

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

*Financial Statements*  
**(Audited)**

For The Years Ended  
December 31, 2011 and 2010

**CAROL ROUSH, FISCAL OFFICER**





# Dave Yost • Auditor of State

Members of Council  
Village of Jeffersonville  
4 North Main St  
PO Box 7  
Jeffersonville, Ohio 43128

We have reviewed the *Independent Accountants' Report* of the Village of Jeffersonville, Fayette County, prepared by Julian & Grube, Inc., for the audit period January 1, 2010 through December 31, 2011. 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.

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost  
Auditor of State

October 1, 2012

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**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

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FAYETTE COUNTY, OHIO**

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## **Julian & Grube, Inc.**

*Serving Ohio Local Governments*

333 County Line Rd. West, Westerville, OH 43082 Phone: 614.846.1899 Fax: 614.846.2799

### **Independent Accountants' Report**

Village of Jeffersonville  
4 North Main Street  
Jeffersonville, Ohio 43128

To the Members of Council and Mayor:

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Village of Jeffersonville, Fayette County, Ohio, as of and for the years ended December 31, 2011 and 2010, which collectively comprise the Village of Jeffersonville's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Village of Jeffersonville'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 our audit provides a reasonable basis for our opinions.

As discussed 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.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Jeffersonville, Fayette County, Ohio, as of December 31, 2011 and 2010, and the respective changes in cash financial position, thereof and the respective budgetary comparisons for the General, Street Construction, Maintenance and Repair, and Miscellaneous Special Revenue Fund for the years then ended in conformity with the accounting basis Note 2 describes.

As described in Note 12, during 2010, the Village of Jeffersonville adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" and presented prior period adjustments to restate fund balances at January 1, 2010.

Village of Jeffersonville  
Independent Accountants' Report  
Page Two

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2012, on our consideration of the Village of Jeffersonville's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grants agreements and other matters. While we did not opine on the internal control over financial reporting or on compliance, that report describes the scope of our testing of internal control over financial reporting and compliance, and the results of that testing. 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 assessing the results of our audit.

We conducted our audit to opine on the Village of Jeffersonville's financial statements taken as a whole. Management's Discussion & Analysis includes tables of net assets, changes in net assets and governmental activities. These tables provide additional information, but are not part of the basic financial statements. However these tables are management's responsibility, and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. These tables were subject to the auditing procedures we applied to the basic financial statements. We also applied certain additional procedures, including comparing and reconciling this information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, in accordance with auditing standards generally accepted in the United States of America. In our opinion, this information is fairly stated in all material respects in relation to the basic financial statements taken as a whole. Other than the aforementioned procedures applied to the tables, we applied no procedures to any other information in Management's Discussion & Analysis, and we express no opinion or any other assurance on it.



Julian & Grube, Inc.  
June 18, 2012



**Village of Jeffersonville**  
*Management's Discussion and Analysis*  
*For the Years Ended December 31, 2011 and December 31, 2010*  
*Unaudited*

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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, 2011 and December 31, 2010, within the limitations of the Village's cash basis of 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 2011 are as follows:

Net assets of governmental activities increased \$18,261 or 20 percent.

Net assets of business-type activities increased \$27,548 or 146 percent from the prior year.

The Village's general receipts are primarily property and local income taxes. These receipts represent 73 percent of the total cash received for governmental activities during the year.

Key highlights for 2010 are as follows:

Net assets of governmental activities decreased \$11,765 or 23 percent.

Net assets of business-type activities decreased \$84,196 or 129 percent from the prior year.

The Village's general receipts are primarily property and local income taxes. These receipts represent 78 percent of the total cash received for governmental activities during the year.

**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, 2011 and December 31, 2010*  
*Unaudited*

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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 government-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 accounting principles generally accepted in the United States of America. 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 2011 and 2010, within the limitations of the cash basis of 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*  
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*Unaudited*

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**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 two categories: governmental and proprietary.

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 for the year ended December 31, 2011 are the General Fund, Street Construction, Maintenance and Repair Fund, and the Miscellaneous Special Revenue Fund. The Village's major governmental funds for the year ended December 31, 2010 are the General Fund, and the Miscellaneous Special Revenue 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 five major enterprise funds, the Water Operating, Sewer Operating, Other Enterprise Operating, Enterprise Debt Service Reserve, and Customer Deposit Funds.

**Village of Jeffersonville**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2011 and December 31, 2010  
Unaudited

**The Village as a Whole**

Table 1 provides a summary of the Village's net assets for 2011 and 2010.

(Table 1)  
**Net Assets**  
**Governmental Activities**

	2011	2010*	Change Amount	2009	Change Amount
<b>Assets</b>					
Equity in					
Pooled Cash and Cash Equivalents	\$ 107,205	\$ 88,944	\$ 18,261	\$ 100,709	\$ (11,765)
Total Assets	<u>\$ 107,205</u>	<u>\$ 88,944</u>	<u>\$ 18,261</u>	<u>\$ 100,709</u>	<u>\$ (11,765)</u>
<b>Net Assets</b>					
Restricted for:					
Other Purposes	\$ 74,366	\$ 35,266	\$ 39,100	\$ 35,142	\$ 124
Debt Service	-	-	-	13,870	(13,870)
Unrestricted	32,839	53,678	(20,839)	51,697	1,981
Total Net Assets	<u>\$ 107,205</u>	<u>\$ 88,944</u>	<u>\$ 18,261</u>	<u>\$ 100,709</u>	<u>\$ (11,765)</u>
<b>Business-type Activities</b>					
	2011	2010	Change Amount	2009	Change Amount
<b>Assets</b>					
Equity in					
Pooled Cash and Cash Equivalents	\$ 8,720	\$ (18,828)	\$ 27,548	\$ 65,368	\$ (84,196)
Total Assets	<u>\$ 8,720</u>	<u>\$ (18,828)</u>	<u>\$ 27,548</u>	<u>\$ 65,368</u>	<u>\$ (84,196)</u>
<b>Net Assets</b>					
Unrestricted	<u>\$ 8,720</u>	<u>\$ (18,828)</u>	<u>\$ 27,548</u>	<u>\$ 65,368</u>	<u>\$ (84,196)</u>
Total Net Assets	<u>\$ 8,720</u>	<u>\$ (18,828)</u>	<u>\$ 27,548</u>	<u>\$ 65,368</u>	<u>\$ (84,196)</u>

\* As restated, see Note 12 for additional information.

For 2011, total governmental net assets increased \$18,261 due to cash receipts in excess of cash disbursements. Total business-type net assets increased \$27,548 due primarily with increased charges for services revenues.

For 2010, total governmental net assets decreased \$11,765 due to cash receipts in excess of cash disbursements. Total business-type net assets decreased \$84,196 due to cash disbursements which were higher than cash receipts.

**Village of Jeffersonville**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2011 and December 31, 2010  
Unaudited

(Table 2)

**Changes in Net Assets  
Governmental Activities**

	2011	2010*	Change Amount	2009	Change Amount
Cash Receipts:					
Program Receipts:					
Charges for Services	\$ 71,263	\$ 70,549	\$ 714	\$ 105,498	\$ (34,949)
Operating Grants and Contributions	99,678	65,828	33,850	52,180	13,648
Total Program Receipts	<u>170,941</u>	<u>136,377</u>	<u>34,564</u>	<u>157,678</u>	<u>(21,301)</u>
General Receipts:					
Property Taxes	170,920	194,403	(23,483)	185,958	8,445
Income Taxes	206,710	222,668	(15,958)	211,729	10,939
Grants and Entitlements Not Restricted to Specific Programs	55,006	61,601	(6,595)	49,836	11,765
Interest	67	92	(25)	420	(328)
Miscellaneous	18,414	17,879	535	13,391	4,488
Total General Receipts	<u>451,117</u>	<u>496,643</u>	<u>(45,526)</u>	<u>461,334</u>	<u>35,309</u>
Total Receipts	<u>622,058</u>	<u>633,020</u>	<u>(10,962)</u>	<u>619,012</u>	<u>14,008</u>
Cash Disbursements:					
General Government	456,302	443,331	12,971	448,703	(5,372)
Security of Persons and Property	52,017	51,312	705	56,809	(5,497)
Public Health Services	1,845	2,442	(597)	7,901	(5,459)
Leisure Time Activities	39,527	39,223	304	87,835	(48,612)
Community Environment	1,424	-	1,424	-	-
Basic Utility Services	-	500	(500)	7,913	(7,413)
Transportation	42,424	71,221	(28,797)	65,584	5,637
Capital Outlay	3,958	1,902	2,056	40,485	(38,583)
Principal Retirement	6,300	6,300	-	6,300	-
Total Disbursements	<u>603,797</u>	<u>616,231</u>	<u>(12,434)</u>	<u>721,530</u>	<u>(105,299)</u>
Increase (Decrease) in Net Assets	18,261	16,789	1,472	(102,518)	119,307
Net Assets, January 1	88,944	72,155	16,789	203,227	(131,072)
Net Assets, December 31	<u>\$ 107,205</u>	<u>\$ 88,944</u>	<u>\$ 18,261</u>	<u>100,709</u>	<u>(11,765)</u>

\* As restated, see Note 12 for additional information.

Net assets of governmental activities increased \$18,261 during 2011. Other governmental funds had a decrease in revenues which was directly offset by a decrease in cash disbursements for transportation.

Net assets of governmental activities decreased \$11,765 during 2010. Increases in cash receipts from operating grants and contributions were partially offset by decreases in capital outlay attributing to the slight increase in net assets.

**Village of Jeffersonville**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2011 and December 31, 2010  
Unaudited

Program receipts represented 27 percent and 22 percent of total receipts for 2011 and 2010, respectively, and are primarily comprised of restricted intergovernmental receipts such as motor vehicle license and gas tax money, and building permits and inspection fees.

