

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF VINCENNES
KNOX COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
10/30/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	David L. Culp	01-01-12 to 12-31-15
Mayor	Joe Yochum	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Joe Yochum	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Shirley S. Rose Duane Chattin	01-01-13 to 12-31-13 01-01-14 to 12-31-14
Vincennes Water General Manager	L. Kirk Bouchie	01-01-13 to 12-31-14



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF VINCENNES, KNOX COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Vincennes (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

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

Auditor's Responsibility

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

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

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

INDEPENDENT AUDITOR'S REPORT
(Continued)

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

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

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

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated September 8, 2014, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

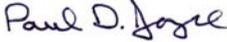
Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the *U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

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


Paul D. Joyce, CPA
State Examiner

September 8, 2014



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

TO: THE OFFICIALS OF THE CITY OF VINCENNES, KNOX COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Vincennes (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated September 8, 2014, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

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

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented, or detected and corrected, on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as items 2013-001 and 2013-002 to be material weaknesses.

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

Compliance and Other Matters

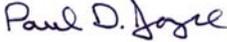
As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

City of Vincennes's Response to Findings

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

Purpose of This Report

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


Paul D. Joyce, CPA
State Examiner

September 8, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

CITY OF VINCENNES
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 1,601,716	\$ 6,034,731	\$ 6,606,945	\$ 1,029,502
MOTOR VEHICLE HIGHWAY	644,171	527,121	540,831	630,461
LOCAL ROAD & STREET	219,391	69,594	212,648	76,337
PARK NONREVERTING	6,774	2,583	4,065	5,292
UNSAFE BUILDING NONREVERT	-	8,167	-	8,167
PARK & RECREATION	314	316,540	220,236	96,618
FIRE HAZMAT REIMBURSEMENT	13,587	13,393	14,885	12,095
RAINY DAY	2,896,858	-	900	2,895,958
CO ECON DEV INCOME TAX	1,081,842	1,035,265	679,094	1,438,013
LEVY EXCESS FUND	19,772	-	-	19,772
FIRE DEPARTMENT	256,686	2,009,513	1,925,003	341,196
CUM CAP IMP - CIG TAX	181,254	49,457	-	230,711
CUM CAP DEVELOPMENT	309,300	56,215	-	365,515
PARK BOND POOL (PROCEEDS)	-	2,435,500	611,970	1,823,530
TIF	1,094,751	1,022,245	869,984	1,247,012
FIRE DEBT	161,188	125,887	202,889	84,186
POLICE PENSION	259,840	487,305	695,542	51,603
FIRE PENSION	549,886	577,412	888,621	238,677
WEED ORD 13-94	13,815	39,537	936	52,416
RIVERBOAT	472,311	109,136	85,548	495,899
CHICAGO PARK IDNR	39,718	-	-	39,718
NEIGHBORHOOD FACILITIES	66,517	-	55,103	11,414
RENTAL HOUSING	60,840	56,050	44,920	71,970
DONATION MAYOR CASH FUND	5,179	-	-	5,179
FIRE NR DONATIONS	61,303	12,200	12,732	60,771
CITY COUNCIL DONATION	1,447	-	-	1,447
RR RELOCATION GRANT	186,217	-	-	186,217
RESTRICTED PARK DONATIONS	4,239	8,168	1,529	10,878
DONATIONS TREE BOARD CASH	3,090	-	-	3,090
PROMOTION OF CITY DONATION	86,285	1,000	1,000	86,285
PET PORT DONATIONS	40	8,985	117	8,908
SOLID WASTE GRANT RECYCLE	18,347	-	-	18,347
REVOLVING LOAN	89,780	48,146	-	137,926
LOCAL LAW ENF CONT ED	16,132	16,319	19,243	13,208
INTEREST REVOLVING LOAN	138,175	11,686	-	149,861
RIVERFRONT PAVILION FUND	2,695	1,950	-	4,645
POLICE DEPT DONATION FUND	9,671	6,055	4,587	11,139
POLICE DEPT DRUG INVESTIG	10,582	-	2,710	7,872
POLICE ALARM SYSTEM	3,848	325	-	4,173
YOUTH EXP SUMMER (YES)	5,188	-	-	5,188
DARE	3,678	2,000	2,866	2,812
POLICE BREATH TEST INSTR	861	-	-	861
NON-REVERTING POLICE DEPT	931	-	-	931
FED FORFEITURE & SEIZURE	31,717	30,303	29,148	32,872
K-9 DONATIONS	574	-	-	574
ARSON INVESTIGATIONS	1,500	-	-	1,500
CAGIT	121,210	-	-	121,210
HERITAGE TRAIL GRANT	23,248	-	-	23,248
CAPITAL IMPROVEMENT BOND	1,542	-	-	1,542
DEBT SER REDEV BOND-TIF	288,494	-	-	288,494
LEVEE FUND	5,013	-	-	5,013
RIVER RD WASTEWATER 5/12	-	487,058	487,058	-
CAP FUND LAWN EQMT PARK	2,183	-	-	2,183
URBAN ENTERPRISE ZONE	750	10,520	10,499	771
SEWAG WKS BAN\$1M 8.30.13	-	1,000,266	883,966	116,300
RECYCLE FUND	225,790	353,902	273,998	305,694
CASH CHANGE FOR DEPTS	400	-	-	400
WILLIAM H VOLLMER TRUST	3,405	-	-	3,405
CEMETERY DONATIONS	75	108	-	183
MEMORIAL PARK EARNINGS	145,470	1,887	5,236	142,121
MAUSOLEUM.	109,857	16,786	3,607	123,036
MAUSOLEUM EARNINGS	207,361	3,857	3,832	207,386
PERP CARE FOR J CANNON	42,788	102	352	42,538

