

Village of Jeffersonville
Fayette County, Ohio

January 1, 2006, through December 31, 2007
Fiscal Years Audited Under GAGAS: 2007 and 2006



Balestra, Harr & Scherer, CPAs, Inc.

528 South West St, P.O. Box 687, Piketon, Ohio 45661 Phone: 740.289.4131 Fax: 740.289.3639



Mary Taylor, CPA
Auditor of State

Village Council
Village of Jeffersonville
4 North Main Street
Jeffersonville, Ohio 43128

We have reviewed the *Independent Auditors' Report* of the Village of Jeffersonville, Fayette County, prepared by Balestra, Harr & Scherer, CPAs, Inc., for the audit period January 1, 2006 through December 31, 2007. Based upon this review, we have accepted these reports in lieu of the audit required by Section 117.11, Revised Code. The Auditor of State did not audit the accompanying financial statements and, accordingly, we are unable to express, and do not express an opinion on them.

Our review was made in reference to the applicable sections of legislative criteria, as reflected by the Ohio Constitution, and the Revised Code, policies, procedures and guidelines of the Auditor of State, regulations and grant requirements. The Village of Jeffersonville is responsible for compliance with these laws and regulations.

Mary Taylor

Mary Taylor, CPA
Auditor of State

December 3, 2008

This Page is Intentionally Left Blank.

Village of Jeffersonville
Fayette County, Ohio
For the Year Ended December 31, 2007 and 2006
Table of Contents

<u>TITLE</u>	<u>PAGE</u>
Independent Auditor’s Report.....	1
Management’s Discussion and Analysis.....	3
Basic Financial Statements:	
Government-Wide Financial Statements:	
Statement of Net Assets – Cash Basis As of December 31, 2007.....	11
Statement of Net Assets – Cash Basis As of December 31, 2006.....	12
Statement of Activities – Cash Basis For the Year Ended December 31, 2007.....	13
Statement of Activities – Cash Basis For the Year Ended December 31, 2006.....	14
Fund Financial Statements:	
Statement of Cash Basis Assets and Fund Balances- Governmental Funds As of December 31, 2007.....	15
Statement of Cash Basis Assets and Fund Balances- Governmental Funds As of December 31, 2006.....	16
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2007.....	17
Statement of Receipts, Disbursements and Changes in Cash Basis Fund Balances – Governmental Funds For the Year Ended December 31, 2006.....	18
Statement of Fund Net Assets – Cash Basis Proprietary Funds As of December 31, 2007.....	19
Statement of Fund Net Assets – Cash Basis Proprietary Funds As of December 31, 2006.....	20
Statement of Receipts, Disbursements, and Change in Cash Basis Fund Balance – Proprietary Funds For the year ended December 31, 2007.....	21
Statement of Receipts, Disbursements, and Change in Cash Basis Fund Balance – Proprietary Funds For the year ended December 31, 2006.....	22

Village of Jeffersonville
Fayette County, Ohio
For the Year Ended December 31, 2007 and 2006
Table of Contents

Statement of Net Assets – Cash Basis – Fiduciary Funds As of December 31, 2007.....	23
Statement of Net Assets – Cash Basis – Fiduciary Funds As of December 31, 2006.....	24
Statement of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budget Basis General Fund For the Year Ended December 31, 2007.....	25
Statement of Receipts, Disbursements and Changes in Cash Fund Balance – Budget and Actual – Budget Basis Street Construction, Maintenance, and Repair For the Year Ended December 31, 2007.....	26
Statement of Receipts, Disbursements and Changes in Cash Fund Balance – Budget and Actual – Budget Basis General Fund For the Year Ended December 31, 2006.....	27
Statement of Receipts, Disbursements and Changes in Cash Fund Balance – Budget and Actual – Budget Basis Street Construction, Maintenance, and Repair For the Year Ended December 31, 2006.....	28
Notes to the Basic Financial Statements.....	29
Schedule of Federal Awards Expenditures.....	43
Notes to the Schedule of Federal Awards Expenditures.....	44
Report on Internal Control Over Financial Reporting And on Compliance and Other Matters Based On an Audit of Financial Statements Performed in Accordance With <i>Government Auditing Standards</i>	45
Report on Compliance with Requirements Applicable to Each Major Program and Internal Control Over Compliance in Accordance With OMB Circular A-133.....	47
Schedule of Findings.....	49
Schedule of Prior Audit Findings.....	53

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Independent Auditors' Report

Village of Jeffersonville
Fayette County, Ohio
4 North Main Street
Jeffersonville, Ohio 43128

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jeffersonville, Fayette County, Ohio, (the Village) as of and for the years ended December 31, 2007 and 2006 which collectively comprise the Village's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in the Comptroller General of the United States' *Government Auditing Standards*. Those standards require that we plan and perform the audit to reasonably assure whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As described more fully in Note 2, the accompanying financial statements and notes follow the cash accounting basis. This is a comprehensive accounting basis other than accounting principles generally accepted in the United States of America.

Because of the inadequacy of accounting records for the years ended December 31, 2007 and 2006, we were unable to form an opinion regarding the amounts at which charges for services are recorded in Other Governmental Funds in the accompanying combined statements of Cash Receipts, Cash Disbursements, and Changes in Fund Cash Balances- Governmental Funds for the years ended December 31, 2007 and 2006 (stated at \$35,147 and \$31,228).

In our opinion, except for the effects of such adjustments, if any, as might have been determined to be necessary had charges for services receipts in Other Governmental Funds been susceptible to satisfactory audit tests for the years ended December 31, 2007 and 2006, the financial statements referred to above present fairly, in all material respects, the respective cash basis financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jeffersonville, Fayette County, Ohio as of December 31, 2007 and 2006, and the respective changes in cash basis financial position and the respective budgetary comparisons for the General and Street Construction, Maintenance and Repair funds for the years then ended in conformity with the accounting basis Note 2 describes.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 25, 2008, on our consideration of the Village's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. That report describes the scope of our testing of internal control over financial reporting and compliance and the results of that testing. It does not opine on the internal control over financial reporting or compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards*. You should read it in conjunction with this report in considering the results of the audits.

The Management's Discussion and Analysis on pages 3-10 is not a required part of the basic financial statements but is supplementary information the Governmental Accounting Standards Board requires. We have applied certain limited procedures, consisting principally of inquiries of management regarding the methods of measuring and presenting the required supplementary information. However, we did not audit the information and express no opinion on it.

The federal awards expenditure schedule is required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements. We subjected the schedule of federal awards expenditures to the auditing procedures applied in the audit of the financial statements. In our opinion, this information is fairly stated in all material respects in relation to the financial statements taken as a whole.

As discussed further in Note 3, the Village implemented Governmental Accounting Standard (GASB) No. 46, *Net Assets Restricted by Enabling Legislation*.

A handwritten signature in cursive script that reads "Balestra, Harr & Scherer". The signature is written in black ink on a light-colored background.

Balestra, Harr & Scherer, CPAs, Inc.
September 25, 2008

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

This discussion and analysis of the Village's financial performance provides an overall review of the Village's financial activities for the years ended December 31, 2007 and December 31, 2006, within the limitations of the Village's cash basis accounting. Readers should also review the basic financial statements and notes to enhance their understanding of the Village's financial performance.

Highlights

Key highlights for 2007 are as follows:

Net assets of governmental activities increased \$2,839 or 1 percent.

Net assets of business-type activities increased \$87,336 or 200 percent from the prior year due to the expansion of the sewer collection system.

The Village's general receipts are primarily property and local income taxes. These receipts represent 56 percent of the total cash received for governmental activities during the year. Property tax receipts for 2007 changed very little compared to 2006 as development within the Village has slowed.

Key highlights for 2006 are as follows:

Net assets of governmental activities increased \$43,901 or 30 percent. The fund most affected by the increase in cash and cash equivalents was the General Fund due to cash receipts in excess of cash disbursements.

Net assets of business-type activities decreased \$22,727 or 34 percent from the prior year. In 2005 the Village of Jeffersonville was awarded grant money for the expansion of the sewer collection system. This project was funded with both grants and low interest loans. The project is near completion and will allow for the treatment of additional sewage with future growth within the Village.

The Village's general receipts are primarily property and local income taxes. These receipts represent 36 percent of the total cash received for governmental activities during the year. Property tax receipts for 2006 changed very little compared to 2005 as development within the Village has slowed.

Using the Basic Financial Statements

This annual report is presented in a format consistent with the presentation requirements of Government Accounting Standards Board Statement No. 34, as applicable to the Village's cash basis of accounting.

Report Components

The statement of net assets and the statement of activities provide information about the cash activities of the Village as a whole.

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

Fund financial statements provide a greater level of detail. Funds are created and maintained on the financial records of the Village as a way to segregate money whose use is restricted to a particular specified purpose. These statements present financial information by fund, presenting funds with the largest balances or most activity in separate columns.

The notes to the financial statements are an integral part of the Village-wide and fund financial statements and provide expanded explanation and detail regarding the information reported in the statements.

Basis of Accounting

The basis of accounting is a set of guidelines that determine when financial events are recorded. The Village has elected to present its financial statements on a cash basis of accounting. This basis of accounting is a basis of accounting other than generally accepted accounting principles. Under the Village's cash basis of accounting, receipts and disbursements are recorded when cash is received or paid.

As a result of using the cash basis of accounting, certain assets and their related revenues (such as accounts receivable) and certain liabilities and their related expenses (such as accounts payable) are not recorded in the financial statements. Therefore, when reviewing the financial information and discussion within this report, the reader must keep in mind the limitations resulting from the use of the cash basis of accounting.

Reporting the Village as a Whole

The statement of net assets and the statement of activities reflect how the Village did financially during 2005, within the limitations of cash basis accounting. The statement of net assets presents the cash balances of the governmental and business-type activities of the Village at year end. The statement of activities compares cash disbursements with program receipts for each governmental program and business-type activity. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts. The comparison of cash disbursements with program receipts identifies how each governmental function or business-type activity draws from the Village's general receipts.

These statements report the Village's cash position and the changes in cash position. Keeping in mind the limitations of the cash basis of accounting, you can think of these changes as one way to measure the Village's financial health. Over time, increases or decreases in the Village's cash position is one indicator of whether the Village's financial health is improving or deteriorating. When evaluating the Village's financial condition, you should also consider other non financial factors as well such as the Village's property tax base, the condition of the Village's capital assets and infrastructure, the extent of the Village's debt obligations, the reliance on non-local financial resources for operations and the need for continued growth in the major local revenue sources such as property and income taxes.

In the statement of net assets and the statement of activities, we divide the Village into two types of activities:

Governmental Activities

State and federal grants, local income taxes and property taxes finance most of these activities. Benefits provided through governmental activities are not necessarily paid for by the people receiving them.

Business-type Activities

The Village has mainly two business-type activities, water and sewer operations. Business-type activities are financed by a fee charged to the customers receiving the service.

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

Reporting the Village's Most Significant Funds

Fund financial statements provide detailed information about the Village's major funds – not the Village as a whole. The Village establishes separate funds to better manage its many activities and to help demonstrate that money that is restricted as to how it may be used is being spent for the intended purpose. The funds of the Village are split into three categories: governmental, proprietary and fiduciary.

Governmental Funds - Most of the Village's activities are reported in governmental funds. The governmental fund financial statements provide a detailed view of the Village's governmental operations and the basic services it provides. Governmental fund information helps determine whether there are more or less financial resources that can be spent to finance the Village's programs. The Village's significant governmental funds are presented on the financial statements in separate columns. The information for non major funds (funds whose activity or balances are not large enough to warrant separate reporting) is combined and presented in total in a single column. The Village's major governmental funds are the General Fund, Street Construction, Maintenance and Repair Fund, and the Other Capital Projects Fund.

Proprietary Funds – When the Village charges customers for the services it provides, these services are generally reported in proprietary funds. When the services are provided to the general public, the activity is reported as an enterprise fund. The Village has four major enterprise funds in 2006 the Water Operating, Sewer Operating, Enterprise Debt Service Reserve, and Utility Deposit Funds. For 2007, the Village had five major enterprise funds, the Water Operating, Sewer Operating, Enterprise Debt Service Reserve, Utility Deposit and Other Enterprise Operating funds.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the Village. Fiduciary funds are not reflected on the Village-wide financial statements because the resources of these funds are not available to support the Village's programs.

