

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF CROWN POINT
LAKE COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
09/15/2016

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patti Olson Kristie L. Dressel	01-01-12 to 12-31-15 01-01-16 to 12-31-19
Mayor	David D.F. Uran	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	David D.F. Uran	01-01-14 to 12-31-16
President Pro Tempore of the Common Council	Robert Clemons Laura Sauerman	01-01-14 to 12-31-15 01-01-16 to 12-31-16



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF CROWN POINT, LAKE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Crown Point (City), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement as listed in the Table of Contents.

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, 2014.

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, 2014, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

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.


Other Information

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, 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 auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated July 7, 2016, 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.


Paul D. Joyce, CPA
State Examiner

July 7, 2016



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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 CROWN POINT, LAKE 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 Crown Point (City), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated July 7, 2016, 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 item 2014-001 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City of Crown Point'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

July 7, 2016

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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 CROWN POINT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
GENERAL FUND	\$ 1,054,246	\$ 20,238,451	\$ 19,463,617	\$ 1,829,080
MOTOR VEHICLE HIGHWAY	964,875	2,053,144	2,344,687	673,332
LOCAL ROAD & STREET	94,441	284,596	332,948	46,089
NON REV. PARK FUND	94,828	333,582	346,645	81,765
LOCAL LAW ENF. CONT. EDUC	42,580	20,270	35,665	27,185
DEFERRAL PROGRAM FUND	73,984	35,071	50,543	58,512
RIVERBOAT ADM. TAX FUND	583,952	306,621	398,671	491,902
USER FEE FUND	-	36,502	36,502	-
CEDIT-CTY ECON DEV TAX	-	666,855	387,909	278,946
MAJOR MOVES CONST. FUND	2,863	-	-	2,863
PUB. SAFETY - EXCESS WELFARE	75,888	-	45,666	30,222
CREDIT CARD FEES	25	-	-	25
CUMULATIVE CAPITAL DEV.	83,282	579,567	331,203	331,646
CP REDEV BOND CAPITAL FD	12,978	-	-	12,978
CUM. CAP II (RATE-EMS)	51,519	25,591	-	77,110
CUMULATIVE FIRE	114,919	57,205	45,595	126,529
GENERAL IMPROVEMENT FD.	11,380	9,017	10,394	10,003
CUMULATIVE CAPITAL IMP.	39,685	72,257	51,464	60,478
POLICE PENSION	648,074	433,958	455,984	626,048
FIRE PENSION	158,184	64,226	57,409	165,001
CAGIT/LOIT PUBLIC SAFETY	-	700,071	255,813	444,258
COURT SUPPLEMENTAL CTAR-1	99,074	475,938	457,314	117,698
CUMULATIVE SEWER	296,998	-	40,843	256,155
PUBLIC WORKS DONATION FD	353	2,600	553	2,400
NON REV BUILDER TEST FEES	25,657	25,400	4,963	46,094
NON-REV ECONOMIC DEV.	24,588	4,767	-	29,355
CP REDEV DEBT SERV RES	333,631	-	-	333,631
ST ANTHONY TIF BOND FUND	106,415	288,127	-	394,542
911 EQUIPMENT FUND	36	-	36	-
LEASE RENTAL ES BLDING.	8,743	-	-	8,743
TOURISM FUND	4,775	4,725	4,094	5,406
GO BOND DEBT SERVICE	3,626	251,396	249,714	5,308
C.P. REDEVELOPMENT FUND	2,219,038	2,617,983	2,101,786	2,735,235
FIREFIGHTER'S GRANT FUND	3,885	381,623	381,623	3,885
RECYCLING & SOLID WASTE	225,903	183,184	188,084	221,003
G.O. BOND PROCEEDS FUND	375,232	-	325,587	49,645
SPORTSPLEX DEV & CONSTR	2,545,060	1,671,346	3,612,650	603,756
PYWH PERF	15	-	-	15
SAUERMAN WOODS RES. DONA.	1,250	-	-	1,250
PYWH SPECIAL INSURANCE	95	-	-	95
MISC. REFUNDS ESCROW	399,420	78,806	476,958	1,268
PYWH FIRE PENSION II	299	-	-	299
HIGH MEADOWS ESCROW FUND	12,242	-	1,844	10,398
NON-REV. SPEC. EVENTS FD.	24,277	29,370	41,349	12,298
STATE INCOME TAX	40,926	515,040	513,647	42,319
POL. PEN - IND. GROSS	1,747	21,710	21,632	1,825
SENIOR DISC (HIDTA) FUND	115,979	100,000	97,587	118,392
DON C.P. BEAUTIFICATION	2,926	-	2,926	-
FIRE PEN. - IND. GROSS	228	2,813	2,807	234
PYWH POLICE PENSION II	363	-	-	363
ADULT PROBATION SERV. FD.	12,713	21,416	27,815	6,314
DOG SUPPLY/MAINT DONATION	21,907	4,089	3,741	22,255
ESCROW-EDC	1,489	-	-	1,489