General receipts represented 73 percent and 78 percent of the Village's total receipts for 2011 and 2010, respectively. For 2011, 38 percent of general receipts are property and local taxes and 46 percent are local income tax. For 2010, 39 percent of general receipts are property and local taxes and 45 percent are local income tax. State and federal grants make up the balance of the Village's general receipts (12 percent and 12 percent for 2011 and 2010, 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; and transportation is the cost of maintaining the roads.

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

	2011	2010*	Change Amount	2009	Change Amount
Cash Receipts:					
Program Receipts:					
Charges for Services	\$ 623,287	\$ 591,312	\$ 31,975	\$ 558,306	\$ 33,006
Total Program Receipts	<u>623,287</u>	<u>591,312</u>	<u>31,975</u>	<u>558,306</u>	<u>33,006</u>
General Receipts:					
Other Debt Proceeds	-	34,236	(34,236)	39,200	(4,964)
Miscellaneous	6,865	8,990	(2,125)	48,713	(39,723)
Total General Receipts	<u>6,865</u>	<u>43,226</u>	<u>(36,361)</u>	<u>87,913</u>	<u>(44,687)</u>
Total Receipts	<u>630,152</u>	<u>634,538</u>	<u>(4,386)</u>	<u>646,219</u>	<u>(11,681)</u>
Cash Disbursements:					
Water Operating	195,390	264,001	(68,611)	306,025	(42,024)
Sewer Operating	340,289	456,649	(116,360)	278,542	178,107
Other Enterprise Operating	60,923	52,291	8,632	58,541	(6,250)
Enterprise Debt Reserve	3,750	-	3,750	-	-
Customer Deposits	2,252	2,800	(548)	3,943	(1,143)
Total Disbursements	<u>602,604</u>	<u>775,741</u>	<u>(173,137)</u>	<u>647,051</u>	<u>128,690</u>
Increase (Decrease) in Net Assets	27,548	(141,203)	168,751	(832)	(140,371)
Net Assets, January 1	<u>(18,828)</u>	<u>122,375</u>	<u>(141,203)</u>	<u>66,200</u>	<u>56,175</u>
Net Assets, December 31	<u>\$ 8,720</u>	<u>\$ (18,828)</u>	<u>\$ 27,548</u>	<u>65,368</u>	<u>(84,196)</u>

\* As restated, see Note 12 for additional information.

**Village of Jeffersonville**  
*Management's Discussion and Analysis*  
For the Years Ended December 31, 2011 and December 31, 2010  
Unaudited

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Net assets of business-type activities increased \$27,548 in 2011 largely due to a decrease in contractual services expenditures from a decrease in projects.

Net assets of business-type activities decreased \$141,203 during 2010 primarily due to a increase in reduction of principal payments.

**Governmental Activities**

If you look at the Statement of Activities on pages 13 and 22 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 2011, the major program disbursements for governmental activities are for general government, security of persons and property, and transportation which account for 76, 9, and 7 percent of all governmental disbursements, respectively. For 2010, the major program disbursements for governmental activities are for general government, transportation, and security of persons and property which account for 72, 12, and 8 percent of all governmental disbursements, respectively. The next two 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 2011	Net Cost of Services 2011	Total Cost Of Services 2010	Net Cost of Services 2010
General Government	\$ 456,302	\$ 428,739	\$ 443,331	\$ 417,601
Security of Persons and Property	52,017	52,017	51,312	51,312
Public Health Services	1,845	1,845	2,442	2,442
Leisure Time Activities	39,527	(4,173)	39,223	11,880
Community Environment	1,424	1,424	-	-
Basic Utility Services	-	-	500	500
Transportation	42,424	(57,254)	71,221	(12,083)
Capital Outlay	3,958	3,958	1,902	1,902
Principal Retirement	6,300	6,300	6,300	6,300
Total Expenses	<u>\$ 603,797</u>	<u>\$ 432,856</u>	<u>\$ 616,231</u>	<u>\$ 479,854</u>

**Business-type Activities**

The water and sewer operations of the Village are relatively small. 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 now complete. The village is now making debt service payments on this project and the sewer operations are currently operating in a deficit situation.

**The Village's Funds**

For 2011, total governmental funds had cash receipts of \$622,058 and cash disbursements of \$603,797. The greatest change within governmental funds occurred within the Miscellaneous Special Revenue Fund.

**Village of Jeffersonville**  
*Management's Discussion and Analysis*  
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For 2011, the General Fund had a decrease in fund balance in the amounts of \$20,839. The General Fund decrease is due mainly to a decrease in property and other local tax receipts, which was offset slightly by a decrease in general government disbursements.

The Street Construction Maintenance and Repair Fund increased \$6,639. The Miscellaneous Special Revenue Fund had an increase of \$27,436.

The Water Fund balance increased \$50,310. The Sewer Fund balance decreased \$20,666. The Other Enterprise Fund balance decreased \$2,899. The Customer Deposits Fund balance increased \$4,553, while the Enterprise Debt Reserve Fund decreased \$3,750.

For 2010, total governmental funds had cash receipts of \$633,020 and cash disbursements of \$616,231. The greatest change within governmental funds occurred within the General Fund.

The General Fund had an increase in fund balance of \$16,665. The increase in fund balance in the General Fund is due mainly to a decrease in expenditures from the prior year. The Miscellaneous Special Revenue Fund had a decrease of \$7,599 in fund balance.

The Water Fund balance decreased \$46,594. The Sewer Fund balance decreased \$99,525. The Other Enterprise Fund balance increased \$1,216. The Customer Deposits Fund balance increased \$3,700.

**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 2011, the Village did not amend its General Fund receipts budget to reflect changing circumstances. Original and final budgeted receipts were \$263 lower than actual budgeted receipts. This difference is due mainly to additional tax receipts received, which was offset by fewer income taxes and intergovernmental receipts received than budgeted.

Original and final budgeted disbursements were above actual disbursements plus encumbrances with a variance of \$17,075 and \$29,993, respectively. These differences are due mainly due to conservative budgeting by the Village for general government and basic utility disbursements.

During 2010, the Village did not amend its General Fund budget to reflect changing circumstances. Original and final budgeted receipts were \$45,488 lower than actual receipts. This difference is due mainly to additional tax receipts received which was partially offset by fewer income taxes and intergovernmental receipts than budgeted.

Original and final budgeted disbursements were \$1,276 higher than actual disbursements due to conservative budgeting by the Village for general government and basic utility disbursements.

**Capital Assets and Debt Administration**

**Capital Assets**

The Village does not currently keep track of its capital assets and infrastructure or report them in their financial statements. The Village had total capital outlay disbursements of \$3,958 in 2011 and \$1,902 in 2010 in governmental activities and \$ 0 in 2011 and \$65,243 in 2010 in business-type activities.



**Village of Jeffersonville**  
*Management's Discussion and Analysis*  
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Debt

At December 31, 2011 and December 31, 2010, the Village's outstanding debt included \$1,894,936 and \$2,125,142, respectively, in notes and loans issued for improvements to buildings, equipment and infrastructures. Please see Note 10 to the basic financial statements for additional information regarding debt.

**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**  
*Statement of Net Assets- Cash Basis*  
*December 31, 2011*

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	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 107,205	\$ 8,720	\$ 115,925
<i>Total Assets</i>	\$ 107,205	\$ 8,720	\$ 115,925
 <b>Net Assets</b>			
Restricted for:			
Other Purposes	\$ 74,366	\$ -	\$ 74,366
Unrestricted	32,839	8,720	41,559
<i>Total Net Assets</i>	\$ 107,205	\$ 8,720	\$ 115,925

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

**Village of Jeffersonville**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2011*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		Total
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>						
General Government	\$ 456,302	\$ 27,563	\$ -	\$ (428,739)	\$ -	\$ (428,739)
Security of Persons and Property	52,017	-	-	(52,017)	-	(52,017)
Public Health Services	1,845	-	-	(1,845)	-	(1,845)
Leisure Time Activities	39,527	43,700	-	4,173	-	4,173
Community Environment	1,424	-	-	(1,424)	-	(1,424)
Transportation	42,424	-	99,678	57,254	-	57,254
Capital Outlay	3,958	-	-	(3,958)	-	(3,958)
Debt Service:						
Principal Retirement	6,300	-	-	(6,300)	-	(6,300)
<i>Total Governmental Activities</i>	<u>603,797</u>	<u>71,263</u>	<u>99,678</u>	<u>(432,856)</u>	<u>-</u>	<u>(432,856)</u>
<b>Business Type Activities</b>						
Water Operating	195,390	245,700	-	-	50,310	50,310
Sewer Operating	340,289	319,563	-	-	(20,726)	(20,726)
Other Enterprise Operating	60,923	58,024	-	-	(2,899)	(2,899)
Enterprise Debt Service Reserve	3,750	-	-	-	(3,750)	(3,750)
Customer Deposits	2,252	-	-	-	(2,252)	(2,252)
<i>Total Business Type Activities</i>	<u>602,604</u>	<u>623,287</u>	<u>-</u>	<u>-</u>	<u>20,683</u>	<u>20,683</u>
<b>Total Primary Government</b>	<u>1,206,401</u>	<u>694,550</u>	<u>99,678</u>	<u>(432,856)</u>	<u>20,683</u>	<u>(412,173)</u>
<b>General Receipts</b>						
Property Taxes Levied for:						
General Purposes				170,920	-	170,920
Municipal Income Tax				206,710	-	206,710
Grants and Entitlements not Restricted to Specific Programs				55,006	-	55,006
Interest				67	-	67
Miscellaneous				18,414	6,865	25,279
<i>Total General Receipts</i>				<u>451,117</u>	<u>6,865</u>	<u>457,982</u>
Change in Net Assets				18,261	27,548	45,809
<i>Net Assets Beginning of Year</i>				<u>88,944</u>	<u>(18,828)</u>	<u>70,116</u>
<i>Net Assets End of Year</i>				<u>\$ 107,205</u>	<u>\$ 8,720</u>	<u>\$ 115,925</u>