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

The Village as a Whole

Table 1 provides a summary of the Village's net assets for 2007 and 2006.

(Table 1)
Net Assets
Governmental Activities

	2007	2006	Change Amount	2005	Change Amount
Assets					
Current Assets	\$ 193,736	\$ 190,897	\$ 2,839	\$ 146,996	\$ 43,901
Total Assets	<u>\$ 193,736</u>	<u>\$ 190,897</u>	<u>\$ 2,839</u>	<u>\$ 146,996</u>	<u>\$ 43,901</u>
Net Assets					
Restricted for:					
Other Purposes	\$ 54,039	\$ 46,959	\$ 7,080	\$ 70,525	\$ (23,566)
Debt Service	13,872	13,872	-	13,872	-
Capital Projects	40,485	40,485	-	38,388	2,097
Unrestricted	85,340	89,581	(4,241)	24,211	65,370
Total Net Assets	<u>\$ 193,736</u>	<u>\$ 190,897</u>	<u>\$ 2,839</u>	<u>\$ 146,996</u>	<u>\$ 43,901</u>
Business-type Activities					
	2007	2006	Change Amount	2005	Change Amount
Assets					
Current Assets	\$ 130,935	\$ 43,599	\$ 87,336	\$ 66,326	\$ (22,727)
Total Assets	<u>\$ 130,935</u>	<u>\$ 43,599</u>	<u>\$ 87,336</u>	<u>\$ 66,326</u>	<u>\$ (22,727)</u>
Net Assets					
Unrestricted	\$ 130,935	\$ 43,599	\$ 87,336	\$ 66,326	\$ (22,727)
Total Net Assets	<u>\$ 130,935</u>	<u>\$ 43,599</u>	<u>\$ 87,336</u>	<u>\$ 66,326</u>	<u>\$ (22,727)</u>

For 2007, total governmental net assets increased only \$2,839. Total business-type net assets increased \$87,336 due to cash receipts and transfers from governmental funds in excess of cash disbursements.

For 2006, total governmental net assets increased \$43,901 due to cash receipts in excess of cash disbursements. Total business-type net assets decreased \$22,727 due to cash disbursements which were slightly higher than cash receipts.

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

(Table 2)
Changes in Net Assets
Governmental Activities

	2007	2006	Change Amount	2005	Change Amount
Cash Receipts:					
Program Receipts:					
Charges for Services and Sales	\$ 53,904	\$ 38,409	\$ 15,495	\$ 45,530	\$ (7,121)
Operating Grants and Contributions	54,522	57,541	(3,019)	64,398	(6,857)
Capital Grants and Contributions	130,591	515,317	(384,726)	854,090	(338,773)
Total Program Receipts	<u>239,017</u>	<u>611,267</u>	<u>(372,250)</u>	<u>964,018</u>	<u>(352,751)</u>
General Receipts:					
Property and Other Local Taxes	194,706	141,898	52,808	203,209	(61,311)
Income Taxes	226,708	261,149	(34,441)	254,876	6,273
Grants and Entitlements Not Restricted to Specific Programs	49,071	65,695	(16,624)	124,065	(58,370)
Notes Issued	-	-	-	222,467	(222,467)
Interest	456	411	45	399	12
Miscellaneous	39,990	41,481	(1,491)	10,914	30,567
Total General Receipts	<u>510,931</u>	<u>510,634</u>	<u>297</u>	<u>815,930</u>	<u>(305,296)</u>
Total Receipts	<u>749,948</u>	<u>1,121,901</u>	<u>(371,953)</u>	<u>1,779,948</u>	<u>(658,047)</u>
Cash Disbursements:					
General Government	419,107	399,266	19,841	398,926	340
Security of Persons and Property	50,645	56,395	(5,750)	55,776	619
Public Health Services	5,547	2,139	3,408	2,996	(857)
Leisure Time Activities	42,653	36,754	5,899	38,064	(1,310)
Community Environment	233	251	(18)	2,208	(1,957)
Basic Utilities	2,600	-	2,600	14,215	(14,215)
Transportation	72,491	46,834	25,657	59,166	(12,332)
Other	-	-	-	10,023	(10,023)
Capital Outlay	375	513,494	(513,119)	1,076,677	(563,183)
Principal Retirement	21,300	21,300	-	16,300	5,000
Interest and Fiscal Charges	1,567	1,567	-	2,078	(511)
Total Disbursements	<u>616,518</u>	<u>1,078,000</u>	<u>(461,482)</u>	<u>1,676,429</u>	<u>(598,429)</u>
Excess (Deficiency) Before Transfers	133,430	43,901	89,529	103,519	(59,618)
Transfers	<u>(130,591)</u>	<u>-</u>	<u>(130,591)</u>	<u>(2,724)</u>	<u>2,724</u>
Increase (Decrease) in Net Assets	2,839	43,901	(41,062)	100,795	(56,894)
Net Assets, January 1	190,897	146,996	43,901	46,201	100,795
Net Assets, December 31	<u>\$ 193,736</u>	<u>\$ 190,897</u>	<u>\$ 2,839</u>	<u>146,996</u>	<u>43,901</u>

Net assets of governmental activities increased \$2,839 or 1 percent during 2007. A decrease in cash disbursements for capital outlay was partially offset by a decrease in capital grants and contributions.

Net assets of governmental activities increased \$43,901 or 30 percent during 2006. Increases in cash receipts from capital grants and contributions were partially offset by an increase in cash disbursements for capital outlay and other less significant variances, resulting in the increase in net assets.

Program receipts represented 32 percent and 54 percent of total receipts for 2007 and 2006, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, building permits and inspection fees, and a capital grant for a sewer collection system expansion project.

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

General receipts represented 68 percent and 46 percent of the Village's total receipts for 2007 and 2006, respectively. For 2007, 38 percent of general receipts are property taxes and 44 percent are local income tax. For 2006, 27 percent of general receipts are property taxes and 51 percent are local income tax. State and federal grants and loans make up most of the balance of the Village's general receipts (10 percent and 13 percent for 2007 and 2006, respectively). Other receipts are very insignificant and somewhat unpredictable revenue sources.

Disbursements for general government represent the overhead costs of running the Village and the support services provided for the other Village activities. These include the costs of council, and the Village Clerk and income tax departments, as well as internal services such as payroll and purchasing.

Security of persons and property are the costs of street lighting and police protection; leisure time activities are the costs of maintaining the skatepark and the swimming pool; transportation is the cost of maintaining the roads; and capital outlay represents the costs of construction of the sewer collection expansion project.

Disbursements for capital outlay decreased \$513,119 or 99 percent and \$563,183 or 52 percent in 2007 and 2006, respectively, due to the completion of the sewer collection expansion project.

(Table 3)
Changes in Net Assets
Business-Type Activities

	2007	2006	Change Amount	2005	Change Amount
Cash Receipts:					
Program Receipts:					
Charges for Services and Sales	\$ 578,441	\$ 476,928	\$ 101,513	\$ 469,599	\$ 7,329
Total Program Receipts	<u>578,441</u>	<u>476,928</u>	<u>101,513</u>	<u>469,599</u>	<u>7,329</u>
General Receipts:					
Notes Issued	-	860,875	(860,875)	1,231,535	(370,660)
Other Debt Proceeds	99,412	-	99,412	-	-
Miscellaneous	4,350	35,719	(31,369)	5,548	30,171
Total General Receipts	<u>103,762</u>	<u>896,594</u>	<u>(792,832)</u>	<u>1,237,083</u>	<u>(340,489)</u>
Total Receipts	<u>682,203</u>	<u>1,373,522</u>	<u>(691,319)</u>	<u>1,706,682</u>	<u>(333,160)</u>
Cash Disbursements:					
Water Operating	169,017	162,031	6,986	168,176	(6,145)
Sewer Operating	525,215	1,230,705	(705,490)	1,540,899	(310,194)
Other Enterprise Operating	26,572	-	26,572	-	-
Customer Deposits	4,654	3,513	1,141	2,700	813
Total Disbursements	<u>725,458</u>	<u>1,396,249</u>	<u>(670,791)</u>	<u>1,711,775</u>	<u>(315,526)</u>
Excess (Deficiency) Before Transfers	(43,255)	(22,727)	(20,528)	(5,093)	(17,634)
Transfers	130,591	-	130,591	2,724	(2,724)
Increase (Decrease) in Net Assets	87,336	(22,727)	110,063	(2,369)	(20,358)
Net Assets, January 1	43,599	66,326	(22,727)	68,695	(2,369)
Net Assets, December 31	<u>\$ 130,935</u>	<u>\$ 43,599</u>	<u>\$ 87,336</u>	<u>66,326</u>	<u>(22,727)</u>

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

Net assets of business-type activities increased \$87,336 or 200 percent during 2007 primarily due to increases in cash receipts from charges for sales and services due to the expansion of the sewer collection system, and a transfer of cash from governmental funds, which was partially offset by an increase in cash disbursements for sewer operating and other less significant variances.

Net assets of business-type activities decreased \$22,727 or 34 percent during 2006 primarily due to a decrease in proceeds from notes, which was partially offset by a decrease in cash disbursements for sewer operating, and other less significant variances.

Governmental Activities

If you look at the Statements of Activities on pages 13 and 14 you will see that the first column lists the major services provided by the Village. The next column identifies the costs of providing these services. For 2007, the major program disbursements for governmental activities are for general government and transportation which account for 68 and 11 percent of all governmental disbursements, respectively. For 2006, the major program disbursements for governmental activities are for general government and capital outlay which account for 37 and 48 percent of all governmental disbursements, respectively. The next three columns of the Statement entitled Program Receipts identify amounts paid by people who are directly charged for the service and grants received by the Village that must be used to provide a specific service. The net Receipt (Disbursement) column compares the program receipts to the cost of the service. This "net cost" amount represents the cost of the service which ends up being paid from money provided by local taxpayers. These net costs are paid from the general receipts which are presented at the bottom of the Statement. A comparison between the total cost of services and the net cost is presented in Table 4.

(Table 4)

	Governmental Activities			
	Total Cost Of Services	Net Cost of Services	Total Cost Of Services	Net Cost of Services
	<u>2007</u>	<u>2007</u>	<u>2006</u>	<u>2006</u>
General Government	\$ 419,107	\$ (403,460)	\$ 399,266	\$ (386,438)
Security of Persons and Property	50,645	(50,645)	56,395	(56,395)
Public Health Services	5,547	(5,547)	2,139	(2,139)
Leisure Time Activities	42,653	4,583	36,754	(1,413)
Community Environment	233	(233)	251	(251)
Basic Utilities	2,600	(2,600)	-	-
Transportation	72,491	(26,948)	46,834	947
Capital Outlay	375	130,216	513,494	1,823
Principal Retirement	21,300	(21,300)	21,300	(21,300)
Interest and Fiscal Charges	1,567	(1,567)	1,567	(1,567)
Total Expenses	<u>\$ 616,518</u>	<u>\$ (377,501)</u>	<u>\$ 1,078,000</u>	<u>\$ (466,733)</u>

The dependence upon property and income tax receipts is apparent as 61 percent and 43 percent for 2007 and 2006, respectively, of governmental activities were supported through general receipts.

Business-type Activities

The water and sewer operations of the Village are relatively small and routinely report receipts and cash disbursements that are relatively equal. The infrastructure has begun to age and repairs were needed. The Village received notification from the Ohio EPA that improvements were necessary to satisfy new water quality standards. The Ohio EPA mandated a sewer treatment expansion and construction began in 2005. This project is near completion.

Village of Jeffersonville
Management's Discussion and Analysis
For the Years Ended December 31, 2007 and December 31, 2006
Unaudited

The Village's Funds

For 2007, total governmental funds had cash receipts of \$749,948 and cash disbursements and other financing disbursements of \$747,109. The greatest change within governmental funds occurred within the General fund.

