

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF PRINCETON

GIBSON COUNTY, INDIANA

January 1, 2012 to December 31, 2012



FILED
11/07/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mindy Brines	01-01-12 to 12-31-15
Mayor	Robert J. Hurst	01-01-12 to 12-31-15
President of the Board of Public Works	Robert J. Hurst	01-01-12 to 12-31-14
President of the Common Council	Steve Taylor	01-01-12 to 12-31-14
Superintendent of Water Distribution	J. B. Brines	01-01-12 to 12-31-14
Superintendent of Water Treatment	Dennis Gray	01-01-12 to 12-31-14
Superintendent of Wastewater Utility	Charles Woodruff	01-01-12 to 12-31-14



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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF PRINCETON, GIBSON COUNTY, INDIANA

We have examined the accompanying financial statement of the City of Princeton (City), for the year ended December 31, 2012. The financial statement is the responsibility of the City's management. Our responsibility is to express an opinion on the financial statement based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, 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 comprehensive 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 these regulatory accounting practices and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

In our opinion, because of the matter discussed in the preceding paragraph, the financial statement referred to above does not present fairly, in conformity 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, 2012.

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, 2012, on the basis of accounting described in Note 1.

Our examination 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, Schedule of Leases and Debt, and Schedule of Capital Assets, 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 examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

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

August 18, 2014

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FINANCIAL STATEMENT

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 PRINCETON
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
GENERAL FUND	\$ 641,562	\$ 3,219,916	\$ 3,555,446	\$ 306,032
M V H	174,200	599,660	402,676	371,184
LOCAL ROAD AND STREET	20,036	36,673	21,215	35,494
FEDERAL SEIZURE FUND	379	-	-	379
EDIT DISTRIBUTION	428,719	639,232	791,588	276,363
DEMOLITION OF BUILDING	124,433	4,780	914	128,299
PLANNING COMMISSION	14,617	42,215	47,119	9,713
POLICE NARCOTIC FUND	947	1,000	1,000	947
LAW ENF. CONT. ED. FUND	23,231	7,660	16,861	14,030
PARK AND RECREATION	201,976	455,432	369,637	287,771
RAINY DAY	3,576	-	-	3,576
POLICE K-9	1,388	-	-	1,388
FIRE TERRITORY OPERATING	819,554	1,922,483	2,312,166	429,871
CCDF-CUM CAP DEV FUND	(282)	96,486	11,691	84,513
STELLAR MATCH	-	390,849	-	390,849
BAN 2012	-	1,472,674	55,302	1,417,372
CUM CAP IMPROVEMENT	44,660	22,997	41,833	25,824
FIRE TERRITORY EQUIP.FUND	346,785	251,144	302,882	295,047
POLICE PENSION	663,063	267,465	239,599	690,929
FIRE PENSION	487,610	363,481	201,553	649,538
DONATION FUND	18,920	44,968	54,106	9,782
FIRE TERRITORY GRANT FUND	337	-	-	337
USDA REDEVELOP.(FEDERAL)	30,248	14,505	15,000	29,753
GENERAL MONEY MARKET INVE	50,000	-	-	50,000
PAYROLL	13,586	4,853,095	4,806,137	60,544
CLEARING HOUSE ACCOUNT	9,482	4,880,802	4,817,133	73,151
INSURANCE TRUST FUND	55,556	1,137,341	1,092,816	100,081
FIRE EQUIPMENT FUND	(334)	-	-	(334)
SEWAGE OPERATING	264,626	2,347,749	2,327,655	284,720
SEWAGE BOND & INTEREST	143,156	273,152	416,308	-
SEW DEBT SERV RESERVE	199,500	82,424	143,924	138,000
SEWAGE CASH CHANGE	250	-	-	250
SEWAGE IMPROVEMENT FUND	36,405	-	-	36,405
WATER OPERATING	154,124	2,521,229	2,431,880	243,473
GUARANTEE METER	208,075	39,571	36,594	211,052
WATER TREATMENT PLANT CON	386	-	-	386
BOSHOKU IEDC WATER GRANT	7,288	-	-	7,288
WATER CASH CHANGE	250	-	-	250
2002 & 2005 WATER BD & IN	152,997	334,200	417,330	69,867
WATER DEBT SER RESERVE	386,285	34,562	171,847	249,000
ONB/JOHNSON CONTROLS	144,350	227,668	227,667	144,351
2010 WATER BOND AND INT.	150,834	219,190	215,808	154,216
2010 WATER DEBT SER. RES.	181,125	-	-	181,125
Totals	<u>\$ 6,203,900</u>	<u>\$ 26,804,603</u>	<u>\$ 25,545,687</u>	<u>\$ 7,462,816</u>