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

**Village of Jeffersonville**  
*Statement of Assets and Fund Balances - Cash Basis*  
 Governmental Funds  
 December 31, 2011

	General	Street Construction Maint. & Repair	Miscellaneous Special Revenue	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>					
Equity in Pooled Cash and Cash Equivalents	\$ 32,839	\$ 14,609	\$ 47,036	\$ 12,721	\$ 107,205
<i>Total Assets</i>	<u>\$ 32,839</u>	<u>\$ 14,609</u>	<u>\$ 47,036</u>	<u>\$ 12,721</u>	<u>\$ 107,205</u>
<b>Fund Balances</b>					
Nonspendable	\$ 451	\$ -	\$ -	\$ -	\$ 451
Restricted	-	14,609	47,036	12,721	74,366
Assigned	3,656	-	-	-	3,656
Unassigned	28,732	-	-	-	28,732
<i>Total Fund Balances</i>	<u>\$ 32,839</u>	<u>\$ 14,609</u>	<u>\$ 47,036</u>	<u>\$ 12,721</u>	<u>\$ 107,205</u>

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and  
 Changes in Fund Balances - Cash Basis  
 Governmental Funds  
 For the Year Ended December 31, 2011*

	General	Street Construction Maint. & Repair	Miscellaneous Special Revenue	Other Governmental Funds	Total Governmental Funds
<b>Receipts:</b>					
Property and Other Local Taxes	\$ 375,342	\$ -	\$ -	\$ 2,288	\$ 377,630
Intergovernmental	55,006	45,273	50,734	3,671	154,684
Charges for Services	-	-	-	43,700	43,700
Fines, Licenses and Permits	4,313	-	23,250	-	27,563
Earnings on Investments	61	5	-	1	67
Other Receipts	15,779	-	-	2,635	18,414
<b>Total Receipts</b>	<b>450,501</b>	<b>45,278</b>	<b>73,984</b>	<b>52,295</b>	<b>622,058</b>
<b>Disbursements:</b>					
Current:					
Security of Persons & Property	52,017	-	-	-	52,017
Public Health Services	1,845	-	-	-	1,845
Leisure Time Activities	-	-	-	39,527	39,527
Community Environment	1,424	-	-	-	1,424
Transportation	-	38,639	-	3,785	42,424
General Government	409,754	-	46,548	-	456,302
Capital Outlay	-	-	-	3,958	3,958
Debt Service:					
Principal Retirement	6,300	-	-	-	6,300
<b>Total Disbursements</b>	<b>471,340</b>	<b>38,639</b>	<b>46,548</b>	<b>47,270</b>	<b>603,797</b>
Net Change in Fund Balance	(20,839)	6,639	27,436	5,025	18,261
Fund Balances, January 1	53,678	7,970	19,600	7,696	88,944
Fund Balances, December 31	<u>\$ 32,839</u>	<u>\$ 14,609</u>	<u>\$ 47,036</u>	<u>\$ 12,721</u>	<u>\$ 107,205</u>

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Property & Other Local Taxes	\$ 122,737	\$ 122,737	\$ 168,632	\$ 45,895
Municipal Income Tax	240,203	240,203	206,710	(33,493)
Intergovernmental	63,918	63,918	55,006	(8,912)
Fines, Licenses & Permits	5,012	5,012	4,313	(699)
Earnings on Investments	71	71	61	(10)
Miscellaneous	18,059	18,059	15,541	(2,518)
<i>Total Receipts</i>	450,000	450,000	450,263	263
<b>Disbursements</b>				
Current:				
Security of Persons & Property	51,800	53,800	52,017	1,783
Public Health Services	7,000	7,000	1,845	5,155
Community Environment	100	1,600	1,424	176
Basic Utility Services	12,250	-	-	-
General Government	427,538	423,370	413,409	9,961
Debt Service:				
Principal Retirement	6,300	6,300	6,300	-
<i>Total Disbursements</i>	504,988	492,070	474,995	17,075
<i>Net Change in Fund Balance</i>	(54,988)	(42,070)	(24,732)	17,338
<i>Fund Balance Beginning of Year</i>	46,874	46,874	46,874	-
Prior Year Encumbrances Appropriated	6,590	6,590	6,590	-
<i>Fund Balance End of Year</i>	\$ (1,524)	\$ 11,394	\$ 28,732	\$ 17,338

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

**Village of Jeffersonville**  
*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, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ 45,000	\$ 45,000	\$ 45,273	\$ 273
Earnings on Investments	-	-	5	5
<i>Total Receipts</i>	45,000	45,000	45,278	278
<b>Disbursements</b>				
Current:				
Transportation	48,805	48,805	39,226	9,579
<i>Total Disbursements</i>	48,805	48,805	39,226	9,579
<i>Net Change in Fund Balance</i>	(3,805)	(3,805)	6,052	9,857
<i>Fund Balance Beginning of Year</i>	7,970	7,970	7,970	-
<i>Fund Balance End of Year</i>	\$ 4,165	\$ 4,165	\$ 14,022	\$ 9,857

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and Changes*  
*In Fund Balance - Budget and Actual - Budget Basis*  
*Miscellaneous Special Revenue Fund*  
*For the Year Ended December 31, 2011*

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>Receipts</b>				
Intergovernmental	\$ -	\$ -	\$ 50,734	\$ 50,734
Fines, Licenses & Permits	-	-	23,250	23,250
<i>Total Receipts</i>	<u>-</u>	<u>-</u>	<u>73,984</u>	<u>73,984</u>
<b>Disbursements</b>				
Current:				
General Government	30,000	30,000	46,548	(16,548)
<i>Total Disbursements</i>	<u>30,000</u>	<u>30,000</u>	<u>46,548</u>	<u>(16,548)</u>
<i>Net Change in Fund Balance</i>	(30,000)	(30,000)	27,436	57,436
<i>Fund Balance Beginning of Year</i>	<u>19,600</u>	<u>19,600</u>	<u>19,600</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ (10,400)</u>	<u>\$ (10,400)</u>	<u>\$ 47,036</u>	<u>\$ 57,436</u>

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



**Village of Jeffersonville**  
*Statement of Fund Net Assets - Cash Basis*  
*Proprietary Funds*  
*December 31, 2011*

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	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	\$ 41,125	\$ (84,535)	\$ 15	\$ 14,452	\$ 37,663	\$ 8,720
Total Assets	<u>\$ 41,125</u>	<u>\$ (84,535)</u>	<u>\$ 15</u>	<u>\$ 14,452</u>	<u>\$ 37,663</u>	<u>\$ 8,720</u>
Net Assets						
Unrestricted	<u>\$ 41,125</u>	<u>\$ (84,535)</u>	<u>\$ 15</u>	<u>\$ 14,452</u>	<u>\$ 37,663</u>	<u>\$ 8,720</u>

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and  
Changes in Fund Net Assets - Cash Basis  
Proprietary Funds  
For the Year Ended December 31, 2011*

	Business-Type Activities					Total Enterprise Funds
	Water Operating	Sewer Operating	Other Enterprise Operating	Enterprise Debt Reserve	Customer Deposits	
<b>Operating Receipts:</b>						
Charges for Services	\$ 245,700	\$ 319,563	\$ 58,024	\$ -	\$ -	\$ 623,287
Total Operating Receipts	245,700	319,563	58,024	-	-	623,287
<b>Operating Disbursements:</b>						
Personal Services	56,910	5,845	-	-	-	62,755
Employee Fringe Benefits	43,044	385	-	-	-	43,429
Contractual Services	29,166	87,268	60,923	-	-	177,357
Supplies and Materials	50,150	31,983	-	-	-	82,133
Other	485	1,000	-	-	2,252	3,737
Total Operating Disbursements	179,755	126,481	60,923	-	2,252	369,411
Operating Income (Loss)	65,945	193,082	(2,899)	-	(2,252)	253,876
<b>Non-Operating Receipts/(Disbursements):</b>						
Miscellaneous Receipts	-	60	-	-	6,805	6,865
Principal Retirement	(14,666)	(205,490)	-	(3,750)	-	(223,906)
Interest and Other Fiscal Charges	(969)	(8,318)	-	-	-	(9,287)
Total Non-Operating Receipts/(Disbursements)	(15,635)	(213,748)	-	(3,750)	6,805	(226,328)
<b>Change in Net Assets</b>	50,310	(20,666)	(2,899)	(3,750)	4,553	27,548
<b>Net Assets, January 1</b>	(9,185)	(63,869)	2,914	18,202	33,110	(18,828)
<b>Net Assets, December 31</b>	<u>\$ 41,125</u>	<u>\$ (84,535)</u>	<u>\$ 15</u>	<u>\$ 14,452</u>	<u>\$ 37,663</u>	<u>\$ 8,720</u>

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

**Village of Jeffersonville**  
*Statement of Net Assets- Cash Basis*  
*December 31, 2010*

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	Governmental Activities	Business-Type Activities	Total
<b>Assets</b>			
Equity in Pooled Cash and Cash Equivalents	\$ 88,944	\$ (18,828)	\$ 70,116
<i>Total Assets</i>	\$ 88,944	\$ (18,828)	\$ 70,116
<b>Net Assets</b>			
Restricted for:			
Other Purposes	\$ 35,266	\$ -	\$ 35,266
Unrestricted	53,678	(18,828)	34,850
<i>Total Net Assets</i>	\$ 88,944	\$ (18,828)	\$ 70,116