For 2006, total governmental funds had cash receipts of \$1,121,901 and cash disbursements of \$1,078,000. The greatest change within governmental funds occurred within the General fund.

General Fund Budgeting Highlights

The Village's budget is prepared according to Ohio law and is based upon accounting for certain transactions on a basis of cash receipts, disbursements, and encumbrances. The most significant budgeted fund is the General Fund.

During 2007, the Village amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were \$94,920 lower than original budgeted receipts. Actual receipts were \$15,668 higher than final budgeted receipts.

Final budgeted disbursements were \$28,003 higher than original budgeted disbursements and other financing uses. Actual budget basis disbursements and other financing uses were \$44,582 lower than final budgeted disbursements and other financing uses.

During 2006, the Village amended its General Fund budget to reflect changing circumstances. Final budgeted receipts were \$67,180 lower than original budgeted receipts. Actual receipts were \$11,950 lower than final budgeted receipts.

Final budgeted disbursements were \$22,069 higher than original budgeted disbursements and other financing uses. Actual budget basis disbursements and other financing uses were \$68,862 lower than final budgeted disbursements and other financing uses.

Capital Assets and Debt Administration

Capital Assets

The Village does not currently keep track of its capital assets and infrastructure.

Debt

At December 31, 2007 and December 31, 2006, the Village's outstanding debt included \$2,691,822 and \$2,869,580, respectively, in notes and loans issued for improvements to buildings, equipment and infrastructures.

Current Issues

The challenge for all Villages is to provide quality services to the public while staying within the restrictions imposed by limited, and in some cases shrinking, funding. We rely heavily on local taxes and have very little industry to support the tax base.

Contacting the Village's Financial Management

This financial report is designed to provide our citizens, taxpayers, investors, and creditors with a general overview of the Village's finances and to reflect the Village's accountability for the monies it receives. Questions concerning any of the information in this report or requests for additional information should be directed to Carol Roush, Clerk, Village of Jeffersonville, 4 North Main Street, Jeffersonville, Ohio 43128.

Village of Jeffersonville
Fayette County
Statement of Net Assets- Cash Basis
December 31, 2007

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	<u>\$ 193,736</u>	<u>\$ 130,935</u>	<u>\$ 324,671</u>
 Net Assets			
Restricted for:			
Other Purposes	\$ 54,039	\$ -	\$ 54,039
Debt Service	13,872	-	13,872
Capital Projects	40,485	-	40,485
Unrestricted	<u>85,340</u>	<u>130,935</u>	<u>216,275</u>
 <i>Total Net Assets</i>	 <u><u>\$ 193,736</u></u>	 <u><u>\$ 130,935</u></u>	 <u><u>\$ 324,671</u></u>

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

Village of Jeffersonville
Fayette County
Statement of Net Assets- Cash Basis
December 31, 2006

	<u>Governmental Activities</u>	<u>Business-Type Activities</u>	<u>Total</u>
Assets			
Equity in Pooled Cash and Cash Equivalents	\$ 190,897	\$ 43,599	\$ 234,496
Net Assets			
Restricted for:			
Other Purposes	\$ 46,959	\$ -	\$ 46,959
Debt Service	13,872	-	13,872
Capital Projects	40,485		40,485
Unrestricted	<u>89,581</u>	<u>43,599</u>	<u>133,180</u>
<i>Total Net Assets</i>	<u>\$ 190,897</u>	<u>\$ 43,599</u>	<u>\$ 234,496</u>

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

Village of Jeffersonville
Fayette County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2007

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 419,107	\$ 10,754	\$ 4,893	\$ -	\$ (403,460)	\$ -	\$ (403,460)
Security of Persons and Property	50,645	-	-	-	(50,645)	-	(50,645)
Public Health Services	5,547	-	-	-	(5,547)	-	(5,547)
Leisure Time Activities	42,653	42,315	4,921	-	4,583	-	4,583
Community Environment	233	-	-	-	(233)	-	(233)
Basic Utility Services	2,600	-	-	-	(2,600)	-	(2,600)
Transportation	72,491	835	44,708	-	(26,948)	-	(26,948)
Capital Outlay	375	-	-	130,591	130,216	-	130,216
Debt Service:							
Principal	21,300	-	-	-	(21,300)	-	(21,300)
Interest	1,567	-	-	-	(1,567)	-	(1,567)
<i>Total Governmental Activities</i>	<u>616,518</u>	<u>53,904</u>	<u>54,522</u>	<u>130,591</u>	<u>(377,501)</u>	<u>-</u>	<u>(377,501)</u>
Business Type Activity							
Water Operating	169,017	234,918	-	-	-	65,901	65,901
Sewer Operating	525,215	312,821	-	-	-	(212,394)	(212,394)
Other Enterprise Operating	26,572	30,702	-	-	-	4,130	4,130
Customer Deposits	4,654	-	-	-	-	(4,654)	(4,654)
<i>Total Business Type Activities</i>	<u>725,458</u>	<u>578,441</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(147,017)</u>	<u>(147,017)</u>
Total Primary Government	<u>\$ 1,341,976</u>	<u>\$ 632,345</u>	<u>\$ 54,522</u>	<u>\$ 130,591</u>	<u>(377,501)</u>	<u>(147,017)</u>	<u>(524,518)</u>
General Receipts							
Property Taxes Levied for:							
General Purposes					191,947	-	191,947
Road Repair					2,759	-	2,759
Income Tax					226,708	-	226,708
Grants and Entitlements not Restricted to Specific Programs					49,071	-	49,071
Other Debt Proceeds					-	99,412	99,412
Interest					456	-	456
Miscellaneous					39,990	4,350	44,340
<i>Total General Receipts</i>					<u>510,931</u>	<u>103,762</u>	<u>387,985</u>
Transfers					<u>(130,591)</u>	<u>130,591</u>	<u>-</u>
<i>Total General Receipts, Transfers and Advances</i>					<u>380,340</u>	<u>234,353</u>	<u>614,693</u>
Change in Net Assets					2,839	87,336	90,175
<i>Net Assets Beginning of Year</i>					<u>190,897</u>	<u>43,599</u>	<u>234,496</u>
<i>Net Assets End of Year</i>					<u>\$ 193,736</u>	<u>\$ 130,935</u>	<u>\$ 324,671</u>

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

Village of Jeffersonville
Fayette County
Statement of Activities - Cash Basis
For the Year Ended December 31, 2006

	Program Cash Receipts				Net (Disbursements) Receipts and Changes in Net Assets		
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Governmental Activities							
General Government	\$ 399,266	\$ 7,666	\$ 5,162	\$ -	\$ (386,438)	\$ -	\$ (386,438)
Security of Persons and Property	56,395	-	-	-	(56,395)	-	(56,395)
Public Health Services	2,139	-	-	-	(2,139)	-	(2,139)
Leisure Time Activities	36,754	30,151	5,190	-	(1,413)	-	(1,413)
Community Environment	251	-	-	-	(251)	-	(251)
Transportation	46,834	592	47,189	-	947	-	947
Capital Outlay	513,494	-	-	515,317	1,823	-	1,823
Debt Service:							
Principal	21,300	-	-	-	(21,300)	-	(21,300)
Interest	1,567	-	-	-	(1,567)	-	(1,567)
<i>Total Governmental Activities</i>	<u>1,078,000</u>	<u>38,409</u>	<u>57,541</u>	<u>515,317</u>	<u>(466,733)</u>	<u>-</u>	<u>(466,733)</u>
Business Type Activity							
Water Operating	162,031	163,474	-	-	-	1,443	1,443
Sewer Operating	1,230,705	313,454	-	-	-	(917,251)	(917,251)
Customer Deposits	3,513	-	-	-	-	(3,513)	(3,513)
<i>Total Business Type Activities</i>	<u>1,396,249</u>	<u>476,928</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(919,321)</u>	<u>(919,321)</u>
Total Primary Government	<u>\$ 2,474,249</u>	<u>\$ 515,337</u>	<u>\$ 57,541</u>	<u>\$ 515,317</u>	<u>(466,733)</u>	<u>(919,321)</u>	<u>(1,386,054)</u>
General Receipts							
Property Taxes Levied for:							
General Purposes					138,926	-	138,926
Road Repair					2,972	-	2,972
Income Tax					261,149		
Grants and Entitlements not Restricted to Specific Programs					65,695	-	65,695
Notes Issued					-	860,875	860,875
Other Debt Proceeds					-		
Interest					411	-	411
Miscellaneous					41,481	35,719	77,200
<i>Total General Receipts</i>					<u>510,634</u>	<u>896,594</u>	<u>1,146,079</u>
Change in Net Assets					43,901	(22,727)	21,174
<i>Net Assets Beginning of Year</i>					<u>146,996</u>	<u>66,326</u>	<u>213,322</u>
<i>Net Assets End of Year</i>					<u>\$ 190,897</u>	<u>\$ 43,599</u>	<u>\$ 234,496</u>

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

Village of Jeffersonville
Fayette County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2007

	<u>General</u>	<u>Street Construction, Maintenance, and Repair</u>	<u>Other Capital Projects</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 85,340	\$ 19,419	\$ 40,485	\$ 48,492	\$ 193,736
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$ 3,895	\$ 1,109	\$ -	\$ 600	\$ 5,604
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	81,445	-	-	-	81,445
Debt Service Funds	-	-	-	13,872	13,872
Capital Projects	-	-	40,485	-	40,485
Special Revenue Funds	-	18,310	-	34,020	52,330
<i>Total Fund Balances</i>	<u>\$ 85,340</u>	<u>\$ 19,419</u>	<u>\$ 40,485</u>	<u>\$ 48,492</u>	<u>\$ 193,736</u>

See accompanying notes to the basic financial statements

Village of Jeffersonville
Fayette County
Statement of Cash Basis Assets and Fund Balances
Governmental Funds
December 31, 2006

	General	Street Construction, Maintenance, and Repair	Other Capital Projects	Other Governmental Funds	Total Governmental Funds
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 89,581	\$ 20,244	\$ 40,485	\$ 40,587	\$ 190,897
Fund Balances					
Reserved:					
Reserved for Encumbrances	\$ 10,586	\$ 319	-	\$ 671	\$ 11,576
Unreserved:					
Undesignated (Deficit), Reported in:					
General Fund	78,995	-	-	-	78,995
Debt Service Funds	-	-	-	13,872	13,872
Capital Projects	-	-	40,485	-	40,485
Special Revenue Funds	-	19,925	-	26,044	45,969
<i>Total Fund Balances</i>	<u>\$ 89,581</u>	<u>\$ 20,244</u>	<u>\$ 40,485</u>	<u>\$ 40,587</u>	<u>\$ 190,897</u>

See accompanying notes to the basic financial statements

Village of Jeffersonville
Fayette County
Statement of Receipts, Disbursements, and
Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2007

	General	Street Construction, Maintenance, and Repair	Other Capital Projects	Other Governmental Funds	Total
Cash Receipts:					
Property and Other Local Taxes	\$ 418,655	\$ -	\$ -	\$ 2,759	\$ 421,414
Intergovernmental	49,071	50,403	130,591	4,119	234,184
Charges for Services	408	403	-	35,147	35,958
Fines, Licenses and Permits	5,546	-	-	12,400	17,946
Earnings on Investments	410	32	-	14	456
Other Revenue	22,668	11,100	-	6,222	39,990
Total Cash Receipts	496,758	61,938	130,591	60,661	749,948
Cash Disbursements:					
Current:					
Security of Persons & Property	50,645	-	-	-	50,645
Public Health Service	5,547	-	-	-	5,547
Leisure Time Activities	-	-	-	42,653	42,653
Community Environment	233	-	-	-	233
Transportation	-	62,763	-	9,728	72,491
Basic Utility Services	2,600	-	-	-	2,600
General Government	419,107	-	-	-	419,107
Capital Outlay	-	-	-	375	375
Debt Service:					
Redemption of Principal	21,300	-	-	-	21,300
Interest and Fiscal Charges	1,567	-	-	-	1,567
Total Cash Disbursements	500,999	62,763	-	52,756	616,518
Total Cash Receipts Over/(Under) Cash Disbursements	(4,241)	(825)	130,591	7,905	133,430
Other Financing Receipts and (Disbursements):					
Transfers-Out	-	-	(130,591)	-	(130,591)
Excess of Cash Receipts and Other Financing Receipts Over/(Under) Cash Disbursements and Other Financing Disbursements	(4,241)	(825)	-	7,905	2,839
Fund Cash Balances, January 1	89,581	20,244	40,485	40,587	190,897
Fund Cash Balances, December 31	\$ 85,340	\$ 19,419	\$ 40,485	\$ 48,492	\$ 193,736
Reserve for Encumbrances, December 31	\$ 3,895	\$ 1,109	\$ -	\$ 600	\$ 5,604