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

CITY OF PRINCETON
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

Taxes 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 PRINCETON
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.

Penalties which include fees received for late payments.

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.

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

CITY OF PRINCETON
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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 PRINCETON
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 PRINCETON
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 PRINCETON
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.

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of reimbursement for expenditures made by the City were not received by December 31, 2012.

Note 8. Combined Funds

Funds related to EDIT Distribution and EDIT Fund Investment; Police Pension and Police Pension Investment; Fire Pension and Fire Pension Investment; Sewage Operating and Sewage Improvement Investment; and Guarantee Meter and Guarantee Meter Investment were reported individually in the prior financial statement but were combined into one fund for the current financial statement.

Note 9. Subsequent Events

In April 2013, the City was awarded a \$3,359,859 Community Development Block Grant through the Indiana Housing and Community Development Authority which will be used to partially fund the Stellar Downtown Facades project and the Theatre/Community Development project.

CITY OF PRINCETON
NOTES TO FINANCIAL STATEMENT
(Continued)

In 2013, the City entered into a lease rental agreement with the Princeton Redevelopment Authority. The Princeton Redevelopment Authority plans to finance several projects in furtherance of the City's plan for the use of the Stellar Community grant that the City was awarded in May 2012. Projects include the acquisition and leasing of a municipally owned building, acquisition and leasing of City Hall, Streetscape Phases 1 and 2, Downtown Facades, Bicentennial Plaza, Princeton Theatre, Toyota Trail, Tiger Trail, Brumfield/Lafayette Multi-Use Trail Phase 1, Downtown Gateways, 2nd Avenue Extension, Heritage Trail Phase 1, and Lafayette Park Pool. The lease totaling \$9,532,000 will be repaid with biannual payments through January 15, 2033.

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SUPPLEMENTARY INFORMATION - UNAUDITED

For additional financial information, the City's Annual Reports for years prior to 2011 can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the City's Annual Report information for years 2011 and later 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 examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

CITY OF PRINCETON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2012

	GENERAL FUND	M V H	LOCAL ROAD AND STREET	FEDERAL SEIZURE FUND	EDIT DISTRIBUTION	DEMOLITION OF BUILDING	PLANNING COMMISSION	POLICE NARCOTIC FUND
Cash and investments - beginning	\$ 641,562	\$ 174,200	\$ 20,036	\$ 379	\$ 428,719	\$ 124,433	\$ 14,617	\$ 947
Receipts:								
Taxes	2,454,710	310,424	-	-	-	4,703	37,627	-
Licenses and permits	123,748	-	-	-	-	-	3,970	-
Intergovernmental	202,280	269,480	36,673	-	638,017	77	618	1,000
Charges for services	326,986	18,623	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	112,192	1,133	-	-	1,215	-	-	-
Total receipts	3,219,916	599,660	36,673	-	639,232	4,780	42,215	1,000
Disbursements:								
Personal services	2,038,781	339,772	-	-	-	-	45,011	-
Supplies	117,333	32,715	21,215	-	-	-	589	-
Other services and charges	241,706	20,131	-	-	252,629	-	1,519	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	188	-	-	-	293,045	914	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	1,157,438	10,058	-	-	245,914	-	-	1,000
Total disbursements	3,555,446	402,676	21,215	-	791,588	914	47,119	1,000
Excess (deficiency) of receipts over disbursements	(335,530)	196,984	15,458	-	(152,356)	3,866	(4,904)	-
Cash and investments - ending	\$ 306,032	\$ 371,184	\$ 35,494	\$ 379	\$ 276,363	\$ 128,299	\$ 9,713	\$ 947