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

**Village of Jeffersonville**  
*Statement of Activities - Cash Basis*  
*For the Year Ended December 31, 2010*

	Program Cash Receipts			Net (Disbursements) Receipts and Changes in Net Assets		Total
	Cash Disbursements	Charges for Services	Operating Grants and Contributions	Governmental Activities	Business-Type Activities	
<b>Governmental Activities</b>						
General Government	\$ 443,331	\$ 25,730	\$ -	\$ (417,601)	\$ -	\$ (417,601)
Security of Persons and Property	51,312	-	-	(51,312)	-	(51,312)
Public Health Services	2,442	-	-	(2,442)	-	(2,442)
Leisure Time Activities	39,223	43,990	-	4,767	-	4,767
Basic Utility Services	500	-	-	(500)	-	(500)
Transportation	71,221	829	65,828	(4,564)	-	(4,564)
Capital Outlay	1,902	-	-	(1,902)	-	(1,902)
Debt Service:						
Principal Retirement	6,300	-	-	(6,300)	-	(6,300)
<i>Total Governmental Activities</i>	<u>616,231</u>	<u>70,549</u>	<u>65,828</u>	<u>(479,854)</u>	<u>-</u>	<u>(479,854)</u>
<b>Business Type Activities</b>						
Water Operating	264,001	217,407	-	-	(46,594)	(46,594)
Sewer Operating	456,649	320,398	-	-	(136,251)	(136,251)
Other Enterprise Operating	52,291	53,507	-	-	1,216	1,216
Customer Deposits	2,800	-	-	-	(2,800)	(2,800)
<i>Total Business Type Activities</i>	<u>775,741</u>	<u>591,312</u>	<u>-</u>	<u>-</u>	<u>(184,429)</u>	<u>(184,429)</u>
<b>Total Primary Government</b>	<u><u>1,391,972</u></u>	<u><u>661,861</u></u>	<u><u>65,828</u></u>	<u><u>(479,854)</u></u>	<u><u>(184,429)</u></u>	<u><u>(664,283)</u></u>
<b>General Receipts</b>						
Property Taxes Levied for:						
General Purposes				194,403	-	194,403
Municipal Income Tax				222,668	-	222,668
Grants and Entitlements not Restricted to Specific Programs				61,601	-	61,601
Proceeds from OWDA				-	34,236	34,236
Interest				92	-	92
Miscellaneous				17,879	8,990	26,869
<i>Total General Receipts</i>				<u>496,643</u>	<u>43,226</u>	<u>539,869</u>
Change in Net Assets				16,789	(141,203)	(124,414)
<i>Net Assets Beginning of Year, As Restated</i>				<u>72,155</u>	<u>122,375</u>	<u>194,530</u>
<i>Net Assets End of Year</i>				<u><u>\$ 88,944</u></u>	<u><u>\$ (18,828)</u></u>	<u><u>\$ 70,116</u></u>

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

**Village of Jeffersonville**  
*Statement of Assets and Fund Balances - Cash Basis*  
 Governmental Funds  
 December 31, 2010

	General	Miscellaneous Special Revenue	Other Governmental Funds	Total Governmental Funds
<b>Assets</b>				
Equity in Pooled Cash and Cash Equivalents	\$ 53,678	\$ 19,600	\$ 15,666	\$ 88,944
<i>Total Assets</i>	<u>\$ 53,678</u>	<u>\$ 19,600</u>	<u>\$ 15,666</u>	<u>\$ 88,944</u>
<b>Fund Balances</b>				
Nonspendable	\$ 214	\$ -	\$ -	\$ 214
Restricted	-	19,600	15,666	35,266
Assigned	6,590	-	-	6,590
Unassigned	46,874	-	-	46,874
<i>Total Fund Balances</i>	<u>\$ 53,678</u>	<u>\$ 19,600</u>	<u>\$ 15,666</u>	<u>\$ 88,944</u>

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and  
Changes in Fund Balances - Cash Basis  
Governmental Funds  
For the Year Ended December 31, 2010*

	General	Miscellaneous Special Revenue	Other Governmental Funds	Total Governmental Funds
<b>Receipts:</b>				
Property and Other Local Taxes	\$ 417,071	\$ -	\$ -	\$ 417,071
Intergovernmental	61,601	-	65,828	127,429
Charges for Services	-	-	44,819	44,819
Fines, Licenses and Permits	3,230	22,500	-	25,730
Earnings on Investments	83	-	9	92
Other Receipts	8,466	-	9,413	17,879
<b>Total Receipts</b>	<b>490,451</b>	<b>22,500</b>	<b>120,069</b>	<b>633,020</b>
<b>Disbursements:</b>				
Current:				
Security of Persons & Property	51,312	-	-	51,312
Public Health Services	2,442	-	-	2,442
Leisure Time Activities	-	-	39,223	39,223
Transportation	-	-	71,221	71,221
Basic Utility Services	500	-	-	500
General Government	413,232	30,099	-	443,331
Capital Outlay	-	-	1,902	1,902
Debt Service:				
Principal Retirement	6,300	-	-	6,300
<b>Total Disbursements</b>	<b>473,786</b>	<b>30,099</b>	<b>112,346</b>	<b>616,231</b>
Net Change in Fund Balance	16,665	(7,599)	7,723	16,789
Fund Balances, January 1 - As Restated	37,013	27,199	7,943	72,155
Fund Balances, December 31	<u>\$ 53,678</u>	<u>\$ 19,600</u>	<u>\$ 15,666</u>	<u>\$ 88,944</u>

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and Changes  
In Fund Balance - Budget and Actual -Budget Basis  
General Fund  
For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Property & Other Local Taxes	\$ 85,975	\$ 85,975	\$ 194,403	\$ 108,428
Municipal Income Tax	270,007	270,007	222,668	(47,339)
Intergovernmental	74,697	74,697	61,601	(13,096)
Fines, Licenses & Permits	3,917	3,917	3,230	(687)
Earnings on Investments	101	101	83	(18)
Miscellaneous	10,266	10,266	8,466	(1,800)
<i>Total Receipts</i>	<u>444,963</u>	<u>444,963</u>	<u>490,451</u>	<u>45,488</u>
<b>Disbursements</b>				
Current:				
Security of Persons & Property	52,300	52,300	51,312	988
Public Health Services	7,000	7,000	2,442	4,558
Community Environment	100	100	-	100
Basic Utility Services	900	900	500	400
General Government	414,852	414,852	419,622	(4,770)
Debt Service:				
Principal Retirement	6,300	6,300	6,300	-
<i>Total Disbursements</i>	<u>481,452</u>	<u>481,452</u>	<u>480,176</u>	<u>1,276</u>
<i>Net Change in Fund Balance</i>	(36,489)	(36,489)	10,275	46,764
<i>Fund Balance Beginning of Year - As Restated</i>	32,797	32,797	32,797	-
Prior Year Encumbrances Appropriated	3,802	3,802	3,802	-
<i>Fund Balance End of Year</i>	<u>\$ 110</u>	<u>\$ 110</u>	<u>\$ 46,874</u>	<u>\$ 46,764</u>

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and Changes  
 In Fund Balance - Budget and Actual - Budget Basis  
 Miscellaneous Special Revenue Fund  
 For the Year Ended December 31, 2010*

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	
<b>Receipts</b>				
Fines, Licenses & Permits	\$ -	\$ -	\$ 22,500	\$ 22,500
<i>Total Receipts</i>	<u>-</u>	<u>-</u>	<u>22,500</u>	<u>22,500</u>
<b>Disbursements</b>				
Current:				
General Government	30,000	30,000	30,099	(99)
<i>Total Disbursements</i>	<u>30,000</u>	<u>30,000</u>	<u>30,099</u>	<u>(99)</u>
<i>Excess of Receipts Over (Under) Disbursements</i>	<u>(30,000)</u>	<u>(30,000)</u>	<u>(7,599)</u>	<u>22,401</u>
<i>Net Change in Fund Balance</i>	(30,000)	(30,000)	(7,599)	22,401
<i>Fund Balance Beginning of Year</i>	<u>27,199</u>	<u>27,199</u>	<u>27,199</u>	<u>-</u>
<i>Fund Balance End of Year</i>	<u>\$ (2,801)</u>	<u>\$ (2,801)</u>	<u>\$ 19,600</u>	<u>\$ 22,401</u>

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



**Village of Jeffersonville**  
*Statement of Fund Net Assets - Cash Basis*  
*Proprietary Funds*  
*December 31, 2010*

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	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	\$ (9,185)	\$ (63,869)	\$ 2,914	\$ 18,202	\$ 33,110	\$ (18,828)
Total Assets	<u>\$ (9,185)</u>	<u>\$ (63,869)</u>	<u>\$ 2,914</u>	<u>\$ 18,202</u>	<u>\$ 33,110</u>	<u>\$ (18,828)</u>
Net Assets						
Unrestricted	<u>\$ (9,185)</u>	<u>\$ (63,869)</u>	<u>\$ 2,914</u>	<u>\$ 18,202</u>	<u>\$ 33,110</u>	<u>\$ (18,828)</u>

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

**Village of Jeffersonville**  
*Statement of Receipts, Disbursements and  
Changes in Fund Net Assets - Cash Basis  
Proprietary Funds  
For the Year Ended December 31, 2010*