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

Village of Jeffersonville
Fayette County
Statement of Receipts, Disbursements, and
Changes in Cash Basis Fund Balances
Governmental Funds
For the Year Ended December 31, 2006

	General	Street Construction, Maintenance, and Repair	Other Capital Projects	Other Governmental Funds	Total
Cash Receipts:					
Property and Other Local Taxes	\$ 400,075	\$ -	\$ -	\$ 2,972	\$ 403,047
Intergovernmental	65,695	53,408	515,317	4,133	638,553
Charges for Services	200	740	-	31,228	32,168
Fines, Licenses and Permits	6,241	-	-	-	6,241
Earnings on Investments	370	29	-	12	411
Other Revenue	35,319	-	-	6,162	41,481
Total Cash Receipts	507,900	54,177	515,317	44,507	1,121,901
Cash Disbursements:					
Current:					
Security of Persons & Property	56,395	-	-	-	56,395
Public Health Service	2,139	-	-	-	2,139
Leisure Time Activities	-	-	-	36,754	36,754
Community Environment	251	-	-	-	251
Transportation	-	45,834	-	1,000	46,834
General Government	399,266	-	-	-	399,266
Capital Outlay	-	-	513,220	274	513,494
Debt Service:					
Redemption of Principal	21,300	-	-	-	21,300
Interest and Fiscal Charges	1,567	-	-	-	1,567
Total Cash Disbursements	480,918	45,834	513,220	38,028	1,078,000
Total Cash Receipts Over/(Under) Cash Disbursements	26,982	8,343	2,097	6,479	43,901
Fund Cash Balances, January 1	62,599	11,901	38,388	34,108	146,996
Fund Cash Balances, December 31	\$ 89,581	\$ 20,244	\$ 40,485	\$ 40,587	\$ 190,897
Reserve for Encumbrances, December 31	\$ 10,586	\$ 319	\$ -	\$ 671	\$ 11,576

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

Village of Jeffersonville
Fayette County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2007

	Business-Type Activities					Total Enterprise Funds
	Water Operating	Sewer Operating	Other Enterprise Operating	Enterprise Debt Reserve	Customer Deposits	
Assets						
Equity in Pooled Cash and Cash Equivalents	\$ 72,036	\$ (12,635)	\$ 4,130	\$ 45,702	\$ 21,702	\$ 130,935
Net Assets						
Unrestricted	\$ 72,036	\$ (12,635)	\$ 4,130	\$ 45,702	\$ 21,702	\$ 130,935

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

Village of Jeffersonville
Fayette County
Statement of Fund Net Assets - Cash Basis
Proprietary Funds
December 31, 2006

	Business-Type Activities				Total Enterprise Funds
	Water Operating	Sewer Operating	Enterprise Debt Reserve	Customer Deposits	
Assets					
Equity in Pooled Cash and Cash Equivalents	\$ 6,135	\$ (30,244)	\$ 45,702	\$ 22,006	\$ 43,599
Net Assets					
Unrestricted	\$ 6,135	\$ (30,244)	\$ 45,702	\$ 22,006	\$ 43,599

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

Village of Jeffersonville
Fayette County
Statement of Receipts, Disbursements, and
Changes in Cash Basis Fund Balances
Proprietary Funds
For the Year Ended December 31, 2007

	Water Operating	Sewer Operating	Other Enterprise Operating	Enterprise Debt Reserve	Customer Deposits	Total
Operating Cash Receipts:						
Charges for Services	\$ 234,918	\$ 312,821	\$ 30,702	\$ -	\$ -	\$ 578,441
Total Operating Cash Receipts	<u>234,918</u>	<u>312,821</u>	<u>30,702</u>	<u>-</u>	<u>-</u>	<u>578,441</u>
Operating Cash Disbursements:						
Personal Services	22,755	39,234	-	-	-	61,989
Employee Fringe Benefits	772	21,273	-	-	-	22,045
Contractual Services	22,517	38,061	26,572	-	-	87,150
Supplies and Materials	66,883	34,120	-	-	-	101,003
Other	966	926	-	-	4,654	6,546
Capital Outlay	35,600	136,582	-	-	-	172,182
Total Operating Cash Disbursements	<u>149,493</u>	<u>270,196</u>	<u>26,572</u>	<u>-</u>	<u>4,654</u>	<u>450,915</u>
Operating Income / (Loss)	<u>85,425</u>	<u>42,625</u>	<u>4,130</u>	<u>-</u>	<u>(4,654)</u>	<u>127,526</u>
Non-Operating Receipts/Disbursements:						
Other Debt Proceeds	-	99,412	-	-	-	99,412
Miscellaneous Receipts	-	-	-	-	4,350	4,350
Redemption of Principal	(16,620)	(239,251)	-	-	-	(255,871)
Interest and Other Fiscal Charges	(2,904)	(15,768)	-	-	-	(18,672)
Total Non-Operating Receipts/(Disbursements)	<u>(19,524)</u>	<u>(155,607)</u>	<u>-</u>	<u>-</u>	<u>4,350</u>	<u>(170,781)</u>
Income/(Loss) Before Interfund Transfers and Advances	<u>65,901</u>	<u>(112,982)</u>	<u>4,130</u>	<u>-</u>	<u>(304)</u>	<u>(43,255)</u>
Transfers - In	<u>-</u>	<u>130,591</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>130,591</u>
Net Income/(Loss)	<u>65,901</u>	<u>17,609</u>	<u>4,130</u>	<u>-</u>	<u>(304)</u>	<u>87,336</u>
Fund Cash Balances, January 1	<u>6,135</u>	<u>(30,244)</u>	<u>-</u>	<u>45,702</u>	<u>22,006</u>	<u>43,599</u>
Fund Cash Balances, December 31	<u>\$ 72,036</u>	<u>\$ (12,635)</u>	<u>\$ 4,130</u>	<u>\$ 45,702</u>	<u>\$ 21,702</u>	<u>\$ 130,935</u>
Reserve for Encumbrances, December 31	<u>\$ 512</u>	<u>\$ 1,775</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,287</u>

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

Village of Jeffersonville
Fayette County
Statement of Receipts, Disbursements, and
Changes in Cash Basis Fund Balances
Proprietary Funds
For the Year Ended December 31, 2006

	Water Operating	Sewer Operating	Enterprise Debt Reserve	Customer Deposits	Total
Operating Cash Receipts:					
Charges for Services	163,474	313,454	\$ -	\$ -	\$ 476,928
Total Operating Cash Receipts	<u>163,474</u>	<u>313,454</u>	<u>-</u>	<u>-</u>	<u>476,928</u>
Operating Cash Disbursements:					
Personal Services	47,247	47,097	-	-	94,344
Employee Fringe Benefits	21,229	27,132	-	-	48,361
Contractual Services	13,099	31,612	-	-	44,711
Supplies and Materials	34,833	63,862	-	-	98,695
Other	390	1,413	-	3,513	5,316
Capital Outlay	29,598	919,344	-	-	948,942
Total Operating Cash Disbursements	<u>146,396</u>	<u>1,090,460</u>	<u>-</u>	<u>3,513</u>	<u>1,240,369</u>
Operating Income / (Loss)	<u>17,078</u>	<u>(777,006)</u>	<u>-</u>	<u>(3,513)</u>	<u>(763,441)</u>
Non-Operating Receipts/Disbursements:					
Other Debt Proceeds	-	860,875	-	-	860,875
Miscellaneous Receipts	-	30,309	-	5,410	35,719
Redemption of Principal	(13,033)	(122,434)	-	-	(135,467)
Interest and Other Fiscal Charges	(2,602)	(17,811)	-	-	(20,413)
Total Non-Operating Receipts/(Disbursements)	<u>(15,635)</u>	<u>750,939</u>	<u>-</u>	<u>5,410</u>	<u>740,714</u>
Income/(Loss) Before Interfund Transfers and Advances	1,443	(26,067)	-	1,897	(22,727)
Advances - In	3,000	-	-	-	3,000
Advances - Out	-	(3,000)	-	-	(3,000)
Net Income/(Loss)	4,443	(29,067)	-	1,897	(22,727)
Fund Cash Balances, January 1	<u>1,692</u>	<u>(1,177)</u>	<u>45,702</u>	<u>20,109</u>	<u>66,326</u>
Fund Cash Balances, December 31	<u>\$ 6,135</u>	<u>\$ (30,244)</u>	<u>\$ 45,702</u>	<u>\$ 22,006</u>	<u>\$ 43,599</u>
Reserve for Encumbrances, December 31	<u>\$ 22,890</u>	<u>\$ 2,635</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 25,525</u>

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

Village of Jeffersonville
Fayette County
Statement of Net Assets- Cash Basis
Fiduciary Funds
December 31, 2007

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 424</u>
<i>Total Assets</i>	<u><u>\$ 424</u></u>
Net Assets	
Restricted for:	
Other Purposes	<u>\$ 424</u>
<i>Total Net Assets</i>	<u><u>\$ 424</u></u>

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

Village of Jeffersonville
Fayette County
Statement of Net Assets- Cash Basis
Fiduciary Funds
December 31, 2006

	<u>Agency</u>
Assets	
Equity in Pooled Cash and Cash Equivalents	<u>\$ 147</u>
<i>Total Assets</i>	<u><u>\$ 147</u></u>
Net Assets	
Restricted for:	
Other Purposes	<u>\$ 147</u>
<i>Total Net Assets</i>	<u><u>\$ 147</u></u>

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

Village of Jeffersonville
Fayette County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2007

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property & Other Local Taxes	\$ 180,793	\$ 151,000	\$ 191,947	\$ 40,947
Municipal income Tax	305,312	255,000	226,708	(28,292)
Intergovernmental	78,531	65,590	49,071	(16,519)
Charges for Services	-	-	408	408
Fines, Licenses & Permits	6,226	5,200	5,546	346
Earnings on Investments	359	300	410	110
Miscellaneous	4,789	4,000	22,668	18,668
<i>Total receipts</i>	<u>576,010</u>	<u>481,090</u>	<u>496,758</u>	<u>15,668</u>
Disbursements				
Current:				
Security of Persons & Property	56,400	51,195	50,645	550
Public Health Services	6,100	6,200	5,547	653
Community Environment	300	303	233	70
Basic Utility Services	-	2,600	2,600	-
General Government	458,673	465,878	423,002	42,876
Debt Service:				
Principal Retirement	-	21,700	21,300	400
Interest and Fiscal Charges	-	1,600	1,567	33
<i>Total Disbursements</i>	<u>521,473</u>	<u>549,476</u>	<u>504,894</u>	<u>44,582</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>54,537</u>	<u>(68,386)</u>	<u>(8,136)</u>	<u>60,250</u>
<i>Net Change in Fund Balance</i>	54,537	(68,386)	(8,136)	60,250
<i>Fund Balance Beginning of Year</i>	78,995	78,995	78,995	-
Prior Year Encumbrances Appropriated	<u>10,586</u>	<u>10,586</u>	<u>10,586</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 144,118</u>	<u>\$ 21,195</u>	<u>\$ 81,445</u>	<u>\$ 60,250</u>