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

CITY OF VINCENNES
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
CEM PERP CARE	500,000	40,000	-	540,000
TRUST FOR GEO MISCHLER	136	-	-	136
JOSEPH SUTHERLAND ESTATE	7,101	13	89	7,025
CEMETERY RD REPAIR & IMP	84,786	8,400	-	93,186
CEM PERP SAVINGS	40,186	17,646	40,000	17,832
MAUSOLEUM P/C SAVINGS	4,514	3,612	-	8,126
PAY-NET SALARIES	-	4,035,188	4,035,188	-
PAY-FEDERAL WITHHOLDING	-	608,551	608,551	-
PAY-FICA	-	184,607	184,607	-
PAY-MEDICARE	-	121,272	121,272	-
PAY-STATE WITHHOLDING	-	185,741	185,741	-
PAY-COUNTY WITHHOLDING	-	57,851	57,851	-
PAY-PERF WITHHOLDING	-	60,426	60,426	-
PAY-POLICE PENSION W/H	-	36,801	36,801	-
HARTBELL LLC	-	1,363	1,363	-
PAY-FIRE PENSION W/H	-	39,278	39,278	-
PAY-IN FIREFIGHTERS PAC	-	620	620	-
PAY-UNION DUES	-	8,460	8,460	-
PAY-CREDIT UNION (P/F)	-	24,605	24,605	-
PAY-FIREMENS INSURANCE	-	5,274	4,589	685
PAY-UNITED FUND	-	2,172	2,172	-
PAY-WASHINGTON NATIONAL	-	1,571	1,571	-
PAY-DENTAL HEALTH	-	36,047	36,047	-
PAY-RELIASTAR	-	2,011	2,011	-
PAY-YMCA	-	5,099	5,099	-
PAY-AFLAC	-	10,988	10,988	-
PAY-DONALD L DECKER D ROB	-	2,600	2,600	-
PAY- AMER UNITED LIFE INS	-	2,354	2,354	-
PAY- DONALD L DECKER K MO	-	29,085	29,085	-
PAY-PRE-PAID LEGAL SVC	-	550	550	-
PAY-BOSTON MUTUAL LIFE	-	5,668	5,668	-
PAY-TEACHERS FED CR UNION	-	6,676	6,676	-
PAY-FIRE PAC	-	483	483	-
PAY-WESTERN SOUTHERN	-	14,256	14,256	-
PAY-CINCINNATI LIFE INS	-	5,809	5,809	-
PAY-PENSION UNION DUES	-	1,080	1,080	-
PAY-CHILD SUPPORT	-	31,827	31,827	-
PAY-KNOX CO SUP CRT II	-	650	650	-
PAY-ANTHEM	-	113,352	99,057	14,295
DONALD L DECKER	-	6,500	6,500	-
AMERICAN FIDELITY	-	44,448	44,448	-
PAY-ANNUAL SUPPORT FEE	-	4,338	4,338	-
PAY-GARNISHMENT JB	-	900	900	-
US Treasury-Christie	-	1,340	1,340	-
Garnishment-A.Thorne	-	35	35	-
Garnishment-T. Snider	-	24	24	-
SEWAGE UTILITY OPERATING	137,987	2,530,320	2,549,646	118,661
SEWAGE UTL IMPROVEMENT	347,027	119,183	436,019	30,191
SEWAGE SRF 2002 BONDS	-	2,009,945	2,009,945	-
SEWAGE WORKS GROSS REVENU	-	3,848,763	3,848,763	-
1998 SEWER SINKING FUND	-	381,172	381,172	-
WATER UTILITY OPERATING	156,107	2,636,152	2,596,288	195,971
WATER UTL METER DEPOSIT	194,969	41,099	39,879	196,189
WATER UTL IMPROVEMENT	399,381	1,333	378,322	22,392
WATER DEBT SVC RESERVE	308,000	759	759	308,000
WATER 2003 SRF LOANS PAY	25,630	282,237	307,867	-
WATER GROSS REVENUE	2	7,042,406	7,041,998	410
STORMWATER IMP FUND	2,650	929,513	879,955	52,208
Totals	<u>\$ 14,018,072</u>	<u>\$ 42,589,727</u>	<u>\$ 41,598,222</u>	<u>\$ 15,009,577</u>