	Business-Type Activities					Total Enterprise Funds
	Water Operating	Sewer Operating	Other Enterprise Operating	Enterprise Debt Reserve	Customer Deposits	
<b>Operating Receipts:</b>						
Charges for Services	\$ 217,407	\$ 320,398	\$ 53,507	\$ -	\$ -	\$ 591,312
Total Operating Receipts	<u>217,407</u>	<u>320,398</u>	<u>53,507</u>	<u>-</u>	<u>-</u>	<u>591,312</u>
<b>Operating Disbursements:</b>						
Personal Services	68,727	15,857	-	-	-	84,584
Employee Fringe Benefits	21,053	593	-	-	-	21,646
Contractual Services	27,039	57,601	52,291	-	-	136,931
Supplies and Materials	95,512	77,372	-	-	-	172,884
Other	1,138	982	-	-	2,800	4,920
Capital Outlay	31,008	34,235	-	-	-	65,243
Total Operating Disbursements	<u>244,477</u>	<u>186,640</u>	<u>52,291</u>	<u>-</u>	<u>2,800</u>	<u>486,208</u>
Operating Income (Loss)	<u>(27,070)</u>	<u>133,758</u>	<u>1,216</u>	<u>-</u>	<u>(2,800)</u>	<u>105,104</u>
<b>Non-Operating Receipts/(Disbursements):</b>						
Miscellaneous Receipts	-	2,490	-	-	6,500	8,990
Proceeds from OWDA	-	34,236	-	-	-	34,236
Principal Retirement	(18,048)	(257,129)	-	-	-	(275,177)
Interest and Other Fiscal Charges	(1,476)	(12,880)	-	-	-	(14,356)
Total Non-Operating Receipts/(Disbursements)	<u>(19,524)</u>	<u>(233,283)</u>	<u>-</u>	<u>-</u>	<u>6,500</u>	<u>(246,307)</u>
<b>Change in Net Assets</b>	<u>(46,594)</u>	<u>(99,525)</u>	<u>1,216</u>	<u>-</u>	<u>3,700</u>	<u>(141,203)</u>
<b>Net Assets, January 1 - As Restated</b>	<u>37,409</u>	<u>35,656</u>	<u>1,698</u>	<u>18,202</u>	<u>29,410</u>	<u>122,375</u>
<b>Net Assets, December 31</b>	<u>\$ (9,185)</u>	<u>\$ (63,869)</u>	<u>\$ 2,914</u>	<u>\$ 18,202</u>	<u>\$ 33,110</u>	<u>\$ (18,828)</u>

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

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**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.

**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, 2011 and December 31, 2010, 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). Accounting principles generally accepted in the United States of America 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**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**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 two categories, governmental and proprietary.

**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 shown below.

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.

Miscellaneous Special Revenue Fund – This fund receives gaming license revenue and is used for the law enforcement and other associated costs of operations.

Street Construction Maintenance & Repair Fund – This fund receives gasoline tax and motor vehicle license tax money for constructing, maintaining, and repairing Village streets. This fund is not major for the year ended December 31, 2010.

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**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 shown below.

Water Fund - The water fund accounts for the provision of water to the residents and commercial users located within the Village. The primary source of revenue is from water receipts.

Sewer Fund - The sewer fund accounts for the provision of sanitary sewer services to the residents and commercial users within the Village. The primary source of revenue is from sewer receipts.

Other Enterprise Operating Fund – The other enterprise operating fund accounts for the provision of trash service to the residents located within the Village. The primary source of revenue is from trash service receipts.

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.

Customer Deposit Fund - The utility deposit fund was established to accumulate deposits from customers for the water and sewer utility services provided by the Village, which is the primary source of revenue for this fund.

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**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**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 2011 were \$61. Street Construction, Maintenance and Repair and Other governmental funds received \$5 and \$1 respectively in interest during 2011. Interest receipts credited to the General Fund during 2010 were \$83. Other governmental funds received \$9 in interest during 2010.

**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 8 and 9, the employer contributions include portions for pension benefits and for postretirement health care benefits.

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**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 restricted net assets for 2011 and 2010, respectively, none is restricted by enabling legislation.

**M. Fund Balance**

Fund balance is divided into five classifications based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

***Nonspendable*** The nonspendable fund balance classification includes amounts that cannot be spent because they are not in the spendable form, or legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash.

***Restricted*** Fund balance is reported as restricted when constraints placed on the use of resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or is imposed by law through constitutional provisions.

***Committed*** The committed fund balance classification includes amounts that can be used only for the specific purposes imposed by a formal action (resolution) of the Village Council Members. Those committed amounts cannot be used for any other purpose unless the Village Council Members removes or changes the specified use by taking the same type of action (resolution) it employed to previously commit those amounts. Committed fund balance also incorporates contractual obligations to the extent that existing resources in the fund have been specifically committed for use in satisfying those contractual requirements.

***Assigned*** Amounts in the assigned fund balance classification are intended to be used by the Village for specific purposes but do not meet the criteria to be classified as restricted or committed. In governmental funds other than the General Fund, assigned fund balance represents the remaining amount that is not restricted or committed. In the General Fund, assigned amounts represent intended uses established by policies of the Village Council Members.

***Unassigned*** Unassigned fund balance is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other governmental funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 2 – Summary of Significant Accounting Policies** (continued)

The Village applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available. Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

**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 – 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 Statement of Receipts, Disbursements and Changes in Fund Balances – Budget and Actual –Budgetary Basis presented for the General Fund and each major special revenue fund is prepared on the budgetary basis to provide a meaningful comparison of actual results with the budget. The difference(s) between the budgetary basis and the cash basis are due to several factors. The first factor is that outstanding year end encumbrances are treated as disbursements (budgetary basis) rather than as a restriction, commitment or assignment of fund balance (cash basis). The second factor is that under Governmental Accounting Standards Board Statement No. 54, “Fund Balance Reporting and Governmental Fund Type Definitions”, certain funds that were previously reported as non-major special revenue funds are considered part of the General Fund on a cash basis. These funds were excluded from the budgetary presentation for the General Fund.

**Note 4 – 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;



**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 4 – Deposits and Investments** (continued)

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);
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; and
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, 2011 and December 31, 2010, the Village had \$200 in undeposited cash on hand which is included as part of "Equity in Pooled Cash and Cash Equivalents".

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 4 - Deposits and Investments** (continued)

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, 2011 and December 31, 2010, the Village's bank balances of \$134,058 and \$106,264, respectively, are either covered by FDIC or collateralized by the financial institutions public entity deposit pools in the manner described above.

**Note 5 – 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 6 – 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 2011 represent the collection of 2010 taxes. Real property taxes received in 2011 were levied after October 1, 2010, on the assessed values as of January 1, 2010, 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 2011 represent the collection of 2010 taxes. Public utility real and tangible personal property taxes received in 2011 became a lien on December 31, 2010, were levied after October 1, 2010, 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 2011 (other than public utility property) represent the collection of 2010 taxes. Tangible personal property taxes received in 2011 were levied after October 1, 2010, on the true value as of December 31, 2010. Tangible personal property is currently assessed at six and one-quarter percent for collections made in 2009 and will be reduced to zero for collections made in 2010. 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, 2011 and December 31, 2010, were \$5.30 per \$1,000 of assessed value.

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

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**Note 6 – Property Taxes** (continued)

The assessed values of real property, public utility property, and tangible personal property upon which 2011 and 2010 property tax receipts were based are as follows:

	Assessed Valuations	
	2011	2010
Real Property	\$ 20,808,550	\$ 20,786,890
Personal Property		
PU Personal	638,060	625,160
Tangible Personal	-	15,380
Total Personal Property	638,060	640,540
Total Assessed Value	\$ 21,446,610	\$ 21,427,430

**Note 7 – Risk Management**

The Government is exposed to various risks of property and casualty losses, and injuries to employees.

The Government insures against injuries to employees through the Ohio Bureau of Worker’s Compensation.

The Government belongs to the Public Entities Pool of Ohio (PEP), a risk-sharing pool available to Ohio local governments. PEP provides property and casualty coverage for its members. American Risk Pooling Consultants, Inc. (ARPCO), a division of York Insurance Services Group, Inc. (York), functions as the administrator of PEP and provides underwriting, claims, loss control, risk management, and reinsurance services for PEP. PEP is a member of the American Public Entity Excess Pool (APEEP), which is also administered by ARPCO. Member governments pay annual contributions to fund PEP. PEP pays judgments, settlements and other expenses resulting from covered claims that exceed the members’ deductibles.

Casualty and Property Coverage

APEEP provides PEP with an excess risk-sharing program. Under this arrangement, PEP retains insured risks up to an amount specified in the contracts. At December 31, 2010, PEP retained \$350,000 for casualty claims and \$150,000 for property claims.

The aforementioned casualty and property reinsurance agreement does not discharge PEP’s primary liability for claims payments on covered losses. Claims exceeding coverage limits are the obligation of the respective government.

Financial Position

PEP’s financial statements (audited by other accountants) conform with generally accepted accounting principles, and reported the following assets, liabilities and retained earnings at December 31, 2010 and 2009 (the latest information available):

	<u>2010</u>	<u>2009</u>
Assets	\$34,952,010	\$36,374,898
Liabilities	(14,320,812)	(15,256,862)
Net Assets	\$20,631,198	\$21,118,036

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 7 – Risk Management** (continued)

At December 31, 2010 and 2009, respectively, the liabilities above include approximately \$12.9 million and \$14.1 million of estimated incurred claims payable. The assets above also include approximately \$12.4 million and \$13.7 million of unpaid claims to be billed to approximately 454 member governments in the future, as of December 31, 2010 and 2009, respectively. These amounts will be included in future contributions from members when the related claims are due for payment. As of December 31, 2011, the Government's share of these unpaid claims collectible in future years is approximately \$25,120.