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

Village of Jeffersonville
Fayette County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2007*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 49,600	\$ 49,600	\$ 50,403	\$ 803
Charges for Services	-	-	403	403
Earnings on Investments	-	-	32	32
Miscellaneous	-	-	11,100	11,100
<i>Total receipts</i>	<u>49,600</u>	<u>49,600</u>	<u>61,938</u>	<u>12,338</u>
Disbursements				
Current:				
Transportation	52,330	64,417	63,872	545
<i>Total Disbursements</i>	<u>52,330</u>	<u>64,417</u>	<u>63,872</u>	<u>545</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(2,730)</u>	<u>(14,817)</u>	<u>(1,934)</u>	<u>12,883</u>
<i>Net Change in Fund Balance</i>	(2,730)	(14,817)	(1,934)	12,883
<i>Fund Balance Beginning of Year</i>	19,925	19,925	19,925	-
Prior Year Encumbrances Appropriated	319	319	319	-
<i>Fund Balance End of Year</i>	<u>\$ 17,514</u>	<u>\$ 5,427</u>	<u>\$ 18,310</u>	<u>\$ 12,883</u>

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

Village of Jeffersonville
Fayette County
Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual -Budget Basis
General Fund
For the Year Ended December 31, 2006

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Property & Other Local Taxes	\$ 171,643	\$ 152,000	\$ 138,926	\$ (13,074)
Municipal income Tax	287,954	255,000	261,149	6,149
Intergovernmental	62,898	55,700	65,695	9,995
Charges for Services	1,694	1,500	200	(1,300)
Fines, Licenses & Permits	5,985	5,300	6,241	941
Earnings on Investments	395	350	370	20
Miscellaneous	56,461	50,000	35,319	(14,681)
<i>Total receipts</i>	<u>587,030</u>	<u>519,850</u>	<u>507,900</u>	<u>(11,950)</u>
Disbursements				
Current:				
Security of Persons & Property	56,400	56,400	56,395	5
Public Health Services	6,100	6,100	4,939	1,161
Community Environment	300	300	254	46
General Government	475,497	472,899	407,049	65,850
Debt Service:				
Principal Retirement	-	23,100	21,300	1,800
Interest and Fiscal Charges	-	1,567	1,567	-
<i>Total Disbursements</i>	<u>538,297</u>	<u>560,366</u>	<u>491,504</u>	<u>68,862</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>48,733</u>	<u>(40,516)</u>	<u>16,396</u>	<u>56,912</u>
<i>Fund Balance Beginning of Year</i>	60,130	60,130	60,130	-
Prior Year Encumbrances Appropriated	<u>2,469</u>	<u>2,469</u>	<u>2,469</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ 111,332</u>	<u>\$ 22,083</u>	<u>\$ 78,995</u>	<u>\$ 56,912</u>

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

Village of Jeffersonville
Fayette County
*Statement of Receipts, Disbursements and Changes
In Fund Balance - Budget and Actual - Budget Basis
Street Construction, Maintenance and Repair Fund
For the Year Ended December 31, 2006*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
Receipts				
Intergovernmental	\$ 49,179	\$ 48,000	\$ 53,408	\$ 5,408
Charges for Services	410	400	740	340
Earnings on Investments	26	25	29	4
<i>Total receipts</i>	<u>49,615</u>	<u>48,425</u>	<u>54,177</u>	<u>5,752</u>
Disbursements				
Current:				
Transportation	49,100	49,419	46,153	3,266
<i>Total Disbursements</i>	<u>49,100</u>	<u>49,419</u>	<u>46,153</u>	<u>3,266</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>515</u>	<u>(994)</u>	<u>8,024</u>	<u>9,018</u>
<i>Net Change in Fund Balance</i>	515	(994)	8,024	9,018
<i>Fund Balance Beginning of Year</i>	11,582	11,582	11,582	-
Prior Year Encumbrances Appropriated	319	319	319	-
<i>Fund Balance End of Year</i>	<u>\$ 12,416</u>	<u>\$ 10,907</u>	<u>\$ 19,925</u>	<u>\$ 9,018</u>

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

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 1 – Reporting Entity

The Village of Jeffersonville, Fayette County, Ohio, is a body politic and corporate established to exercise the rights and privileges conveyed to it by the constitution and laws of the State of Ohio. The Village is directed by a six-member Council elected at large for four year terms. The Mayor is elected to a four-year term, serves as the President of Council, and votes only to break a tie.

The reporting entity is comprised of the primary government, component units and other organizations that were included to ensure that the financial statements are not misleading.

A. Primary Government

The primary government consists of all funds, departments, boards and agencies that are not legally separate from the Village. The Village provides general government services, water and sewer utilities, maintenance of Village roads, park operations, and police services.

Component units are legally separate organizations for which the Village is financially accountable. The Village is financially accountable for an organization if the Village appoints a voting majority of the organization's governing board and (1) the Village is able to significantly influence the programs or services performed or provided by the organization; or (2) the Village is legally entitled to or can otherwise access the organization's resources; the Village is legally obligated or has otherwise assumed the responsibility to finance the deficits of, or provide financial support to, the organization; or the Village is obligated for the debt of the organization. Component units may also include organizations for which the Village approves the budget, the issuance of debt or levying of taxes. As of December 31, 2007 and December 31, 2006, the Village had no component units.

Note 2 – Summary of Significant Accounting Policies

As discussed further in Note 2.C, these financial statements are presented on the cash basis of accounting. This cash basis of accounting differs from accounting principles generally accepted in the United States of America (GAAP). Generally accepted accounting principles include all relevant Governmental Accounting Standards Board (GASB) pronouncements, which have been applied to the extent they are applicable to the cash basis of accounting. In the government-wide financial statements and the fund financial statements for the proprietary funds, Financial Accounting Standards Board (FASB) pronouncements and Accounting Principles Board (APB) opinions issued on or before November 30, 1989, have been applied, to the extent they are applicable to the cash basis of accounting, unless those pronouncements conflict with or contradict GASB pronouncements, in which case GASB prevails. The Village does not apply FASB statements issued after November 30, 1989, to its business-type activities and to its enterprise funds. Following are the more significant of the Village's accounting policies.

A. Basis of Presentation

The Village's basic financial statements consist of government-wide financial statements, including a statement of net assets and a statement of activities, and fund financial statements which provide a more detailed level of financial information.

Government-Wide Financial Statements

The statement of net assets and the statement of activities display information about the Village as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. The statements distinguish between those activities of the Village that are governmental and those that are considered business-type. Governmental activities generally are financed through taxes, intergovernmental receipts or other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

The statement of net assets presents the cash balance of the governmental and business-type activities of the Village at year end. The statement of activities compares disbursements with program receipts for each of the Village's governmental and business-type activities. Disbursements are reported by function. A function is a group of related activities designed to accomplish a major service or regulatory program for which the Village is responsible. Program receipts include charges paid by the recipient of the program's goods or services and grants and contributions restricted to meeting the operational or capital requirements of a particular program. General receipts are all receipts not classified as program receipts, with certain limited exceptions. The comparison of direct disbursements with program receipts identifies the extent to which each governmental function or business-type activity is self-financing on the cash basis or draws from the Village's general receipts.

Fund Financial Statements

During the year, the Village segregates transactions related to certain Village functions or activities in separate funds to aid financial management and to demonstrate legal compliance. Fund financial statements are designed to present financial information of the Village at this more detailed level. The focus of fund financial statements is on major funds. Each major fund is presented in a separate column. Nonmajor funds are aggregated and presented in a single column. Fiduciary funds are reported by type.

Proprietary fund statements distinguish operating transactions from nonoperating transactions. Operating receipts generally result from exchange transactions such as charges for services directly relating to the funds' principal services. Operating disbursements include costs of sales and services and administrative costs. The fund statements report all other receipts and disbursements as nonoperating.

B. Fund Accounting

The Village uses fund accounting to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. Funds are used to segregate resources that are restricted as to use. The funds of the Village are divided into three categories, governmental, proprietary and fiduciary.

Governmental Funds

The Village classifies funds financed primarily from taxes, intergovernmental receipts (e.g. grants), and other nonexchange transactions as governmental funds. The Village's major governmental funds are the General Fund, Street Construction, Maintenance and Repair Fund, and Other Capital Projects Fund.

General Fund – This fund is used to account for all financial resources, except those required to be accounted for in another fund. The General Fund balance is available to the Village for any purpose provided it is expended or transferred according to the general laws of Ohio.

Street Construction, Maintenance and Repair Fund – This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets.

Other Capital Projects – This fund receives grant monies for the construction of a new waste water treatment plant.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

Proprietary Funds

The Village classifies funds financed primarily from user charges for goods or services as proprietary. Proprietary funds are classified as enterprise.

Enterprise Funds - Enterprise funds may be used to account for any activity for which a fee is charged to external users for goods or services. The Village's major enterprise funds are the water and sewer funds, the enterprise debt reserve fund, the utility deposit fund and Other Enterprise Operating Fund.

Water Fund - The water fund accounts for the provision of water to the residents and commercial users located within the Village.

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village.

Enterprise Debt Reserve Fund - The enterprise debt reserve fund was established as a condition in the sale of sewer mortgage revenue bonds. It was used to accumulate resources for the payment of emergency repairs to the system and to pay current sewer mortgage revenue bond debt.

Utility Deposit Fund - The utility deposit fund was established to accumulate deposits from customers for the water and sewer utility services provided by the Village.

Other Enterprise Operating Fund – The other enterprise operating fund accounts for the provision of trash service to the residents located within the Village.

Fiduciary Funds

Fiduciary funds include pension trust funds, investment trust funds, private purpose trust funds, and agency funds. Trust funds are used to account for assets held under a trust agreement for individuals, private organizations, or other governments which are not available to support the Village's own programs. Agency funds are purely custodial in nature and are used to hold resources for individuals, organizations or other governments. The Village's only fiduciary fund is an agency fund that accounts for unclaimed money.

C. Basis of Accounting

The Village's financial statements are prepared using the cash basis of accounting. Receipts are recorded in the Village's financial records and reported in the financial statements when cash is received rather than when earned and disbursements are recorded when cash is paid rather than when a liability is incurred.

As a result of the use of this cash basis of accounting, certain assets and their related revenues (such as accounts receivable and revenue for billed or provided services not yet collected) and certain liabilities and their related expenses (such as accounts payable and expenses for goods or services received but not yet paid, and accrued expenses and liabilities) are not recorded in these financial statements.

D. Budgetary Process

All funds, except agency funds, are legally required to be budgeted and appropriated. The major documents prepared are the tax budget, the certificate of estimated resources, and the appropriations ordinance, all of which are prepared on the budgetary basis of accounting. The tax budget demonstrates a need for existing or increased tax rates. The certificate of estimated resources establishes a limit on the amount the Village Council may appropriate.

The appropriations ordinance is the Village Council's authorization to spend resources and sets limits on cash disbursements plus encumbrances at the level of control selected by the Village Council. The legal level of control has been established at the fund, department, and object level for all funds.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

The certificate of estimated resources may be amended during the year if projected increases or decreases in receipts are identified by the Village Clerk. The amounts reported as the original budgeted amounts on the budgetary statements reflect the amounts on the certificate of estimated resources when the original appropriations were adopted. The amounts reported as the final budgeted amounts on the budgetary statements reflect the amounts on the amended certificated of estimated resources in effect at the time final appropriations were passed by the Village Council.

The appropriations ordinance is subject to amendment throughout the year with the restriction that appropriations cannot exceed estimated resources. The amounts reported as the original budgeted amounts reflect the first appropriation ordinance for that fund that covered the entire year, including amounts automatically carried forward from prior years. The amounts reported as the final budgeted amounts represent the final appropriation amounts passed by the Village Council during the year.

E. Cash and Investments

To improve cash management, cash received by the Village is pooled. Individual fund integrity is maintained through Village records. Interest in the pool is presented as “Equity in Pooled Cash and Cash Equivalents”.

All of the Villages funds were deposited in a “NOW” checking account with a local commercial bank.

Interest earnings are allocated to Village funds according to State statutes, grant requirements, or debt related restrictions. Interest receipts credited to the General Fund during 2007 were \$410. \$32 was credited to the Street Construction, Maintenance and Repair Fund. Other governmental funds received \$14. Interest receipts credited to the General Fund during 2006 were \$370. \$29 was credited to the Street Construction, Maintenance and Repair Fund. Other governmental funds received \$12.