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

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

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

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

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

Utility fees which are comprised mostly of charges for current services.

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

E. Disbursements

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

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

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Plan Description

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

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

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

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

Funding Policy

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

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SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the City's Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

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

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

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	PARK NONREVERTING	UNSAFE BUILDING NONREVERT	PARK & RECREATION	FIRE HAZMAT REIMBURSEMENT	RAINY DAY
Cash and investments - beginning	\$ 1,601,716	\$ 644,171	\$ 219,391	\$ 6,774	\$ -	\$ 314	\$ 13,587	\$ 2,896,858
Receipts:								
Taxes	3,251,827	-	-	-	-	273,869	-	-
Licenses and permits	72,272	-	-	-	-	-	-	-
Intergovernmental	1,893,592	524,724	69,594	-	-	32,228	-	-
Charges for services	240,891	1,680	-	2,583	-	10,443	13,393	-
Fines and forfeits	950	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	575,199	717	-	-	8,167	-	-	-
Total receipts	6,034,731	527,121	69,594	2,583	8,167	316,540	13,393	-
Disbursements:								
Personal services	4,704,480	337,789	-	-	-	135,243	-	-
Supplies	90,176	118,194	-	-	-	1,114	-	-
Other services and charges	1,325,388	84,848	212,648	4,065	-	83,879	-	-
Capital outlay	319,696	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	167,205	-	-	-	-	-	14,885	900
Total disbursements	6,606,945	540,831	212,648	4,065	-	220,236	14,885	900
Excess (deficiency) of receipts over disbursements	(572,214)	(13,710)	(143,054)	(1,482)	8,167	96,304	(1,492)	(900)
Cash and investments - ending	\$ 1,029,502	\$ 630,461	\$ 76,337	\$ 5,292	\$ 8,167	\$ 96,618	\$ 12,095	\$ 2,895,958

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CO ECON DEV INCOME TAX	LEVY EXCESS FUND	FIRE DEPARTMENT	CUM CAP IMP - CIG TAX	CUM CAP DEVELOPMENT	PARK BOND POOL (PROCEEDS)	TIF	FIRE DEBT
Cash and investments - beginning	\$ 1,081,842	\$ 19,772	\$ 256,686	\$ 181,254	\$ 309,300	\$ -	\$ 1,094,751	\$ 161,188
Receipts:								
Taxes	-	-	1,761,958	-	50,296	-	1,022,245	111,395
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	744,870	-	229,228	49,457	5,919	-	-	14,492
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	290,395	-	18,327	-	-	2,435,500	-	-
Total receipts	1,035,265	-	2,009,513	49,457	56,215	2,435,500	1,022,245	125,887
Disbursements:								
Personal services	-	-	1,703,184	-	-	-	-	-
Supplies	-	-	48,654	-	-	-	-	-
Other services and charges	-	-	159,136	-	-	-	-	-
Capital outlay	-	-	14,029	-	-	611,970	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	679,094	-	-	-	-	-	869,984	202,889
Total disbursements	679,094	-	1,925,003	-	-	611,970	869,984	202,889
Excess (deficiency) of receipts over disbursements	356,171	-	84,510	49,457	56,215	1,823,530	152,261	(77,002)
Cash and investments - ending	\$ 1,438,013	\$ 19,772	\$ 341,196	\$ 230,711	\$ 365,515	\$ 1,823,530	\$ 1,247,012	\$ 84,186