Based on discussions with PEP, the expected rates PEP charges to compute member contributions, which are used to pay claims as they become due, are not expected to change significantly from those used to determine the historical contributions detailed below. By contract, the annual liability of each member is limited to the amount of financial contributions required to be made to PEP for each year of membership.

<b><u>Contributions to PEP</u></b>	
2011	\$27,011
2010	\$26,510
2009	\$25,888

After one year of membership, a member may withdraw on the anniversary of the date of joining PEP, if the member notifies PEP in writing 60 days prior to the anniversary date. Upon withdrawal, members are eligible for a full or partial refund of their capital contributions, minus the subsequent year's contribution. Withdrawing members have no other future obligation to PEP. Also upon withdrawal, payments for all casualty claims and claim expenses become the sole responsibility of the withdrawing member, regardless of whether a claim occurred or was reported prior to the withdrawal.

**Note 8 – 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, including post-employment health care coverage. 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 visiting <https://www.opers.org/investments/cafr.shtml>, writing to OPERS, 277 East Town Street, Columbus, OH 43215-4642 or by calling (614) 222-5601 or (800) 222-7377.

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 8 – Defined Benefit Pension Plans** (continued)

The Ohio Revised Code provides statutory authority for employee and employer contributions. For 2011, member and employer contribution rates were consistent across all three plans. Separate divisions for law enforcement and public safety exist only with the traditional pension plan. Village employees are required to contribute 10.0% for 2011, 10.0% for 2010, and 10.0% for 2009, respectively, for members in state and local classifications and 11.0%, 10.5% and 10.1%, respectively for members in public safety, for law enforcement the amounts were 11.6%, 10.5%, and 10.1% respectfully. The Village is required to contribute 14.0% for 2011, 2010, and 2009, respectively for state and local employers and 18.10%, 17.87%, and 17.63%, respectively for law enforcement and public safety employers for the years ended December 31, 2011, 2010 and 2009.

The Village's required contributions for pension obligations to the traditional and combined plans for the years ended December 31, 2011, 2010, and 2009, were \$30,949, \$31,625, and \$38,617, respectively. The full amount has been contributed for 2011, 2010 and 2009.

**Note 9 - Postemployment Benefits**

Ohio Public Employees Retirement System

Ohio Public Employees Retirement System (OPERS) administers three separate pension plans: The Traditional Pension Plan – a cost-sharing, multiple-employer defined benefit pension plan; the Member-Directed Plan – a defined contribution plan; and the Combined Plan – a cost-sharing, multiple-employer defined benefit pension plan that has elements of both a defined benefit and defined contribution plan.

OPERS maintains a cost-sharing multiple employer defined benefit post-employment healthcare plan, which includes a medical plan, prescription drug program, and Medicare Part B premium reimbursement, to qualifying members of both the TP and the CO Plans. Members of the Member-Directed Plan do not qualify for ancillary benefits, including post-employment health care coverage.

In order to qualify for post-retirement health care coverage, age and service retirees under the Traditional Pension and Combined Plans must have 10 or more years of qualifying Ohio service credit. Health care coverage for disability benefit recipients and qualified survivor benefit recipients is available. The health care coverage provided by OPERS meets the definition of an Other Post-employment Benefit (OPEB) as described in GASB Statement 45.

A portion of each employer's contribution to OPERS is set aside for the funding of post-retirement health care. The Ohio Revised Code provides statutory authority for employer contributions. For local government employer units, the rate was 14.0%, 14.0%, and 14.0% of covered payroll for fiscal years 2011, 2010 and 2009, respectively; the portion of employer contributions allocated to health care was 4.0% in 2011, 5.5% from January 1, 2010 through February 28, 2010 and 5.0% from March 1, 2010 through December 31, 2010, and was 7% for January 1, 2009 through March 31, 2009 and 5.5% for April 1, 2009 through December 31, 2009.

The Ohio Revised Code permits, but does not mandate, OPERS to provide OPEB benefits to its eligible members and beneficiaries. Authority to establish and amend benefits is provided in Chapter 145 of the Ohio Revised Code.

OPERS issues a stand-alone financial report. Interest parties may obtain a copy by visiting <https://www.opers.org/investments/cafr.shtml>, writing OPERS, 277 East Town Street, Columbus, Ohio 43215-4642, or by calling 614-222-5601 or 800-222-7377.

The Ohio Revised Code provides the statutory authority requiring public employers to fund post-retirement health care through their contributions to OPERS. A portion of each employer's contribution to OPERS is set aside for the funding of post retirement health care benefits.

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

**Note 9 - Postemployment Benefits** (continued)

Employer's contributions are expressed as a percentage of the covered payroll of active members. In 2011, state and local employers contributed at a rate of 14.0% of covered payroll and public safety and law enforcement employers contributed at 18.1%. The Ohio Revised Code currently limits the employer contribution rate not to exceed 14.0% of covered payroll for state and local employer units and 18.1% of covered payroll for law and public safety employer units. Active members do not make contributions to the OPEB Plan.

The employer contributions that were used to fund post-employment benefits were \$8,842, \$11,483 and \$16,205 for 2011, 2010, and 2009 respectively, which equaled 100% of the required contribution amount.

The Health Care Preservation Plan (HCPP) adopted by the OPERS Retirement Board on September 9, 2004, was effective January 1, 2007. Member and employer contribution rates for local employers increased on January 1 of each year from 2006 to 2008. Rates for law and public safety employers increased over a six year period beginning on January 1, 2006 with a final rate increase on January 1, 2011. These rate increases allowed additional funds to be allocated to the health care plan.

**Note 10 - Long-Term Obligations**

The Village's note and loan transactions for the year ended December 31, 2010 were as follows:

	Balance December 31, 2009	Additions	Reductions	Balance December 31, 2010	Amounts Due in One Year
<b>Governmental Activities</b>					
1995 State Route 41/Carr Road					
OPWC Loan, 0%	\$ 40,950	\$ -	\$ 6,300	\$ 34,650	\$ 6,300
Total Governmental Activities	<u>\$ 40,950</u>	<u>\$ -</u>	<u>\$ 6,300</u>	<u>\$ 34,650</u>	<u>\$ 6,300</u>
<b>Business-Type Activities</b>					
1972 USDA Rural Development					
Sewer Mortgage Revenue Bonds, 5%	\$ 64,005	\$ -	\$ 31,000	\$ 33,005	\$ 33,005
1990 OWDA Water Treatment					
Note #2757, 2%	55,371	-	10,639	44,732	10,852
1992 OWDA Waste Water Treatment					
Note #2758, 2%	317,584	-	59,720	257,864	40,876
2005 OWDA Waste Water Treatment					
Improvements Note #4272, 0%	1,732,551	-	140,909	1,591,642	106,109
2006 OWDA Water Treatment					
Improvements Note #4530, 3.92%	11,223	-	7,409	3,814	3,814
2008 OWDA Sewer Lift Station					
Improvements Loan #4881, 0%	23,200	800	8,000	16,000	8,000
2005 OPWC Note #CO14G, 0%	127,499	-	7,500	119,999	7,500
2010 OWDA Waste Water Treatment					
Improvements Loan #5450, 0%	-	33,436	10,000	23,436	10,000
Total Business-Type Activities	<u>\$ 2,331,433</u>	<u>\$ 34,236</u>	<u>\$ 275,177</u>	<u>\$ 2,090,492</u>	<u>\$ 220,156</u>

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

**Note 10 – Long-Term Obligations** (continued)

The Village's note and loan transactions for the year ended December 31, 2011 were as follows:

	Balance December 31, 2010	Additions	Reductions	Balance December 31, 2011	Amounts Due in One Year
<b>Governmental Activities</b>					
1995 State Route 41/Carr Road OPWC Loan CO919, 0%	\$ 34,650	\$ -	\$ 6,300	\$ 28,350	\$ 6,300
<b>Total Governmental Activities</b>	<b>\$ 34,650</b>	<b>\$ -</b>	<b>\$ 6,300</b>	<b>\$ 28,350</b>	<b>\$ 6,300</b>
<b>Business-Type Activities</b>					
1972 USDA Rural Development Sewer Mortgage Revenue Bonds, 5%	\$ 33,005	\$ -	\$ 33,005	\$ -	\$ -
1990 OWDA Water Treatment Note #2757, 2%	44,732	-	10,852	33,880	11,069
1992 OWDA Waste Water Treatment Note #2758, 2%	257,864	-	40,876	216,988	41,694
2005 OWDA Waste Water Treatment Improvements Note #4272, 0%	1,591,642	-	106,109	1,485,533	106,109
2006 OWDA Water Treatment Improvements Note #4530, 3.92%	3,814	-	3,814	-	-
2008 OWDA Sewer Lift Station Improvements Loan #4881, 0%	16,000	-	8,000	8,000	8,000
2010 OWDA Waste Water Treatment Improvements Loan #5450, 0%	23,436	-	10,000	13,436	10,000
2005 OPWC Note #CO14G, 0%	119,999	-	11,250	108,749	3,750
<b>Total Business-Type Activities</b>	<b>\$ 2,090,492</b>	<b>\$ -</b>	<b>\$ 223,906</b>	<b>\$ 1,866,586</b>	<b>\$ 180,622</b>

Principal and interest requirements to retire notes and loans at December 31, 2011 were as follows:

Year Ending December 30,	Business-Type Activities			Governmental Activities	
	OWDA Loans			OPWC Loans	OPWC Loans
	Principal	Interest	Total	Principal	Principal
2012	\$ 176,872	\$ 5,018	\$ 181,890	\$ 3,750	\$ 6,300
2013	163,364	3,962	167,326	7,500	6,300
2014	161,008	2,902	163,910	7,500	6,300
2015	150,356	1,788	152,144	7,500	6,300
2016	151,252	890	152,142	7,500	3,150
2017-2021	530,550	-	530,550	37,500	-
2022-2026	424,435	-	424,435	37,499	-
<b>Total</b>	<b>\$ 1,757,837</b>	<b>\$ 14,560</b>	<b>\$ 1,772,397</b>	<b>\$ 108,749</b>	<b>\$ 28,350</b>

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 matured in 2011. 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.