F. Inventory and Prepaid Items

The Village reports disbursements for inventories and prepaid items when paid. These items are not reflected as assets in the accompanying financial statements.

G. Capital Assets

Acquisitions of property, plant and equipment are recorded as disbursements when paid. These items are not reflected as assets in the accompanying financial statements.

H. Interfund Receivables/Payables

The Village reports advances-in and advances-out for interfund loans. These items are not reflected as assets and liabilities in the accompanying financial statements.

I. Accumulated Leave

In certain circumstances, such as upon leaving employment or retirement, employees are entitled to cash payments for unused leave. Unpaid leave is not reflected as a liability under the Village’s cash basis of accounting.

J. Employer Contributions to Cost-Sharing Pension Plans

The Village recognizes the disbursement for their employer contributions to cost-sharing pension plans when they are paid. As described in Notes 9 and 10, the employer contributions include portions for pension benefits and for postretirement health care benefits.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 2 – Summary of Significant Accounting Policies (continued)

K. Long-Term Obligations

The Village's cash basis financial statements do not report liabilities for bonds or other long-term obligations. Proceeds of debt are reported when the cash is received and principal and interest payments are reported when paid. Since recording a capital asset when entering into a capital lease is not the result of a cash transaction, neither an other financing source nor a capital outlay expenditure is reported at inception. Lease payments are reported when paid.

L. Net Assets

Net assets are reported as restricted when there are limitations imposed on their use either through enabling legislation or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. Net assets restricted for other purposes include resources restricted for grants.

The Village's policy is to first apply restricted resources when an obligation is incurred for purposes for which both restricted and unrestricted net assets are available. Of the Village's \$108,396 and \$101,316 restricted net assets for 2007 and 2006, respectively, none is restricted by enabling legislation.

M. Fund Balance Reserves

The Village reserves any portion of fund balances which is not available for appropriation or which is legally segregated for a specific future use. Unreserved fund balance indicates that portion of fund balance which is available for appropriation in future periods. Fund balance reserves have been established for encumbrances.

N. Interfund Transactions

Transfers between governmental and business-type activities on the government-wide financial statements are reported in the same manner as general receipts.

Exchange transactions between funds are reported as receipts in the seller funds and as disbursements in the purchaser funds. Subsidies from one fund to another without a requirement for repayment are reported as interfund transfers. Interfund transfers are reported as other financing sources/uses in governmental funds and after nonoperating receipts/disbursements in proprietary funds. Repayments from funds responsible for particular disbursements to the funds that initially paid for them are not presented in the financial statements.

Note 3 – Change in Accounting Principles

For the fiscal year 2006, the Village implemented GASB Statement No. 46, *Net Assets Restricted by Enabling Legislation*. GASB Statement No. 46 requires that limitations on the use of net assets imposed by enabling legislation be reported as restricted net assets. The application of this new standard did not have a material effect on the financial statements, nor did the implementation require a restatement of prior year balances.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 4 – Budgetary Basis of Accounting

The budgetary basis as provided by law is based upon accounting for certain transactions on the basis of cash receipts, disbursements, and encumbrances. The Statements of Receipts, Disbursements and Changes in Fund Balance – Budget and Actual – Budgetary Basis presented for the General Fund and the Street Construction Major Special Revenue Fund are prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference between the budgetary basis and the cash basis is outstanding year end encumbrances, which are treated as cash disbursements rather than as a reservation of fund balance. The encumbrances outstanding at December 31, 2007 amounted to \$3,895 and \$1,109 for the General Fund and the Street Construction, Maintenance and Repair Fund, respectively. The encumbrances outstanding at December 31, 2006 amounted to \$10,586 and \$319 for the General Fund and the Street Construction, Maintenance and Repair Fund, respectively.

Note 5 – Deposits and Investments

Monies held by the Village are classified by State statute into three categories.

Active monies are public monies determined to be necessary to meet current demands upon the Village treasury. Active monies must be maintained either as cash in the Village treasury, in commercial accounts payable or withdrawable on demand, including negotiable order of withdrawal (NOW) accounts, or in money market deposit accounts.

Inactive deposits are public deposits that Council has identified as not required for use within the current five year period of designation of depositories. Inactive deposits must either be evidenced by certificates of deposit maturing not later than the end of the current period of designation of depositories, or by savings or deposit accounts including, but not limited to, passbook accounts.

Interim deposits are deposits of interim monies. Interim monies are those monies which are not needed for immediate use but which will be needed before the end of the current period of designation of depositories.

Interim monies held by the Village can be deposited or invested in the following securities:

1. United States Treasury bills, bonds, notes, or any other obligation or security issued by the United States Treasury, or any other obligation guaranteed as to principal and interest by the United States;
2. Bonds, notes, debentures, or any other obligation or security issued by any federal government agency or instrumentality including, but not limited to, the Federal National Mortgage Association, Federal Home Loan Bank, Federal Farm Credit Bank, Federal Home Loan Mortgage Corporation, Government National Mortgage Association, and Student Loan Marketing Association. All federal agency securities shall be direct issuances of federal government agencies or instrumentalities;
3. Written repurchase agreements in the securities listed above provided the market value of the securities subject to the repurchase agreement must exceed the principal value of the agreement by at least 2 percent and be marked to market daily, and the term of the agreement must not exceed thirty days;
4. Bonds and other obligations of the State of Ohio, its political subdivisions, or other units or agencies of this State or its political subdivisions;
5. Time certificates of deposit or savings or deposit accounts including, but not limited to, passbook accounts;
6. No-load money market mutual funds consisting exclusively of obligations described in division (1) or (2) and repurchase agreements secured by such obligations, provided that investments in securities described in this division are made only through eligible institutions;
7. The State Treasurer's investment pool (STAR Ohio);

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 5 - Deposits and Investments (continued)

8. Securities lending agreements in which the Village lends securities and the eligible institution agrees to exchange either securities described in division (1) or (2), or cash, or both securities and cash, equal value for equal value;
9. High grade commercial paper in an amount not to exceed five percent of the District's total average portfolio;
10. Bankers' acceptances for a period not to exceed 270 days and in an amount not to exceed ten percent of the Village's average portfolio.

Protection of the Village's deposits is provided by the Federal Deposit Insurance Corporation, by eligible securities pledged by the financial institution as security for repayment, by surety company bonds deposited with the Treasurer by the financial institution, or by a single collateral pool established by the financial institution to secure the repayment of all public monies deposited with the institution.

Investments in stripped principal or interest obligations, reverse repurchase agreements, and derivatives are prohibited. The issuance of taxable notes for the purpose of arbitrage, the use of leverage, and short selling are also prohibited. An investment must mature within five years from the date of purchase, unless matched to a specific obligation or debt of the Village, and must be purchased with the expectation that it will be held to maturity.

Investments may only be made through specified dealers and institutions. Payment for investments may be made only upon delivery of the securities representing the investments to the Village Clerk, or if the securities are not represented by a certificate, upon receipt of confirmation of transfer from the custodian.

At both December 31, 2007 and December 31, 2006, the Village had \$200 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

Deposits

Custodial credit risk is the risk that in the event of bank failure, the Village's deposits may not be returned to it. According to state law, public depositories must give security for all public funds on deposit in excess of those funds that are insured by the Federal Deposit Insurance Corporation (FDIC) or by any other agency or instrumentality of the federal government. These institutions may either specifically collateralize individual accounts in lieu of amounts insured by the FDIC, or may pledge a pool of government securities valued at least 105 percent of the total value of public monies on deposit at the institution. The Village's policy is to deposit money with financial institutions that are able to abide by the laws governing insurance and collateralization of public funds.

As of December 31, 2007 and December 31, 2006, the Village's bank balances of \$336,560 and \$245,365, respectively, are either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner described above.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 6 – Income Taxes

The Village levies a 1 percent income tax whose proceeds are placed into the General Fund. The Village levies and collects the tax on all income earned within the Village as well as on incomes of residents earned outside the Village. In the latter case, the Village allows a credit of the lesser of actual taxes paid to another city or 50 percent of the 1 percent tax rate on taxable income. Employers within the Village are required to withhold income tax on employee earnings and remit the tax to the Village at least quarterly. Corporations and other individual taxpayers are also required to pay their estimated tax at least quarterly and file a final return annually.

Note 7 – Property Taxes

Property taxes include amounts levied against all real property, public utility property, and tangible personal property located in the Village. Real property tax receipts received in 2007 represent the collection of 2006 taxes. Real property taxes received in 2007 were levied after October 1, 2006, on the assessed values as of January 1, 2006, the lien date. Assessed values for real property taxes are established by State statute at 35 percent of appraised market value. Real property taxes are payable annually or semiannually. If paid annually, payment is due December 31; if paid semiannually, the first payment is due December 31, with the remainder payable by June 20. Under certain circumstances, State statute permits alternate payment dates to be established.

Public utility property tax receipts received in 2007 represent the collection of 2006 taxes. Public utility real and tangible personal property taxes received in 2007 became a lien on December 31, 2006, were levied after October 1, 2006, and are collected with real property taxes. Public utility real property is assessed at 35 percent of true value; public utility tangible personal property is currently assessed at varying percentages of true value.

Tangible personal property tax receipts received in 2007 (other than public utility property) represent the collection of 2006 taxes. Tangible personal property taxes received in 2007 were levied after October 1, 2006, on the true value as of December 31, 2006. Tangible personal property is currently assessed at 25 percent of true value for capital assets and 23 percent for inventory. Amounts paid by multi-county taxpayers are due September 20. Single county taxpayers may pay annually or semiannually. If paid annually, the first payment is due April 30; if paid semiannually, the first payment is due April 30, with the remainder payable by September 20.

The full tax rates for all Village operations for the years ended December 31, 2007 and December 31, 2006, were \$5.30 and \$5.30, respectively, per \$1,000 of assessed value.

The assessed values of real property, public utility property, and tangible personal property upon which 2007 and 2006 property tax receipts were based are as follows:

	Assessed Valuations	
	2007	2006
Real Property	\$ 18,709,950	\$ 17,130,090
Personal Property		
PU Personal	642,490	670,050
PU Real	-	2,350
Tangible Personal	4,968,225	6,162,712
Total Personal Property	5,610,715	6,835,112
Total Assessed Value	\$ 24,320,665	\$ 23,965,202

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 8 – Risk Management

The Village belongs to the Public Entities Pool of Ohio, Acordia, a Wells Fargo company. Pursuant to Section 2744.081 of the Ohio Revised code, the Plan is deemed a separate legal entity. The Pool provides a program of property and casualty insurance for its members. The Plan pays judgments, settlements and other expenses resulting from covered claims that exceed the members' deductibles.

Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three years. The Village has not incurred significant reductions in insurance coverage from the prior year by category or risk.

The Village entered into a participation agreement with the Pool which provides for additional assessments to its members if contributions are insufficient to meet its obligations.

The Pool's financial statements (audited by other auditors) conform to generally accepted accounting principles, and reported the following assets, liabilities, and net assets at December 31, 2007 and 2006:

	2007	2006
Assets	\$ 37,560,071	\$ 36,123,194
Liabilities	17,340,825	16,738,904
Net Assets	\$ 20,219,246	\$ 19,384,290

Note 9 – Defined Benefit Pension Plans

Ohio Public Employees Retirement System

The Village participates in the Ohio Public Employees Retirement System (OPERS). OPERS administers three separate pension plans. The traditional plan is a cost-sharing, multiple-employer defined benefit pension plan. The member-directed plan is a defined contribution plan in which the member invests both member and employer contributions (employer contributions vest over five years at 20 percent per year). Under the member directed plan, members accumulate retirement assets equal to the value of the member and vested employer contributions plus any investment earnings.

The combined plan is a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and a defined contribution plan. Under the combined plan, employer contributions are invested by the retirement system to provide a formula retirement benefit similar to the traditional plan benefit. Member contributions, whose investment is self-directed by the member, accumulate retirement assets in a manner similar to the member directed plan.