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

CITY OF CROWN POINT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
PYWH - COL. LIFE & ACCIDENT	370	255	276	349
GREENVIEW RECOVERY AGREE.	9,600	-	-	9,600
NON-REV RENTAL HOUSING	24,939	54,243	25,257	53,925
CEMETERY NON-REV. FUND	31,204	20,550	15,344	36,410
PYWH MUNICIPAL INS.	412	364	363	413
PARKS/ PLAYGROUNDS ESCROW	42,800	-	-	42,800
MISC. SALES TAX	85	13,781	13,692	174
COUNTY COURT COSTS ESC.	911	17,356	17,356	911
PRINC & INTEREST-TIF BOND	325,335	320,571	325,250	320,656
NON-REV VEH/EQUIP PURCH	81,373	131,319	55,843	156,849
COURT RECORD PERPETUATION	29,366	2,573	1,903	30,036
PREPAID LEGAL ESCROW	139	1,112	1,112	139
NON REV. PARK GIFT FUND	2,629	800	100	3,329
DARE FUND DONATIONS	19,858	25,339	21,560	23,637
FIRE DEPT. DONATIONS	10,694	44,521	42,609	12,606
NON REV. POLICE FED SEIZ.	60,945	14,826	22,882	52,889
MAYOR'S ROUNDTABLE ESCROW	1	-	-	1
POLICE DONATIONS ESCROW	23,820	25,252	14,866	34,206
NON REV. HAZ MATERIALS	6,165	-	1,263	4,902
TANK IMP. ESCROW	144	-	-	144
PYWH VISION INS.	1,591	8,382	8,181	1,792
PYWH AFLAC	15,449	91,348	94,015	12,782
PYWH AMER. BANKERS INS.	158	-	-	158
UNUM/CIGNA VOL INS ESCROW	1,889	17,385	17,718	1,556
EMP/RETIREE NON-REV INS.	616,851	3,705,802	3,829,538	493,115
CIVIL DEFENSE DONATIONS	20,501	3,900	11,462	12,939
L.C.DRUG FREE ALLIANCE GR	-	8,817	8,817	-
4TH FRIDAY ARTS GRANT	948	-	947	1
LAKE CO. HIDTA PROGRAM	207	3,068,141	3,068,117	231
ESCROW PERPET.BLDG. IMP.FD	114,620	263,594	291,989	86,225
GRANT L.C.DRUNK DRIV.TASK	186	-	-	186
HOMESTEAD RESTOR. DON.	100	-	-	100
CASH STORMWATER O&M	727,482	889,048	1,178,375	438,155
CASH STORMWATER DEBT SER	-	240,520	240,520	-
CASH WASTEWATER O&M FUND	600,001	6,403,239	6,403,240	600,000
CASH WW IMPROVEMT OTHER	2,985,009	1,004,608	1,084,667	2,904,950
WASTEWATER SRF 2011 TRUST	354,788	-	354,788	-
WASTEWATER SRF 2013 TRUST	-	450,360	450,360	-
CASH WW IMPROVE REPLACE	352	-	-	352
CASH WW UTIL CONSTR ACCT	85,333	546,769	546,769	85,333
CASH ON HAND-WW PETTY	800	-	-	800
CASH WW B&I SINKING FUND	15,091	1,411,832	1,412,588	14,335
CASH WW DEBT SERV RES	1,364,403	36,642	594,310	806,735
CASH WATER O&M FUND	726,000	10,891,860	10,667,860	950,000
CASH WATER HYDRANT DEP	6,750	1,750	500	8,000
CASH WTR DEPR/IMPR FUND	9,616,287	6,802,514	6,329,085	10,089,716
CASH WW UTL CONSTR ACCT	5,776	-	-	5,776
CASH ON HAND-WATER PETTY	600	-	-	600
CASH WATER B&I SINKING	288,032	694,814	690,011	292,835
CASH WATER DEBT SERV RES	701,554	-	72,973	628,581
CASH WTR NEW CONS DEP	16,780	800	1,216	16,364
CASH 2007 WTR CONST FUND	67	2,799,667	1,804,517	995,217
Totals	<u>\$ 29,954,988</u>	<u>\$ 72,611,971</u>	<u>\$ 72,930,507</u>	<u>\$ 29,636,452</u>

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

CITY OF CROWN POINT
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 tax, 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 the following: peddler licenses, dog tax licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF CROWN POINT
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 these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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 including, but 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, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

Debt service - principal and interest, which includes 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.