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	POLICE PENSION	FIRE PENSION	WEED ORD 13-94	RIVERBOAT	CHICAGO PARK IDNR	NEIGHBORHOOD FACILITIES	RENTAL HOUSING	DONATION MAYOR CASH FUND
Cash and investments - beginning	\$ 259,840	\$ 549,886	\$ 13,815	\$ 472,311	\$ 39,718	\$ 66,517	\$ 60,840	\$ 5,179
Receipts:								
Taxes	-	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	-	109,136	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	39,537	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	487,305	577,412	-	-	-	-	56,050	-
Total receipts	487,305	577,412	39,537	109,136	-	-	56,050	-
Disbursements:								
Personal services	692,906	886,277	-	-	-	-	30,321	-
Supplies	406	724	-	-	-	-	6,278	-
Other services and charges	2,230	1,620	-	-	-	-	8,321	-
Capital outlay	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	936	85,548	-	55,103	-	-
Total disbursements	695,542	888,621	936	85,548	-	55,103	44,920	-
Excess (deficiency) of receipts over disbursements	(208,237)	(311,209)	38,601	23,588	-	(55,103)	11,130	-
Cash and investments - ending	\$ 51,603	\$ 238,677	\$ 52,416	\$ 495,899	\$ 39,718	\$ 11,414	\$ 71,970	\$ 5,179

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	FIRE NR DONATIONS	CITY COUNCIL DONATION	RR RELOCATION GRANT	RESTRICTED PARK DONATIONS	DONATIONS TREE BOARD CASH	PROMOTION OF CITY DONATION	PET PORT DONATIONS
Cash and investments - beginning	\$ 61,303	\$ 1,447	\$ 186,217	\$ 4,239	\$ 3,090	\$ 86,285	\$ 40
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	12,200	-	-	8,168	-	1,000	8,985
Total receipts	12,200	-	-	8,168	-	1,000	8,985
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	12,732	-	-	1,529	-	1,000	117
Total disbursements	12,732	-	-	1,529	-	1,000	117
Excess (deficiency) of receipts over disbursements	(532)	-	-	6,639	-	-	8,868
Cash and investments - ending	\$ 60,771	\$ 1,447	\$ 186,217	\$ 10,878	\$ 3,090	\$ 86,285	\$ 8,908

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	SOLID WASTE GRANT RECYCLE	REVOLVING LOAN	LOCAL LAW ENF CONT ED	INTEREST REVOLVING LOAN	RIVERFRONT PAVILION FUND	POLICE DEPT DONATION FUND	POLICE DEPT DRUG INVESTIG
Cash and investments - beginning	\$ 18,347	\$ 89,780	\$ 16,132	\$ 138,175	\$ 2,695	\$ 9,671	\$ 10,582
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	8,830	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	1,950	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	48,146	7,489	11,686	-	6,055	-
Total receipts	-	48,146	16,319	11,686	1,950	6,055	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	19,243	-	-	4,587	2,710
Total disbursements	-	-	19,243	-	-	4,587	2,710
Excess (deficiency) of receipts over disbursements	-	48,146	(2,924)	11,686	1,950	1,468	(2,710)
Cash and investments - ending	\$ 18,347	\$ 137,926	\$ 13,208	\$ 149,861	\$ 4,645	\$ 11,139	\$ 7,872

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	POLICE ALARM SYSTEM	YOUTH EXP SUMMER (YES)	DARE	POLICE BREATH TEST INSTR	NON-REVERTING POLICE DEPT	FED FORFEITURE & SEIZURE	K-9 DONATIONS
Cash and investments - beginning	\$ 3,848	\$ 5,188	\$ 3,678	\$ 861	\$ 931	\$ 31,717	\$ 574
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	325	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	30,303	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	2,000	-	-	-	-
Total receipts	325	-	2,000	-	-	30,303	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	2,866	-	-	29,148	-
Total disbursements	-	-	2,866	-	-	29,148	-
Excess (deficiency) of receipts over disbursements	325	-	(866)	-	-	1,155	-
Cash and investments - ending	\$ 4,173	\$ 5,188	\$ 2,812	\$ 861	\$ 931	\$ 32,872	\$ 574