CITY OF PRINCETON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2012
(Continued)

	LAW ENF. CONT. ED. FUND	PARK AND RECREATION	RAINY DAY	POLICE K-9	FIRE TERRITORY OPERATING	CCDF-CUM CAP DEV FUND	STELLAR MATCH	BAN 2012
Cash and investments - beginning	\$ 23,231	\$ 201,976	\$ 3,576	\$ 1,388	\$ 819,554	\$ (282)	\$ -	\$ -
Receipts:								
Taxes	-	310,210	-	-	1,799,070	94,923	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	5,094	-	-	14,824	1,559	390,849	-
Charges for services	-	122,443	-	-	21	-	-	-
Fines and forfeits	891	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	6,769	17,685	-	-	108,568	4	-	1,472,674
Total receipts	7,660	455,432	-	-	1,922,483	96,486	390,849	1,472,674
Disbursements:								
Personal services	-	247,447	-	-	1,961,242	-	-	-
Supplies	16,861	28,124	-	-	51,074	-	-	-
Other services and charges	-	63,720	-	-	110,785	1,919	-	55,302
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	-	23,855	-	-	122,647	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	6,491	-	-	66,418	9,772	-	-
Total disbursements	16,861	369,637	-	-	2,312,166	11,691	-	55,302
Excess (deficiency) of receipts over disbursements	(9,201)	85,795	-	-	(389,683)	84,795	390,849	1,417,372
Cash and investments - ending	\$ 14,030	\$ 287,771	\$ 3,576	\$ 1,388	\$ 429,871	\$ 84,513	\$ 390,849	\$ 1,417,372

CITY OF PRINCETON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2012
(Continued)

	CUM CAP IMPROVEMENT	FIRE TERRITORY EQUIP. FUND	POLICE PENSION	FIRE PENSION	DONATION FUND	FIRE TERRITORY GRANT FUND	USDA REDEVELOP. (FEDERAL)
Cash and investments - beginning	\$ 44,660	\$ 346,785	\$ 663,063	\$ 487,610	\$ 18,920	\$ 337	\$ 30,248
Receipts:							
Taxes	-	205,451	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	22,926	1,693	-	-	-	-	292
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	71	44,000	267,465	363,481	44,968	-	14,213
Total receipts	22,997	251,144	267,465	363,481	44,968	-	14,505
Disbursements:							
Personal services	-	-	239,406	201,553	-	-	-
Supplies	41,833	-	-	-	40,332	-	-
Other services and charges	-	-	193	-	1,756	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	302,882	-	-	11,652	-	15,000
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	366	-	-
Total disbursements	41,833	302,882	239,599	201,553	54,106	-	15,000
Excess (deficiency) of receipts over disbursements	(18,836)	(51,738)	27,866	161,928	(9,138)	-	(495)
Cash and investments - ending	\$ 25,824	\$ 295,047	\$ 690,929	\$ 649,538	\$ 9,782	\$ 337	\$ 29,753

CITY OF PRINCETON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2012
(Continued)

	GENERAL MONEY MARKET INVE	PAYROLL	CLEARING HOUSE ACCOUNT	INSURANCE TRUST FUND	FIRE EQUIPMENT FUND	SEWAGE OPERATING	SEWAGE BOND & INTEREST
Cash and investments - beginning	\$ 50,000	\$ 13,586	\$ 9,482	\$ 55,556	\$ (334)	\$ 264,626	\$ 143,156
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	74	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	2,030	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	41,638	-
Penalties	-	-	-	-	-	20,589	-
Other receipts	-	4,853,021	4,878,772	1,137,341	-	2,285,522	273,152
Total receipts	-	4,853,095	4,880,802	1,137,341	-	2,347,749	273,152
Disbursements:							
Personal services	-	4,226,120	-	-	-	735,202	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	9,000	-
Debt service - principal and interest	-	-	-	-	-	-	309,808
Capital outlay	-	-	-	-	-	2,179	106,500
Utility operating expenses	-	-	-	-	-	1,202,473	-
Other disbursements	-	580,017	4,817,133	1,092,816	-	378,801	-
Total disbursements	-	4,806,137	4,817,133	1,092,816	-	2,327,655	416,308
Excess (deficiency) of receipts over disbursements	-	46,958	63,669	44,525	-	20,094	(143,156)
Cash and investments - ending	\$ 50,000	\$ 60,544	\$ 73,151	\$ 100,081	\$ (334)	\$ 284,720	\$ -

