compliance Guidelines for Cities and Towns, Chapter 1)

The uses of TIF funds are restricted to those set forth in the Indiana Code. The power of a redevelopment commission to expend such funds is limited to the express statutory powers as set forth in Indiana Code 36-7-14. The use of TIF funds for ongoing maintenance of redeveloped property is not an expressly or impliedly permitted use, except as provided in Indiana Code 36-7-1-18(7) for repairing and maintaining buildings acquired before redevelopment is complete. (Redevelopment Commission of the Town of Munster, Indiana, v. Indiana State Board of Accounts and Paul D. Joyce, State Examiner of State Board of Accounts, 28 N.E.3d 272 (Ind. App., 2015) trans. denied, 34 N.E.3d 251)

CITY CONTROLLER
CITY OF JEFFERSONVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 15, 2018, with Heather Metcalf, City Controller; Lisa Gill, President of the Common Council; Ron Ellis, Common Council member; and Leslie D. Merkley, City Attorney.

REDEVELOPMENT COMMISSION
CITY OF JEFFERSONVILLE

REDEVELOPMENT COMMISSION
CITY OF JEFFERSONVILLE
AUDIT RESULT AND COMMENT

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REDEVELOPMENT COMMISSION
CITY OF JEFFERSONVILLE
AUDIT RESULT AND COMMENT
(Continued)

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REDEVELOPMENT COMMISSION
CITY OF JEFFERSONVILLE
EXIT CONFERENCE

The contents of this report were discussed on November 15, 2018, with Rob Waiz, Redevelopment Director; John Vissing, Redevelopment Commission member; Leslie D. Merkley, City Attorney; Lisa Gill, President of the Common Council; and Ron Ellis, Common Council member.