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	ARSON INVESTIGATIONS	CAGIT	HERITAGE TRAIL GRANT	CAPITAL IMPROVEMENT BOND	DEBT SER REDEV BOND-TIF	LEVEE FUND	RIVER RD WASTEWATER 5/12
Cash and investments - beginning	\$ 1,500	\$ 121,210	\$ 23,248	\$ 1,542	\$ 288,494	\$ 5,013	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	293,934
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	193,124
Total receipts	-	-	-	-	-	-	487,058
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	487,058
Total disbursements	-	-	-	-	-	-	487,058
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ 1,500	\$ 121,210	\$ 23,248	\$ 1,542	\$ 288,494	\$ 5,013	\$ -

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CAP FUND LAWN EQMT PARK	URBAN ENTERPRISE ZONE	SEWAG WKS BAN\$1M 8.30.13	RECYCLE FUND	CASH CHANGE FOR DEPTS	WILLIAM H VOLLMER TRUST	CEMETERY DONATIONS
Cash and investments - beginning	\$ 2,183	\$ 750	\$ -	\$ 225,790	\$ 400	\$ 3,405	\$ 75
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	333,513	-	-	-
Fines and forfeits	-	-	-	20,389	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	10,520	1,000,266	-	-	-	108
Total receipts	-	10,520	1,000,266	353,902	-	-	108
Disbursements:							
Personal services	-	10,499	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	883,966	273,998	-	-	-
Total disbursements	-	10,499	883,966	273,998	-	-	-
Excess (deficiency) of receipts over disbursements	-	21	116,300	79,904	-	-	108
Cash and investments - ending	\$ 2,183	\$ 771	\$ 116,300	\$ 305,694	\$ 400	\$ 3,405	\$ 183

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	MEMORIAL PARK EARNINGS	MAUSOLEUM.	MAUSOLEUM EARNINGS	PERP CARE FOR J CANNON	CEM PERP CARE	TRUST FOR GEO MISCHLER	JOSEPH SUTHERLAND ESTATE
Cash and investments - beginning	\$ 145,470	\$ 109,857	\$ 207,361	\$ 42,788	\$ 500,000	\$ 136	\$ 7,101
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	16,615	3,355	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,887	171	502	102	40,000	-	13
Total receipts	1,887	16,786	3,857	102	40,000	-	13
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,236	3,607	3,832	352	-	-	89
Total disbursements	5,236	3,607	3,832	352	-	-	89
Excess (deficiency) of receipts over disbursements	(3,349)	13,179	25	(250)	40,000	-	(76)
Cash and investments - ending	<u>\$ 142,121</u>	<u>\$ 123,036</u>	<u>\$ 207,386</u>	<u>\$ 42,538</u>	<u>\$ 540,000</u>	<u>\$ 136</u>	<u>\$ 7,025</u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	CEMETERY RD REPAIR & IMP	CEM PERP SAVINGS	MAUSOLEUM P/C SAVINGS	PAY-NET SALARIES	PAY-FEDERAL WITHHOLDING	PAY-FICA	PAY-MEDICARE
Cash and investments - beginning	\$ 84,786	\$ 40,186	\$ 4,514	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	8,400	17,646	3,612	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	4,035,188	608,551	184,607	121,272
Total receipts	<u>8,400</u>	<u>17,646</u>	<u>3,612</u>	<u>4,035,188</u>	<u>608,551</u>	<u>184,607</u>	<u>121,272</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	40,000	-	4,035,188	608,551	184,607	121,272
Total disbursements	<u>-</u>	<u>40,000</u>	<u>-</u>	<u>4,035,188</u>	<u>608,551</u>	<u>184,607</u>	<u>121,272</u>
Excess (deficiency) of receipts over disbursements	<u>8,400</u>	<u>(22,354)</u>	<u>3,612</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 93,186</u>	<u>\$ 17,832</u>	<u>\$ 8,126</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PAY-STATE WITHHOLDING	PAY-COUNTY WITHHOLDING	PAY-PERF WITHHOLDING	PAY-POLICE PENSION W/H	HARTBELL LLC	PAY-FIRE PENSION W/H	PAY-IN FIREFIGHTERS PAC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	185,741	57,851	60,426	36,801	1,363	39,278	620
Total receipts	185,741	57,851	60,426	36,801	1,363	39,278	620
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	185,741	57,851	60,426	36,801	1,363	39,278	620
Total disbursements	185,741	57,851	60,426	36,801	1,363	39,278	620
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PAY-UNION DUES	PAY-CREDIT UNION (P/F)	PAY-FIREMENS INSURANCE	PAY-UNITED FUND	PAY-WASHINGTON NATIONAL	PAY-DENTAL HEALTH	PAY-RELIASTAR
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	8,460	24,605	5,274	2,172	1,571	36,047	2,011
Total receipts	8,460	24,605	5,274	2,172	1,571	36,047	2,011
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	8,460	24,605	4,589	2,172	1,571	36,047	2,011
Total disbursements	8,460	24,605	4,589	2,172	1,571	36,047	2,011
Excess (deficiency) of receipts over disbursements	-	-	685	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 685	\$ -	\$ -	\$ -	\$ -