CITY OF PRINCETON
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2012
 (Continued)

	SEW DEBT SERV RESERVE	SEWAGE CASH CHANGE	SEWAGE IMPROVEMENT FUND	WATER OPERATING	GUARANTEE METER	WATER TREATMENT PLANT CON	BOSHOKU IEDC WATER GRANT
Cash and investments - beginning	\$ 199,500	\$ 250	\$ 36,405	\$ 154,124	\$ 208,075	\$ 386	\$ 7,288
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	72,117	39,330	-	-
Penalties	-	-	-	14,901	-	-	-
Other receipts	82,424	-	-	2,434,211	241	-	-
Total receipts	82,424	-	-	2,521,229	39,571	-	-
Disbursements:							
Personal services	-	-	-	535,954	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	9,000	-	-	-
Debt service - principal and interest	143,924	-	-	-	-	-	-
Capital outlay	-	-	-	2,343	-	-	-
Utility operating expenses	-	-	-	1,029,814	36,594	-	-
Other disbursements	-	-	-	854,769	-	-	-
Total disbursements	143,924	-	-	2,431,880	36,594	-	-
Excess (deficiency) of receipts over disbursements	(61,500)	-	-	89,349	2,977	-	-
Cash and investments - ending	\$ 138,000	\$ 250	\$ 36,405	\$ 243,473	\$ 211,052	\$ 386	\$ 7,288

CITY OF PRINCETON
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2012
(Continued)

	WATER CASH CHANGE	2002 & 2005 WATER BD & IN	WATER DEBT SER RESERVE	ONB/JOHNSON CONTROLS	2010 WATER BOND AND INT.	2010 WATER DEBT SER. RES.	Totals
Cash and investments - beginning	\$ 250	\$ 152,997	\$ 386,285	\$ 144,350	\$ 150,834	\$ 181,125	\$ 6,203,900
Receipts:							
Taxes	-	-	-	-	-	-	5,217,118
Licenses and permits	-	-	-	-	-	-	127,792
Intergovernmental	-	-	-	-	-	-	1,585,382
Charges for services	-	-	-	-	-	-	470,103
Fines and forfeits	-	-	-	-	-	-	891
Utility fees	-	-	-	-	-	-	153,085
Penalties	-	-	-	-	-	-	35,490
Other receipts	-	334,200	34,562	227,668	219,190	-	19,214,742
Total receipts	-	334,200	34,562	227,668	219,190	-	26,804,603
Disbursements:							
Personal services	-	-	-	-	-	-	10,570,488
Supplies	-	-	-	-	-	-	350,076
Other services and charges	-	-	-	-	-	-	767,660
Debt service - principal and interest	-	417,330	-	227,667	215,808	-	1,314,537
Capital outlay	-	-	-	-	-	-	881,205
Utility operating expenses	-	-	-	-	-	-	2,268,881
Other disbursements	-	-	171,847	-	-	-	9,392,840
Total disbursements	-	417,330	171,847	227,667	215,808	-	25,545,687
Excess (deficiency) of receipts over disbursements	-	(83,130)	(137,285)	1	3,382	-	1,258,916
Cash and investments - ending	\$ 250	\$ 69,867	\$ 249,000	\$ 144,351	\$ 154,216	\$ 181,125	\$ 7,462,816

CITY OF PRINCETON
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2012

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ -	\$ 216,296
Water	-	174,211
Governmental activities	<u>6,432</u>	<u>29,610</u>
Totals	<u>\$ 6,432</u>	<u>\$ 420,117</u>