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
*For the Years Ended December 31, 2011 and 2010*

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**Note 10 – Long-Term Obligations** (continued)

Ohio Water Development Authority Loans: The Village has six 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 Waste Water 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. The Water Treatment Improvements Loan (#4530) was established in 2006 for \$35,000 at 3.92% interest for five years and matured in 2011. Payments are made from the water fund. The OWDA Loan (#4881) was established in 2008 for \$40,000 at 0% interest for five years and matures in 2013. Payments are made from the sewer fund. The Waste Water Treatment Improvements Loan (#5450) was established in 2010 for \$33,436 at 0% interest for three years and matures in 2013. Payments are made from the sewer fund.

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 1<sup>st</sup> and July 1<sup>st</sup>. This loan matures in July 2016. This loan is uncollateralized and is 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 11 – Accountability and Compliance**

At December 31, 2011 and 2010, the Village had negative cash balances in noncompliance with Ohio Revised Code Section 5705.10.

During 2011 and 2010, the Village had appropriations in excess of estimated resources in noncompliance with Ohio Revised Code Sections 5705.39 and 5705.36.

At December 31, 2011 and 2010, and throughout the years, the Village had disbursements, plus encumbrances in excess of appropriations in noncompliance with Ohio Revised Code Sections 5705.41(B) and 5705.40.

At December 31, 2011 and 2010, the Village had invoices dated prior to purchase orders in noncompliance with Ohio Revised Code Section 5705.41(D).

At December 31, 2010 the Village had appropriations in excess of actual resources in noncompliance with Ohio Revised Code 5705.36(A)(4).



**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

**Note 12 - Changes in Accounting Principles/Restatements**

For fiscal year 2010, the Village has implemented Governmental Accounting Standard Board (GASB) Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions."

GASB Statement No. 54 enhances the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. This statement establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

The implementation of this statement resulted in the reclassification of certain funds, and resulted in beginning fund balances restatements. It was determined that the cash balance was misstated in the prior and restatements were made to correct this error. The restatements had the follow effect on balances:

	<u>General Fund</u>	<u>Park and Recreation Fund</u>	<u>Miscellaneous Special Revenue Fund</u>	<u>Debt Service</u>
Balance January 1, 2010	\$ 51,697	\$ 1,136	\$ 27,199	\$ 13,870
Restatement Amount	(15,098)	-	-	(13,870)
Change in Major Fund	-	(1,136)	-	-
Reclassification of fund	414	-	-	-
Restated Balance January 1, 2010	<u>\$ 37,013</u>	<u>\$ -</u>	<u>\$ 27,199</u>	<u>\$ -</u>

  

	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>	<u>Governmental Activities</u>	<u>Fiduciary Funds</u>
Balance January 1, 2010	\$ 6,807	\$ 100,709	\$ 100,709	\$ 414
Restatement Amount	-	(28,968)	(28,968)	-
Change in Major Fund	1,136	-	-	-
Reclassification of fund	-	414	414	(414)
Restated Balance January 1, 2010	<u>\$ 7,943</u>	<u>\$ 72,155</u>	<u>\$ 72,155</u>	<u>\$ -</u>

  

	<u>Water Operating Fund</u>	<u>Sewer Operating Fund</u>	<u>Other Enterprise Operating Fund</u>	<u>Enterprise Debt Reserve Fund</u>
Balance January 1, 2010	\$ 33,397	\$ (44,839)	\$ 1,698	\$ 45,702
Restatement Amount	4,012	80,495	-	(27,500)
Restated Balance January 1, 2010	<u>\$ 37,409</u>	<u>\$ 35,656</u>	<u>\$ 1,698</u>	<u>\$ 18,202</u>

  

	<u>Customer Deposits</u>	<u>Total Enterprise Funds</u>	<u>Business Type Activities</u>
Balance January 1, 2010	\$ 29,410	\$ 65,368	\$ 65,368
Restatement Amount	-	57,007	57,007
Restated Balance January 1, 2010	<u>\$ 29,410</u>	<u>\$ 122,375</u>	<u>\$ 122,375</u>

**Village of Jeffersonville**  
*Notes to the Basic Financial Statements*  
For the Years Ended December 31, 2011 and 2010

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**Note 13 – Fund Balances**

Fund balance is classified as nonspendable, restricted, committed, assigned and/or unassigned based primarily on the extent to which the Village is bound to observe constraints imposed upon the use of the resources in the governmental funds. The constraints placed on the fund balance for the major governmental funds and all other governmental funds are presented below:

Fund Balances 2011	General	Street Construction Maintenance and Repair	Miscellaneous Special Revenue	All Other Governmental	Total Governmental Funds
<b>Nonspendable</b>					
Unclaimed Monies	\$451	\$0	\$0	\$0	\$451
<b>Restricted for</b>					
Other Purposes	0	0	47,036	12,721	59,757
Capital Improvements	0	14,609	0	0	14,609
Total Restricted	0	14,609	47,036	12,721	74,366
<b>Assigned to</b>					
Other Purposes	3,656	0	0	0	3,656
<b>Unassigned (Deficit)</b>	28,732	0	0	0	28,732
Total Fund Balances	\$32,839	\$14,609	\$47,036	\$12,721	\$107,205

Fund Balances 2010	General	Miscellaneous Special Revenue	All Other Governmental	Total Governmental Funds
<b>Nonspendable</b>				
Unclaimed Monies	\$214	\$0	\$0	\$214
<b>Restricted for</b>				
Capital Improvements	0	0	7,970	7,970
Other Purposes	0	19,600	7,696	27,296
Total Restricted	0	19,600	15,666	35,266
<b>Assigned to</b>				
Other Purposes	6,590	0	0	6,590
<b>Unassigned (Deficit)</b>	46,874	0	0	46,874
Total Fund Balances	\$53,678	\$19,600	\$15,666	\$88,944



## **Julian & Grube, Inc.**

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### **Independent Accountants' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Required by *Government Auditing Standards***

Village of Jeffersonville  
4 North Main Street  
Jeffersonville, Ohio 43128

To the Members of Council and Mayor:

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, as of and for the years ended December 31, 2011 and 2010, and have issued our report thereon dated June 18, 2012, wherein we noted the Village of Jeffersonville used a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America, adopted Governmental Accounting Standards Board Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" for the year ended December 31, 2010 and presented prior period adjustments to restate fund balances at January 1, 2010. 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 of Jeffersonville's internal control over financial reporting as a basis for designing our audit procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of opining on the effectiveness of the Village of Jeffersonville's internal control over financial reporting. Accordingly, we have not opined on the effectiveness of the Village of Jeffersonville'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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. Therefore, we cannot assure that we have identified all deficiencies, significant deficiencies or material weaknesses. However, as described in the accompanying schedule of findings and responses we identified certain deficiencies in internal control over financial reporting, that we consider material weaknesses.

Members of Council and Mayor  
Village of Jeffersonville

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, when performing their assigned functions, to prevent, or detect and timely correct misstatements. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the Village of Jeffersonville's financial statements will not be prevented, or detected and timely corrected. We consider findings 2011-VOJ-001, 2011-VOJ-002 and 2011-VOJ-005 described in the accompanying schedule of findings and responses to be material weaknesses.

#### Compliance and Other Matters

As part of reasonably assuring whether the Village of Jeffersonville'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 affect 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 seven instances of noncompliance or other matters we must report under *Government Auditing Standards* which are described in the accompanying schedule of findings and responses as items 2011-VOJ-003 through 2011-VOJ-009.

We also noted certain matters not requiring inclusion in this report that we reported to the Village's management in a separate letter dated June 18, 2012.

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

We intend this report solely for the information and use of the Council, management and others within the Village of Jeffersonville. We intend it for no one other than these specified parties.



Julian & Grube, Inc.  
June 18, 2012

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS</b>	
Finding Number	2011-VOJ-001

Material Weakness - Financial Statement

A critical part of financial reporting is to maintain internal controls to help ensure the proper reporting of financial statement amounts.

We identified prior period misstatements and misstatements in the financial statements for the years under audit that were not initially identified by the Village's internal control.

The Village had the following audit adjustments necessary to properly state their financial statements for the years ended December 31, 2011 and 2010.

Prior Period Adjustments:

2011 Adjustments

<u>Fund</u>	<u>Amount</u>	<u>Effect</u>
General	\$ (15,098)	Decrease of previously stated cash
Debt Service	(13,870)	Decrease of previously stated cash
Governmental Activities	(28,968)	Decrease of previously stated cash
Water Operating	4,012	Increase of previously stated cash
Sewer Operating	80,495	Increase of previously stated cash
Enterprise Debt Reserve	(27,500)	Decrease of previously stated cash
Business-Type Activities	57,007	Increase of previously stated cash

2010 Adjustments

<u>Fund</u>	
Sewer Operating	Increase principal retirement \$31,000, increase interest expense \$3,104 and decrease cash \$34,104

All adjustments were recorded in the Village's system.

The Village should review its financial statements prior to presenting to the auditor to help ensure all amounts are accurate.

We recommend the Village implement additional internal controls over financial reporting to help ensure accurate financial reports throughout the year and at year end.

Client Response: The Village Fiscal Officer will take a more substantial role in understanding and reviewing the financial reports prepared by its consultants.

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2011-VOJ-002

Material Weakness - Posting of Activity

Proper and timely posting of disbursements is critical to the Village's Council's decision making process.