OPERS provides retirement, disability, survivor and death benefits and annual cost of living adjustments to members of the traditional and combined plans. Members of the member directed plan do not qualify for ancillary benefits. Authority to establish and amend benefits is provided by Chapter 145 of the Ohio Revised Code. OPERS issues a stand-alone financial report that may be obtained by writing to OPERS, Attention: Finance Director, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

The Ohio Revised Code provides statutory authority for member and employer contributions. For 2007 and 2006, member and employer contribution rates were consistent across all three plans. While members in the state and local divisions may participate in all three plans, law enforcement and public safety divisions exist only within the traditional pension plan.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 9 – Defined Benefit Pension Plans (continued)

Ohio Public Employees Retirement System

For the years ended December 31, 2007 and December 31, 2006, the members of all three plans, except those in law enforcement or public safety participating in the traditional plan, were required to contribute 9.5 percent and 9.0 percent of their annual covered salaries, respectively. The Village's contribution rates for pension benefits for 2007 and 2006 were 13.85 percent and 13.7 percent, respectively.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2007, 2006, and 2005 were \$35,096, \$38,842, and \$34,825, respectively. The full amount has been contributed for 2007, 2006 and 2005.

Note 10 - Postemployment Benefits

Ohio Public Employees Retirement System

The Ohio Public Employees Retirement System (OPERS) provides postretirement health care coverage to age and service retirees with ten or more years of qualifying Ohio service credit with either the traditional or combined plans. Health care coverage for disability recipients and primary survivor recipients is available. Members of the member-directed plan do not qualify for postretirement health care coverage. The health care coverage provided by the retirement system is considered an Other Postemployment Benefit as described in GASB Statement No. 12. A portion of each employer's contribution to the traditional or combined plans is set aside for the funding of postretirement health care based on authority granted by State statute. The 2007 and 2006 local government employer contribution rates were 13.85 percent and 13.7 of covered payroll (17.17 percent and 16.93 percent for public safety and law enforcement), respectively. For 2007, the employer contribution allocated to fund the health care plan from January 1 through June 30, 2007 and July 1 through December 31, 2007 was 5.0 percent and 6.0 percent, respectively. For 2006, the employer contribution allocated to fund the health care plan was 4.5 percent.

Benefits are advance-funded using the entry age normal actuarial cost method. Significant actuarial assumptions, based on OPERS's latest actuarial review performed as of December 31, 2006, include a rate of return on investments of 6.5 percent, an annual increase in active employee total payroll of 4.00 percent compounded annually (assuming no change in the number of active employees) and an additional increase in total payroll of between .50 percent and 6.3 percent based on additional annual pay increases. Health care premiums were assumed to increase between 0.5 and 5.00 percent annually for the next eight years and 4.00 percent annually after eight years.

All investments are carried at market. For actuarial valuation purposes, a smoothed market approach is used. Assets are adjusted to reflect 25 percent of unrealized market appreciation or depreciation on investment assets annually, not to exceed a 12 percent corridor.

The number of active contributing participants in the traditional and combined plans was 374,979 as of December 31, 2007. The number of active contributing participants for both plans used in the December 31, 2006 actuarial valuation was 362,130. Actual employer contributions for 2007 and 2006, which were used to fund postemployment benefits was \$13,937 and \$12,760, respectively. The actual contribution and the actuarially required contribution amounts are the same. OPERS's net assets available for payment of benefits at December 31, 2006, (the latest information available) were \$12.0 billion. The actuarially accrued liability and the unfunded actuarial accrued liability were \$30.7 billion and \$18.7 billion, respectively.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Board of Trustees on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates increased as of January 1, 2006, January 1, 2007 and January 1, 2008, which allowed additional funds to be allocated to the health care plan.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 11 – Long-Term Obligations

The Village's note and loan transactions for the year ended December 31, 2006 were as follows:

	Balance December 31, 2005	Additions	Reductions	Balance December 31, 2006	Amounts Due in One Year
Governmental Activities					
1995 State Route 41/Carr Road OPWC Loan CO919, 0%	\$ 66,150	\$ -	\$ 6,300	\$ 59,850	\$ 6,300
1995 State Route 41/Carr Road Bonds anticipation note, 5%	30,000	-	15,000	15,000	15,000
Total Governmental Activities	\$ 96,150	\$ -	\$ 21,300	\$ 74,850	\$ 21,300
Business-Type Activities					
1972 USDA Rural Development Sewer Mortgage Revenue Bonds, 5%	\$ 176,005	\$ -	\$ 26,000	\$ 150,005	\$ 27,000
1990 OWDA Water Treatment Note #2757, 2%	95,884	-	9,830	86,054	10,026
1990 OWDA Water Treatment Note #2758, 2%	450,531	-	37,022	413,509	37,763
2005 OWDA Waste Water Treatment Improvements Note #4272, 0%	1,236,164	796,764	55,663	1,977,265	-
2006 OWDA Water Treatment Improvements Note #4530, 3.92%	-	24,850	3,202	21,648	-
2005 OPWC Sewer Improvement Note CO14G, 0%	110,738	39,261	3,750	146,249	7,500
Total Business-Type Activities	\$ 2,069,322	\$ 860,875	\$ 135,467	\$ 2,794,730	\$ 88,883

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 11 – Long-Term Obligations (continued)

The Village's note and loan transactions for the year ended December 31, 2007 were as follows:

	Balance December 31, 2006	Additions	Reductions	Balance December 31, 2007	Amounts Due in One Year
Governmental Activities					
1995 State Route 41/Carr Road OPWC Loan CO919, 0%	\$ 59,850	\$ -	\$ 6,300	\$ 53,550	\$ 6,300
1995 State Route 41/Carr Road Bonds anticipation notes, 5%	15,000	-	15,000	-	-
Total Governmental Activities	\$ 74,850	\$ -	\$ 21,300	\$ 53,550	\$ 6,300
Business-Type Activities					
1972 USDA Rural Development Sewer Mortgage Revenue Bonds, 5%	\$ 150,005	\$ -	\$ 27,000	\$ 123,005	\$ 29,000
1990 OWDA Water Treatment Note #2757, 2%	86,054	-	10,026	76,028	10,226
1990 OWDA Water Treatment Note #2758, 2%	413,509	-	37,763	375,746	38,518
2005 OWDA Waste Water Treatment Improvements Note #4272, 0%	1,977,265	89,262	166,988	1,899,539	-
2006 OWDA Water Treatment Improvements Note #4530, 3.92%	21,648	10,150	6,594	25,204	6,855
2005 OPWC Sewer Improvement Note CO14G, 0%	146,249	-	7,500	138,749	7,500
Total Business-Type Activities	\$ 2,794,730	\$ 99,412	\$ 255,871	\$ 2,638,271	\$ 92,099

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 11 – Long-Term Obligations (continued)

Principal and interest requirements to retire notes and loans at December 31, 2007 were as follows:

Year Ending December 30,	OWDA Loans			Year Ending December 30,	USDA Loan		
	Principal	Interest	Total		Principal	Interest	Total
2008	\$ 55,599	\$ 10,007	\$ 65,606	2008	\$ 29,000	\$ 6,150	\$ 35,150
2009	56,845	9,335	66,180	2009	30,000	4,700	34,700
2010	58,122	8,074	66,196	2010	31,000	3,200	34,200
2011	55,542	6,782	62,324	2011	33,005	1,650	34,655
2012	52,764	5,535	58,299	2012	-	-	-
2013-2017	198,106	12,031	210,137	2013-2017	-	-	-
Total	<u>\$ 476,978</u>	<u>\$ 51,764</u>	<u>\$ 528,742</u>	Total	<u>\$ 123,005</u>	<u>\$ 15,700</u>	<u>\$ 138,705</u>

Year Ending December 30,	OPWC Loans			Year Ending December 30,	Total All Debt		
	Principal	Interest	Total		Principal	Interest	Total
2008	\$ 13,800	\$ -	\$ 13,800	2008	\$ 98,399	\$ 16,157	\$ 114,556
2009	13,800	-	13,800	2009	100,645	14,035	114,680
2010	13,800	-	13,800	2010	102,922	11,274	114,196
2011	13,800	-	13,800	2011	102,347	8,432	110,779
2012	13,800	-	13,800	2012	66,564	5,535	72,099
2013-2017	59,550	-	59,550	2013-2017	257,656	12,031	269,687
2018-2022	37,500	-	37,500	2018-2022	37,500	-	37,500
2023-2027	26,249	-	26,249	2023-2027	26,249	-	26,249
Total	<u>\$ 192,299</u>	<u>\$ -</u>	<u>\$ 192,299</u>	Total	<u>\$ 792,282</u>	<u>\$ 67,464</u>	<u>\$ 859,746</u>

The Sewer Mortgage Loan was initiated in September 1972 with a loan of \$300,000 at 5% interest from Farmer's Home Administration. Additional loans of \$29,000 (October 1972) and \$254,000 (January 1973) were consolidated with the first loan for a total loan of \$583,000 at 5% to be repaid over forty years. These loans mature in 2012. These loans were acquired for the construction and renovation of the wastewater treatment plant. The loan is collateralized by sewer receipts and payments are made from the sewer fund.

Ohio Water Development Authority Loans: The Village has four loans from the Ohio Water Development Authority (OWDA). These loans were for the renovation and improvement of the water and sewer systems of the Village. The Water Treatment Loan (#2757) was established in 1990 for \$229,342 at 2% interest for twenty-five years and matures in 2015. Payments are made from the water fund. The Sewer Treatment Loan (#2758) was established in 1992 for \$898,738 at 2% interest for twenty-five years and matures in 2017. Payments are made from the sewer fund. The Waste Water Treatment Plant Improvements Loan (#4272) was established in 2005 for \$2,226,500 at 0% interest for twenty years and matures in 2025. Payments are made from the sewer fund. This loan has not been finalized and no amortization schedule has been developed; therefore, it is not included in the above amortization schedule. The Water Treatment Plant Improvements Loan (#4530) was established in 2006 for \$35,000 at 3.92% interest for five years and matures in 2011. Payments are made from the water fund.

Village of Jeffersonville
Fayette County
Notes to the Financial Statements
For the Years Ended December 31, 2007 and 2006

Note 11 – Long-Term Obligations (continued)

State Route 41/Carr Road Improvement: These monies were originally received in the form of an Issue II grant in the months of October thru December 1995 for the improvement of State Route 41 and Carr Road. The Issue II monies were paid directly to the engineering firm (C.E. Williams and Associates). During 1996, this grant was converted to a loan (CO919) with the Ohio Public Works Commission. The loan was in the amount of \$126,000 with no interest. The loan is for a period of twenty years with principal payments due January 1st and July 1st. This loan matures in July 2016. This loan is uncollateralized and is repaid through the General Fund.

State Route 41/Carr Road Bond Anticipation Note: A note was acquired in November 1995 in the amount of \$100,000 at 4.4% interest. The purpose of this note was for the construction and engineering costs of the State Route 41/Carr Road project. Another \$100,000 note was issued in 1996, the proceeds were used to retire the original note. The note issued in 1996 was issued at 4.4% interest and was due in 1997. Subsequently the Village issued ten year bonds in the amount of \$110,000. Principal payments are due on December 1st of each year. This note matured in 2007. The note was uncollateralized and was repaid through the General Fund.

The Ohio Public Works Commission (OPWC) Note (CO14G) was established in February, 2005 for \$150,000 at 0% interest for 20 years and matures in 2026. Payments are made from the Sewer Fund. The purpose of this note was for wastewater treatment facility improvements.

Note 12 – Interfund Transfers

During 2007 the following transfer was made:

Transfers from the Other Capital Projects Funds to:	
Sewer Operating Fund	<u>\$130,591</u>
Total Transfers from the Other Capital Projects Funds	<u><u>\$130,591</u></u>

Transfers represent the allocation of unrestricted receipts collected in the Other Capital Projects Funds to finance various programs accounted for in the sewer operating fund in accordance with budgetary authorizations.

Note 13 – Accountability and Compliance

At December 31, 2007 and 2006, the Sewer Operating Fund had a deficit cash balance of \$12,635 and \$30,244 respectively

The Village did not properly encumber all commitments as required by the Ohio Revised Code section 5705.41(D).