CITY OF PRINCETON
SCHEDULE OF LEASES AND DEBT
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Old National Bank	Water Meter Upgrades	\$ 227,668	7/1/2011	7/1/2025
Old National Bank	Sanitation Truck	<u>32,556</u>	2/6/2013	2/6/2017
Total governmental activities		<u>260,224</u>		
Total of annual lease payments		<u><u>\$ 260,224</u></u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Bond Anticipation Notes of 2012	<u>\$ 1,480,000.00</u>	<u>\$ 16,763.00</u>
Wastewater:			
Revenue bonds	Sewage Works Refunding Revenue Bond 2012	<u>1,380,000</u>	<u>145,597</u>
Water:			
Revenue bonds	Waterworks Refunding Revenue Bond 2012	2,490,000	278,896
Revenue bonds	Taxable Waterworks Revenue Bonds 2010	111,097	38,566
Revenue bonds	Waterworks Revenue Bonds 2010	<u>2,604,008</u>	<u>180,869</u>
Total Water		<u>5,205,105</u>	<u>498,331</u>
Totals		<u><u>\$ 6,585,105</u></u>	<u><u>\$ 643,928</u></u>

CITY OF PRINCETON
SCHEDULE OF CAPITAL ASSETS
December 31, 2012

Capital assets are reported at actual or estimated historical cost based on appraisals or deflated current replacement cost. Contributed or donated assets are reported at estimated fair value at the time received.

	Ending Balance
Governmental activities:	
Land	\$ 131,997
Infrastructure	2,316,402
Buildings	2,571,882
Improvements other than buildings	1,612,426
Machinery, equipment, and vehicles	<u>4,078,185</u>
Total governmental activities	<u>10,710,892</u>
Wastewater:	
Land	13,592,047
Buildings	3,053,888
Improvements other than buildings	7,484,293
Machinery, equipment, and vehicles	<u>4,004,189</u>
Total Wastewater	<u>28,134,417</u>
Water:	
Land	154,850
Buildings	1,936,684
Improvements other than buildings	8,016,083
Machinery, equipment, and vehicles	<u>334,273</u>
Total Water	<u>10,441,890</u>
Total capital assets	<u><u>\$ 49,287,199</u></u>

CITY OF PRINCETON
EXAMINATION RESULT AND COMMENT

POLICE AND FIRE PENSION ERRORS (Applies to City)

Due to a 2.8 percent cost of living raise not being paid during the year, two police pensioners in the 1977 Converted Plan were underpaid by a total of \$827 for 2012.

Due to a 2.8 percent cost of living raise being given on the February 2012 payment instead of the August 2012 payment for the July pension, one fire pensioner in the 1977 Converted Plan was overpaid \$176.

Indiana Code 36-8-8-15 states:

"Each year the system board shall determine if there has been an increase or decrease in the consumer price index (United States city average) prepared by the United States Department of Labor by comparing the arithmetic mean of the consumer price index for January, February, and March of that year with the arithmetic mean for the same three (3) months of the preceding year. If there has been an increase, or a decrease, it shall be stated as a percentage of the arithmetic mean for the preceding three (3) month period. The percentage shall be rounded to the nearest one-tenth of one percent (0.1%) and may not exceed three percent (3%). If there is a percentage increase of the arithmetic mean for the preceding three (3) month period, a fund member's or survivor's monthly benefit, beginning with the July payment, shall be increased by an amount equal to the June payment times the percentage increase. However, a fund member's or survivor's monthly benefit may not be increased under this section until July of the year following the year of the first monthly benefit payment to the fund member or survivor. In computing a fund member's benefit, the increase is based only on those years for which the fund member was eligible for benefit payments under this chapter. A monthly benefit may not be reduced if there is a percentage decrease of the arithmetic mean for the preceding three (3) month period."

CITY OF PRINCETON
EXIT CONFERENCE

The contents of this report were discussed on August 18, 2014, with Mindy Brines, Clerk-Treasurer; Robert J. Hurst, Mayor; and Steve Taylor, President of the Common Council.