During the years ended December 31, 2011 and 2010, debt payments were not posted in the Village UAN accounting system until subsequent years, primarily due to the lack of Village cash flow capabilities.

Lack of posting debt payments in the UAN system when due or paid severely overstates the Village's cash. This provides inaccurate reports to Council for decision making purposes.

We recommend the Village post all payments in the system when written. If a negative balance would exist in a fund, we recommend they consult UAN for assistance and approve transfers or advances.

Client Response: The Village will post all payments when written and consult UAN if assistance is necessary.

Finding Number	2011-VOJ-003
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Ohio Revised Code Section 5705.39 in part requires that total appropriations from each fund should not exceed total estimated resources.

At December 31, 2011, the Village had appropriations in excess of estimated resources in the following funds:

<u>Major Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Miscellaneous Special Revenue Fund	\$ 19,600	\$ 30,000	\$ 10,400

At December 31, 2010 the Village had appropriations in excess of estimated resources in the following fund:

<u>Major Fund</u>	<u>Estimated Resources</u>	<u>Appropriations</u>	<u>Excess</u>
Miscellaneous Special Revenue Fund	\$ 27,199	\$ 30,000	\$ 2,801

With appropriations exceeding estimated resources, the Village is appropriating monies that are not in the Treasury or in the process of collection that have been certified with the County Auditor. Thus, over appropriating may cause expenditures to increase and cause a deficit fund balance.

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2011-VOJ-003 - (Continued)

We recommend the Village comply with the Ohio Revised Code by monitoring appropriations so they do not exceed estimated resources. This may be achieved by monitoring the budget more closely on a continual basis and amending estimated resources or appropriations as necessary.

*Client Response:* The Village will request additional amended certificates when necessary.

Finding Number	2011-VOJ-004
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Ohio Revised Code Sections 5705.36, in part, requires Fiscal Officers to certify to the County Auditor the total amount from all sources which are available for expenditures from each fund in the tax budget along with any unencumbered balances that existed at the end of the preceding year.

During the year and at the year ended December 31, 2011 and December 31, 2010, the Village did not request enough amended certificates throughout the year upon notice of increased or decreased resources.

The Village is not properly certifying its most current estimated resources to the appropriate authorities and thus causing appropriations to exceed estimated resources.

We recommend that the Village certify its available sources at year end and file amended certificates as necessary throughout the year. This will facilitate the Village's appropriation process.

*Client Response:* The Village will request additional amended certificates when necessary.

Finding Number	2011-VOJ-005
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Material Weakness/Noncompliance

Ohio Revised Code Section 5705.41(D) requires 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.

The Village had 20% and 23% of expenditures that were not timely certified for the years ended December 31, 2011 and December 31, 2010, respectively.

Without timely certification, the Village may expend more funds than available in the Treasury, in the process of collection or in the funds appropriated. It may also result in unnecessary purchases.

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2011-VOJ-005 - (Continued)

We recommend that all orders or contracts involving the expenditure of money be timely certified to ensure all monies expended are lawfully appropriated and available in the treasury or in the process of collection. A policy and procedure statement adopted by the Council and distributed at least annually may be beneficial. The Village should consider using “Then” and “Now” certificates where applicable.

*Client Response:* The Village is attempting to use blanket certificates and “Then and Now” certificates when applicable.

Finding Number	2011-VOJ-006
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Ohio Revised Code Section 5705.41(B) provides that no subdivision or taxing unit shall make any expenditure of money unless it has been appropriated as provided in such chapter.

The Village had expenditures exceeding appropriations in the following funds and by the corresponding amounts at December 31, 2011 and 2010, respectively.

2011

<u>Major Fund/Department</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
Miscellaneous Special Revenue Fund - General Government	\$ 30,000	\$ 46,548	\$ 16,548
			-

2010

<u>Major Fund/Department</u>	<u>Appropriations</u>	<u>Disbursements</u>	<u>Excess</u>
General - General Government	\$ 414,852	\$ 419,622	\$ 4,770
Miscellaneous Special Revenue Fund - General Government	30,000	30,099	99

We recommend that the Village monitor closely the annual budget and file amended appropriations as needed to ensure disbursements are within the amounts legally appropriated. In addition, we also recommend the Village fiscal officer review and amend appropriations when it is determined that disbursements will exceed appropriations.

*Client Response:* The Village will review more closely the appropriations and disbursements.



**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2011-VOJ-007

Ohio Revised Code Section 5705.40 outlines the requirements for amending and supplementing appropriations. This section requires that any amendments to an appropriation measure be made by Council resolution and comply with the same provisions of the law as used in making the original appropriations.

Expenditures exceeded appropriations during 2011 and 2010 due to the Village not timely or properly modifying its appropriations throughout the year.

By not timely and properly modifying the Village’s appropriations, the Village is not adequately monitoring appropriations versus expenditures. With expenditures exceeding appropriations, overspending may occur which may result in a negative fund balance.

We recommend that the Village comply with Ohio Revised Code and Auditor of State Bulletin 97-010 by monitoring expenditures so they do not exceed lawful appropriations. This may be achieved by monitoring the budget more closely on a continual basis and making appropriation amendments as necessary.

*Client Response:* The Village will review more closely the appropriations and disbursements.

Finding Number	2011-VOJ-008
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Ohio Revised Code Section 5705.10 in part requires that on a cash basis, no fund shall have a negative fund balance during the fiscal year or at fiscal year end.

The Village had negative fund balances in the following funds at year end:

<u>December 31, 2011</u>	
<u>Major Fund</u>	
Sewer Operating	\$ 84,535
 <u>December 31, 2010</u>	
<u>Major Funds</u>	
Water Operating	9,185
Sewer Operating	63,869

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF FINDINGS AND RESPONSES  
DECEMBER 31, 2011 AND 2010**

<b>FINDINGS RELATED TO THE FINANCIAL STATEMENTS REQUIRED TO BE REPORTED IN ACCORDANCE WITH GAGAS - (Continued)</b>	
Finding Number	2011-VOJ-008 - (Continued)

By having a negative fund balance, these funds have spent other funds' balances. This could indicate insufficient monitoring of appropriations and related expenditures and continual review of cash management.

We recommend that the Village properly expend monies only after funds have been received and subsequent to proper appropriation. If funds are anticipated, but not yet received and expenditures are necessary, the Village should advance or transfer funds from the General Fund with proper Council approval. We recommend the Village utilize its accounting software program to its fullest and continually review relevant reports to assist in preventing negative fund balances.

*Client Response:* The Village will monitor negative balances and will advance from general if possible.

Finding Number	2011-VOJ-009
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Ohio Revised Code Section 5705.36 (A)(4) states that upon a determination by the Fiscal Officer of a subdivision that the revenue to be collected by the subdivision will be less than the amount included in an official certificate and that the amount of the deficiency will reduce available resources below the level of current appropriations, the Fiscal Officer shall certify the amount of the deficiency to the commission, and the commission shall certify an amended certificate reflecting the deficiency.

At December 31, the Village had appropriations greater than actual resources, which consist of actual revenues and beginning fund balances in the following funds:

<u>Fund Type/Fund</u>	<u>Actual Resources</u>	<u>Appropriations</u>	<u>Excess</u>
<u>2010</u>			
<u>Enterprise</u>			
Water	\$ 254,771	\$ 280,304	\$ 25,533
Sewer	391,998	458,129	66,131

By appropriating more funds than actual resources, the Village is at risk of spending more money than is available and not utilizing the budget for its intended purpose. This may result in negative fund balances.

We recommend the Village monitor appropriations in comparison to actual resources and obtain decreased amended appropriations as needed. Further guidance may be found in Auditor of State Bulletin 97-010.

*Client Response:* The Village is attempting to monitor the budget more closely.

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

<b><u>Finding Number</u></b>	<b><u>Finding Summary</u></b>	<b><u>Fully Corrected?</u></b>	<b><u>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No Longer Valid; Explain:</u></b>
2009-001	<b><u>Material Weakness</u></b> - The Village did not have adequate control procedures over the operation of the pool and related concessions.	Partially	Operation of the pool was corrected; concessions moved to management letter
2009-002	<b><u>Material Non-Compliance</u></b> - Ohio Revised 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.	No	Finding repeated as 2011-VOJ-005
2009-003	<b><u>Material Non-Compliance</u></b> - Ohio Revised Code Section 5705.36(A)(3) requires obtaining an increased amended certificate from the budget commission if the legislative authority intends to appropriate and expend excess revenue.	Yes	N/A
2009-004	<b><u>Material Non-Compliance</u></b> - Ohio Revised Code Section 5705.41(B) states that no subdivision or taxing unit is to expend money unless it has been appropriated.	No	Finding repeated as 2011-VOJ-006
2009-005	<b><u>Material Non-Compliance</u></b> - 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.	No	Finding repeated as 2011-VOJ-008

**VILLAGE OF JEFFERSONVILLE  
FAYETTE COUNTY, OHIO**

**SCHEDULE OF PRIOR AUDIT FINDINGS  
DECEMBER 31, 2011 AND 2010**

<u>Finding Number</u>	<u>Finding Summary</u>	<u>Fully Corrected?</u>	<b>Not Corrected, Partially Corrected; Significantly Different Corrective Action Taken; or Finding No <u>Longer</u> <u>Valid; Explain:</u></b>
2009-006	<b><u>Material Non-Compliance</u></b> - Ohio Revised Code Section 117.38 requires that local public offices file their annual financial reports with the Auditor of State's Office, further, the Ohio Administrative Code (OAC 117-2-03(B)) requires that all cash-basis entities file such report within 60 days following the end of their fiscal year.	Yes	N/A



# Dave Yost • 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  
OCTOBER 11, 2012