The Village did not properly maintain accurate accounting records as required by the Ohio Revised Code section 733.28.

Village of Jeffersonville
Fayette County
Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2006

Federal Grantor/ Pass Through Grantor/ Program Title	Pass Through Entity Number	Federal CFDA Number	Disbursements
Economic Development Administration			
<i>Directly from the Department of Commerce</i>			
Grants for Public Works and Economic Development Facilities	N/A	11.300	\$ 515,317
Total Federal Financial Assistance			\$ 515,317

See accompanying notes to the schedule of federal awards expenditures

Village of Jeffersonville
Fayette County
Notes to the Schedule of Federal Awards Expenditures
For the Year Ended December 31, 2006

NOTE A – SIGNIFICANT ACCOUNTING POLICIES

The accompanying Schedule of Receipts and Expenditures of Federal Awards (the Schedule) is a summary of the activity of the Village's federal award programs. The Schedule has been prepared on the cash basis of accounting.

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131
Fax (740) 289-3639
www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance With *Government Auditing Standards*

Village of Jeffersonville
Fayette County, Ohio
4 North Main Street
Jeffersonville, Ohio 43128

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jeffersonville, Fayette County, Ohio (the Village), as of and for the year ended December 31, 2007 and 2006, which collectively comprise the Village's basic financial statements and have issued our report thereon dated September 25, 2008, wherein we noted the Village followed the cash basis of accounting rather than accounting principles generally accepted in the United States of America and that we were unable to satisfy ourselves as to the accuracy of the Village's Other Governmental Funds charges for the years ended December 31, 2007 and 2006. We also noted that the Village implemented GASB Statements No. 46. Except as described above, 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 the Comptroller General of the United States' *Government Auditing Standards*.

Internal Control over Financial Reporting

In planning and performing our audit, we considered the Village's internal control over financial reporting as a basis for designing our audit procedures for expressing our opinion on the financial statements, but not to opine on the effectiveness of the Village's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we consider significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the Village's ability to initiate, authorize record, process, or report financial data reliably in accordance with its applicable accounting basis, such that there is more than a remote likelihood that the Village's internal control will not prevent or detect a more-than-inconsequential financial statement misstatement.

We consider the following deficiencies described in the accompanying schedule of findings and questioned costs to be significant deficiencies in internal control over financial reporting: 2007-001 and 2007-004

A material weakness is a significant deficiency, or combination of significant deficiencies resulting in more than a remote likelihood that the Village's internal control will not prevent or detect a material financial statement misstatement.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in the internal control that might significant deficiencies and accordingly, would not necessarily disclose all significant deficiencies that are also material weaknesses. However, of the significant deficiencies described above, we believe findings number 2007-001 and 2007-004 are also material weaknesses.

We also noted certain internal control matters that we reported to the Village's management in a separate letter dated September 25, 2008.

Village of Jeffersonville
Fayette County, Ohio

Report on Internal Control Over Financial Reporting and on Compliance
and Other Matters Based on an Audit of Financial Statements Performed
in Accordance With *Government Auditing Standards*
Page 2

Compliance and Other Matters

As part of reasonably assuring whether the Village's financial statements are free of material misstatement, we tested its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could directly and materially effect 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 an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* which are described in the accompanying schedule of findings as items 2007-002, 2007-003 and 2007-005.

We also noted certain noncompliance or other matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated September 25, 2008.

The Village's responses to the findings identified in our audit are described in the accompanying schedule of findings. We did not audit the Village's responses and, accordingly, we express no opinion on them.

We intend this report solely for the information and use of the Village's management, Council and federal awarding agency. We intend it for no one other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.

September 25, 2008

BALESTRA, HARR & SCHERER, CPAs, INC.

528 South West Street, P.O. Box 687
Piketon, Ohio 45661

Telephone (740) 289-4131

Fax (740) 289-3639

www.bhscpas.com

Member American Institute of Certified Public Accountants

Ohio Society of Certified Public Accountants

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Village Council
Village of Jeffersonville
4 North Main St.
Jeffersonville, Ohio 43128

Compliance

We have audited the compliance of the Village of Jeffersonville, Fayette County, Ohio (the Village) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) *Circular A-133 Compliance Supplement* that are applicable to its major federal program for the year ended December 31, 2006. The Village's major federal program is identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. The Village's management is responsible for complying with the requirements of laws, regulations, contracts and grants applicable to its major federal program. Our responsibility is to express an opinion on the Village's compliance based on our audit.

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

In our opinion, the Village complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the year ended December 31, 2006.

Village Council

Village of Jeffersonville

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

Page 2

Internal Control Over Compliance

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

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

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that the Village's internal control will not prevent or detect material noncompliance with a federal program's compliance requirements.

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

We intend this report solely for the information and use of the Village's management, Council and federal awarding agencies. It is not intended for anyone other than these specified parties.



Balestra, Harr & Scherer, CPAs, Inc.
September 25, 2008

**VILLAGE OF JEFFERSONVILLE
 FAYETTE COUNTY
 SCHEDULE OF FINDINGS
 OMB Circular A-133 §.505
 For the Fiscal Year Ended December 31, 2007 and 2006**

1. Summary of Auditor's Results

<i>(d)(1)(i)</i>	Type of Financial Statement Opinion	Qualified
<i>(d)(1)(ii)</i>	Were there any significant internal control deficiencies reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iii)</i>	Was there any material weakness reported at the financial statement level (GAGAS)?	Yes
<i>(d)(1)(iv)</i>	Was there any reported noncompliance at the financial statement level (GAGAS)?	No
<i>(d)(1)(iv)</i>	Were there any significant internal control deficiencies reported for major federal programs?	No
<i>(d)(1)(v)</i>	Type of Major Programs' Compliance Opinion	Unqualified
<i>(d)(1)(vi)</i>	Are there any reportable findings under §.510?	No
<i>(d)(1)(vii)</i>	Major Programs (list):	Grants for Public Works and Economic Development Facilities CFDA # 11.300
<i>(d)(1)(viii)</i>	Dollar Threshold: Type A\B Programs	Type A: >\$300,000 Type B: all others
<i>(d)(1)(ix)</i>	Low Risk Auditee?	No

**VILLAGE OF JEFFERSONVILLE
FAYETTE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2007-001

Material Weakness

The Village's records should be maintained in a manner that they may be made available within a reasonable period of time. Failure to maintain records in a readily available fashion may result in lost information and an inadequate audit trail. The Village was not able to provide adequate supporting evidence for audit the 2007 and 2006 pool membership fees collected, concession revenues or inventory.

The Village should implement procedures to ensure that financial records are properly maintained and readily available for inspection.

Client Response: The client has chosen not to respond.

FINDING NUMBER 2007-002

Material Noncompliance

Ohio Revised Code Section 733.28, states that the Village Clerk should keep the books of the Village, exhibit accurate statements of all monies received and expended, and property owned by the Village and income derived there from, and all taxes and assessments. Although the Village Clerk maintained accounting records, the records contained numerous posting errors. As a result, the records maintained by the Clerk were not an accurate reflection of all monies received and expended.

The accompanying financial statements were adjusted to reflect correction of these misstatements. The Village should implement application and monitoring controls over financial reporting to ensure that all financial statement transactions are accurately and completely reported in accordance with the accounting basis the Village follows.

Client Response: The client has chosen not to respond.

FINDING NUMBER 2007-003

Material Non-Compliance

Ohio Revised Code Section 5705.10 states in part that money that is paid into a fund must be used only for the purpose for which a fund has been established. Adjustments were required due to posting of debt payments for three separate water and sewer debt issues. By posting transactions to incorrect funds, the Village increases the risk of expending money for purpose not specifically designated by the funding source. The results of these adjustments caused the Village to have a negative fund balance in the Sewer Operating fund at December 31, 2007 and 2006.

The Village needs to implement internal controls to monitor spending in each fund to ensure that monies are being spent only for the fund's intended purpose.

Client Response: The Fiscal Officer will monitor spending.

**VILLAGE OF JEFFERSONVILLE
FAYETTE COUNTY
SCHEDULE OF FINDINGS
(Continued)
DECEMBER 31, 2007 and 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2007-004

Material Weakness

Controls over pool membership and concession receipts are essential for the Village management to safeguard Village assets.

The Village did not have adequate control procedures over the operation of the pool and related concessions. We noted the following control procedures related to pool receipts.

- Membership application forms were not signed or dated by the Village employee receiving payment.
- Current policy states that “family” memberships require persons to be residing in the same household. There were several instances where friends, grandparents, married children and other persons living in separate households were permitted to be on the same “family” membership.
- Pool rental agreements were not consistently applied according to existing policy. Current policy states that 50% of the pool rental fee shall be collected at the time of the rental and that portion is not refundable. Policy also sets the fee based upon the number of guests. Per the discretion of the pool manages, fees are not always collected at the signing of the rental agreement. Refunds are inconsistently applied, with some individuals receiving a full refund. Also there is no sign in sheet to determine the number of guests and the correct fee to charge for the rental.
- The sign in policy requires members and guests to sign in on the members’ attendance sign in sheet and for a pool employee to verify the completion of the attendance process. The sign in sheet does not always include the signature of the member or the guest. Additionally, there were some instances where non-members signatures approved on a memberships sign in sheet on days where the members was not in attendance. These were also instances where the pool employee’s initials were not included on the sign in sheet verifying the attendance procedures were completed. The inconsistencies in the application of the attendance policy could allow for persons to attend the pool without paying the proper fee.

Failure to consistently apply the policies and procedures established for the operation of the swimming pool could allow for errors or irregularities to occur and not be detected within a timely period.

In order to strengthen the internal controls over the operation and management of the swimming pool, the Village Council should periodically review the application of the procedures at the swimming pool to help ensure their consistent application.

Client Response: The client has chosen not to respond.

**VILLAGE OF JEFFERSONVILLE
FAYETTE COUNTY
SCHEDULE OF FINDINGS
DECEMBER 31, 2007 and 2006**

FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS
--

FINDING NUMBER 2007-005

Material Non-Compliance

Ohio Rev. Code, Section 5705.41 (D) states that no orders or contracts involving the expenditure of money are to be made unless there is a certificate of the fiscal officer that the amount required for the order or contract has been lawfully appropriated and is in the treasury or in the process of collection to the credit of an appropriate fund free from any previous encumbrances.

This section also provides two "exceptions" to the above requirements:

- A. Then and Now Certificate - If no certificate is furnished as required, upon receipt of the fiscal officer's certificate that a sufficient sum was appropriated and free of any previous encumbrances, the Village Council may authorize the issuance of a warrant in payment of the amount due upon such contract or order by resolution within 30 days from the receipt of such certificate.
- B. If the amount involved is less than \$3,000, the Clerk may authorize payment through a Then and Now Certificate without affirmation of the Council, if such expenditure is otherwise valid.

Several of the expenditures tested were executed without first obtaining the fiscal officer's certification and did not meet the exceptions provided for above.

Every effort should be made by the Village to properly utilize the encumbrance method of accounting by certifying funds prior to making a purchase obligation. Failure to properly certify funds could result in overspending and negative fund balances.

Client Response: The Fiscal officer will use more then and now certificates in the future.

**VILLAGE OF JEFFERSONVILLE
 FAYETTE COUNTY
 SCHEDULE OF PRIOR AUDIT FINDINGS
 DECEMBER 31, 2007 and 2006**

Finding Number	Finding Summary	Fully Corrected?	Not Corrected; Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:
2005-001	Citation of ORC 5705.10 for negative fund balances	No	Re-issued as Finding 2007-003
2005-002	ORC Section 733.28 requires the Clerk to maintain accurate financial records of the Village.	No	Reissued as Finding 2007-002.
2005-003	Reportable condition for lack of adequate controls over the posting of financial records to the UAN accounting system in the absence of the Clerk.	Yes	
2005-004	Reportable Condition for lack of adequate controls over Swimming Pool receipts.	No	Reissued as Finding 2007-004.



Mary Taylor, CPA
Auditor of State

VILLAGE OF JEFFERSONVILLE

FAYETTE COUNTY

CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 16, 2008**