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PAY-YMCA	PAY-AFLAC	PAY-DONALD L DECKER D ROB	PAY- AMER UNITED LIFE INS	PAY- DONALD L DECKER K MO	PAY-PRE-PAID LEGAL SVC	PAY-BOSTON MUTUAL LIFE
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,099	10,988	2,600	2,354	29,085	550	5,668
Total receipts	5,099	10,988	2,600	2,354	29,085	550	5,668
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,099	10,988	2,600	2,354	29,085	550	5,668
Total disbursements	5,099	10,988	2,600	2,354	29,085	550	5,668
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PAY-TEACHERS FED CR UNION	PAY-FIRE PAC	PAY-WESTERN SOUTHERN	PAY-CINCINNATI LIFE INS	PAY-PENSION UNION DUES	PAY-CHILD SUPPORT	PAY-KNOX CO SUP CRT II
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	6,676	483	14,256	5,809	1,080	31,827	650
Total receipts	6,676	483	14,256	5,809	1,080	31,827	650
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	6,676	483	14,256	5,809	1,080	31,827	650
Total disbursements	6,676	483	14,256	5,809	1,080	31,827	650
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	PAY-ANTHEM	DONALD L DECKER	AMERICAN FIDELITY	PAY-ANNUAL SUPPORT FEE	PAY-GARNISHMENT JB	US Treasury-Christie	Garnishment-A.Thorne
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	113,352	6,500	44,448	4,338	900	1,340	35
Total receipts	<u>113,352</u>	<u>6,500</u>	<u>44,448</u>	<u>4,338</u>	<u>900</u>	<u>1,340</u>	<u>35</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	99,057	6,500	44,448	4,338	900	1,340	35
Total disbursements	<u>99,057</u>	<u>6,500</u>	<u>44,448</u>	<u>4,338</u>	<u>900</u>	<u>1,340</u>	<u>35</u>
Excess (deficiency) of receipts over disbursements	<u>14,295</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 14,295</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	Garnishment-T. Snider	SEWAGE UTILITY OPERATING	SEWAGE UTL IMPROVEMENT	SEWAGE SRF 2002 BONDS	SEWAGE WORKS GROSS REVENUE	1998 SEWER SINKING FUND	WATER UTILITY OPERATING
Cash and investments - beginning	\$ -	\$ 137,987	\$ 347,027	\$ -	\$ -	\$ -	\$ 156,107
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	1,573,670	-	-	3,848,763	381,047	2,635,778
Other receipts	24	956,650	119,183	2,009,945	-	125	374
Total receipts	24	2,530,320	119,183	2,009,945	3,848,763	381,172	2,636,152
Disbursements:							
Personal services	-	504,032	-	-	-	-	754,099
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	3,892	-	-	-	-	-
Other disbursements	24	2,041,722	436,019	2,009,945	3,848,763	381,172	1,842,189
Total disbursements	24	2,549,646	436,019	2,009,945	3,848,763	381,172	2,596,288
Excess (deficiency) of receipts over disbursements	-	(19,326)	(316,836)	-	-	-	39,864
Cash and investments - ending	\$ -	\$ 118,661	\$ 30,191	\$ -	\$ -	\$ -	\$ 195,971

CITY OF VINCENNES
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	WATER UTL METER DEPOSIT	WATER UTL IMPROVEMENT	WATER DEBT SVC RESERVE	WATER 2003 SRF LOANS PAY	WATER GROSS REVENUE	STORMWATER IMP FUND	Totals
Cash and investments - beginning	\$ 194,969	\$ 399,381	\$ 308,000	\$ 25,630	\$ 2	\$ 2,650	\$ 14,018,072
Receipts:							
Taxes	-	-	-	-	-	-	6,471,590
Licenses and permits	-	-	-	-	-	-	81,102
Intergovernmental	-	-	-	-	-	-	3,967,174
Charges for services	-	-	-	-	-	-	654,406
Fines and forfeits	-	-	-	-	-	-	91,179
Utility fees	40,580	-	-	282,080	7,042,405	929,404	16,733,727
Other receipts	519	1,333	759	157	1	109	14,590,549
Total receipts	41,099	1,333	759	282,237	7,042,406	929,513	42,589,727
Disbursements:							
Personal services	-	-	-	-	-	-	9,758,830
Supplies	-	-	-	-	-	-	265,546
Other services and charges	-	-	-	-	-	-	1,882,135
Capital outlay	-	-	-	-	-	-	945,695
Utility operating expenses	-	-	-	-	-	-	3,892
Other disbursements	39,879	378,322	759	307,867	7,041,998	879,955	28,742,124
Total disbursements	39,879	378,322	759	307,867	7,041,998	879,955	41,598,222
Excess (deficiency) of receipts over disbursements	1,220	(376,989)	-	(25,630)	408	49,558	991,505
Cash and investments - ending	\$ 196,189	\$ 22,392	\$ 308,000	\$ -	\$ 410	\$ 52,208	\$ 15,009,577

CITY OF VINCENNES
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 126,729	\$ 359,568
Storm Water	-	117,675
Water	48,195	186,655
Governmental activities	<u>77,476</u>	<u>-</u>
Totals	<u>\$ 252,400</u>	<u>\$ 663,898</u>

CITY OF VINCENNES
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: TCF Equipment Finance Inc.	Cart Tipper Trash Truck	\$ 113,103	4/19/2011	4/19/2015
Wastewater: GABC LEASING CORP	2011 SEWER CLEANING TRUCK	26,476	7/6/2011	7/6/2016
Total of annual lease payments		<u>\$ 139,579</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	Fire Trucks Loan GOB 2011		\$ 730,000	\$ 210,485
General obligation bonds	Redevelopment TIF District GOB 2001		530,000	278,440
Notes and loans payable	New Pool Mortgage Bonds 2013 Lease Payments		3,680,000	207,000
Total governmental activities			<u>4,940,000</u>	<u>695,925</u>
Wastewater:				
Revenue bonds	1998 Bonds		185,000	189,070
Revenue bonds	2002 SRF		16,457,323	2,195,048
Notes and loans payable	Bond Anticipation Note (BAN) 2013		1,000,000	1,000,000
Total Wastewater			<u>17,642,323</u>	<u>3,384,118</u>
Water:				
Revenue bonds	2003 SRF Bonds		2,603,033	307,759
Totals			<u>\$ 25,185,356</u>	<u>\$ 4,387,802</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE CITY OF VINCENNES, KNOX COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Vincennes's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

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

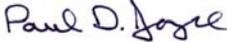
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

September 8, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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

CITY OF VINCENNES
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - State-Administered CDBG Cluster Community Development Block Grant/State's program and Non-Entitlement Grants in Hawaii RivRdSIDC420371	Indiana Office of Community Affairs	14.228	EDS#A192-13-CF-12-11	\$ 293,934
Total - CDBG - State-Administered CDBG Cluster				<u>293,934</u>
Total - Department of Housing and Urban Development				<u>293,934</u>
<u>Department of Justice</u>				
Joint Law Enforcement Operation (JLEO) Fed Drug Holt 101345	Direct Grant	16.111	GL-INS-0195	<u>13,611</u>
Equitable Sharing Program Fed Forfeitur257001	Direct Grant	16.922	IN-0420200	<u>40,591</u>
Total - Department of Justice				<u>54,202</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction Sign Inventory Project RR Overpass	INDOT	20.205	DES#1173449 DES#0501068	36,900 <u>134,490</u>
Total - Highway Planning and Construction				<u>171,390</u>
Total - Highway Planning and Construction Cluster				<u>171,390</u>
Total - Department of Transportation				<u>171,390</u>
<u>Environmental Protection Agency</u>				
Brownfields Assessment and Cleanup Cooperative Agreements Brownfield EPA	Direct Grant	66.818	BF-00E00889-0	<u>108,324</u>
Total - Environmental Protection Agency				<u>108,324</u>
<u>Department of Homeland Security</u>				
Disaster Grants-Public Assistance (Presidentially Declared Disasters) FEMA	Indiana Department of Homeland Security	97.036	PW-00161.0	<u>7,333</u>
Homeland Security Grant Program Hazmat 263441 FY11 FY10	Indiana Department of Homeland Security	97.067	EDS#C44P-3-165B EDS#C44P-3-350B	6,250 <u>7,143</u>
Total Homeland Security Grant Program				<u>13,393</u>
Total - Department of Homeland Security				<u>20,726</u>
Total federal awards expended				<u>\$ 648,576</u>

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

NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the City and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

CITY OF VINCENNES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

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

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

_____ Name of Federal Program or Cluster _____
CDBG - State-Administered CDBG Cluster
Highway Planning and Construction Cluster

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

Auditee qualified as low-risk auditee? no

Section II - Financial Statement Findings

FINDING 2013-001 - INTERNAL CONTROLS OVER THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The City did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The City should have proper controls in place over the preparation of the SEFA to ensure accurate reporting of federal awards. Without a proper system of internal control in place that operates effectively, material misstatements or errors could remain undetected.

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

During the audit of the SEFA, we noted the following errors: (1) four federal grants were not reported, and nine grants were reported for the incorrect amount; (2) no CFDA numbers or identifying numbers assigned by the pass-through entity were reported; and (3) the federal grantor agency, pass-through agency and/or federal program titles were not always correct. Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

FINDING 2013-002 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS

We noted deficiencies in the internal control system within the City's Clerk-Treasurer's Office related to financial transactions. The internal control system within the Clerk-Treasurer's Office lacked segregation of duties. Control activities should be selected and developed at various levels of the Clerk-Treasurer's Office to reduce risks to the achievement of financial reporting objectives. The Clerk-Treasurer has not separated incompatible activities related to receipts, disbursements (including payroll), and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to remain undetected.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets, and all forms of information processing are necessary for proper internal control.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE PREPARED DOCUMENT

The subsequent document was provided by management of the City. The document is presented as intended by the City.



**CITY OF VINCENNES
OFFICE OF THE CLERK-TREASURER**

203 Vigo Street
Vincennes, IN 47591

David L. Culp
Clerk-Treasurer
812-882-6426 office
812-886-3406 fax
dculp@vincennes.org

CORRECTIVE ACTION PLAN

FINDING NO. 2013-001

CONTACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION: DAVID I. CULP
CONTACT PHONE NUMBER: 812-882-6426

DESCRIPTION OF CORRECTIVE ACTION PLAN:

- Establish a Grant Detailed Information form containing names, numbers, dates and amounts for each new and currently active previous grants.
- Inform all Department Heads of the above form and the information that is required when grants are obtained and the importance of first notifying the Clerk-Treasurer.
- Spreadsheets will be prepared for all currently active previous grants.
- All current grants will be assembled (stored) in the same file cabinet in our office.
- The first and paramount importance of the Schedule of Expenditures of Federal Awards (SEFA) in the Annual Financial Report will be communicated to all Department Heads.
- Office personnel will be advised of the importance of the SEFA.
- The Clerk-Treasurer to the best of his ability will supervise and take responsibility for all of the above.

ANTICIPATED COMPLETION DATE:

- At the initiation of each new grant.
- By the conclusion of the 2014 Annual Financial Report.

A handwritten signature in black ink, appearing to read "D. Culp", written over a horizontal line.

Clerk-Treasurer
August 12, 2014



**CITY OF VINCENNES
OFFICE OF THE CLERK-TREASURER**

203 Vigo Street
Vincennes, IN 47591

David L. Culp
Clerk-Treasurer
812-882-6426 office
812-886-3406 fax
dculp@vincennes.org

CORRECTIVE ACTION PLAN

FINDING 2013-002

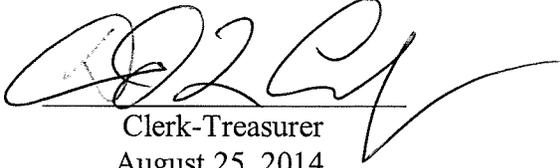
CONTACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION: DAVID L. CULP
CONTACT PHONE NUMBER: 812-882-6426

DESCRIPTION OF CORRECTIVE ACTION PLAN:

- There will be segregation of financial duties related to receipts, disbursements, payroll, cash and investment balances.
- Each one of the above will have a checks and balance system.
- Each Deputy will have another staff member to participate in the finalization of activities.
- The Clerk-Treasurer will participate in each Deputy's financial transactions.
- The Deputies will participate in all financial transactions of the Clerk-Treasurer.

ANTICIPATED COMPLETION DATE:

- The above action plan was implemented each time the SBOA Auditor made a suggestion.


Clerk-Treasurer
August 25, 2014

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.