Capital outlay, which includes 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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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, the following: 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 a cost-sharing 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

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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
One North Capitol, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

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.

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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
One North Capitol, 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. Subsequent Events

The City's Board of Public Works and Safety approved to submit an application for the Wastewater State Revolving Fund (SRF) loan program for funding solutions as part of the long-term controlled plan at their May 24, 2014 meeting. The City was approved for and borrowed \$4,950,000 in loans in 2015 from the SRF program (\$200,000 was repaid on January 1, 2016) to keep in compliance with mandates set by the State. The project optimizes the existing treatment plant ability to treat through 1) replacement of the existing pressure filter tertiary filtration system (which is non-functional), 2) incorporation of a new sludge mixing system in the anaerobic digester, and 3) performance of structural repairs on a portion of the existing belt

CITY OF CROWN POINT
NOTES TO FINANCIAL STATEMENT
(Continued)

filter press building. This is a long-term control plan project to address the flow quality and capacity. Commonwealth Engineers, Inc. (Commonwealth) has worked with the City on projects to keep the City in compliance with the prescribed mandate from the State judicial order. Commonwealth will submit this project to SRF on the City's behalf to keep in compliance with mandates set by the state.

Note 8. Other Postemployment Benefits

The City provides medical benefits to eligible retirees and their spouses. These benefits pose a liability to the City for this year and in future years. Information regarding the benefits can be obtained by contacting the City.

OTHER INFORMATION - UNAUDITED

The City's Annual Financial 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 Financial 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 other information presented was approved by management of the City. It is presented as intended by the City.

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014

	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	NON REV. PARK FUND	LOCAL LAW ENF. CONT. EDUC	DEFERRAL PROGRAM FUND	RIVERBOAT ADM. TAX FUND
Cash and investments - beginning	\$ 1,054,246	\$ 964,875	\$ 94,441	\$ 94,828	\$ 42,580	\$ 73,984	\$ 583,952
Receipts:							
Taxes	8,494,256	909,980	-	-	-	-	-
Licenses and permits	988,570	-	-	-	10,620	-	-
Intergovernmental receipts	888,298	1,081,647	284,596	-	-	-	306,621
Charges for services	3,114,942	-	-	333,582	7,890	-	-
Fines and forfeits	83,130	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	6,669,255	61,517	-	-	1,760	35,071	-
Total receipts	20,238,451	2,053,144	284,596	333,582	20,270	35,071	306,621
Disbursements:							
Personal services	7,466,052	1,103,111	-	64,016	-	-	-
Supplies	386,372	397,517	-	92,076	18,714	3,972	-
Other services and charges	3,359,828	204,242	332,948	145,633	16,951	4,535	398,671
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	300,446	310,517	-	12,121	-	12,036	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	7,950,919	329,300	-	32,799	-	30,000	-
Total disbursements	19,463,617	2,344,687	332,948	346,645	35,665	50,543	398,671
Excess (deficiency) of receipts over disbursements	774,834	(291,543)	(48,352)	(13,063)	(15,395)	(15,472)	(92,050)
Cash and investments - ending	\$ 1,829,080	\$ 673,332	\$ 46,089	\$ 81,765	\$ 27,185	\$ 58,512	\$ 491,902

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	USER FEE FUND	CEDIT-CTY ECON DEV TAX	MAJOR MOVES CONST. FUND	PUB. SAFETY - EXCESS WELFARE	CREDIT CARD FEES	CUMULATIVE CAPITAL DEV.	CP REDEV BOND CAPITAL FD
Cash and investments - beginning	\$ -	\$ -	\$ 2,863	\$ 75,888	\$ 25	\$ 83,282	\$ 12,978
Receipts:							
Taxes	-	-	-	-	-	574,875	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	666,855	-	-	-	4,692	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	36,502	-	-	-	-	-	-
Total receipts	36,502	666,855	-	-	-	579,567	-
Disbursements:							
Personal services	-	-	-	-	-	331,203	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	87,909	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	300,000	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	36,502	-	-	45,666	-	-	-
Total disbursements	36,502	387,909	-	45,666	-	331,203	-
Excess (deficiency) of receipts over disbursements	-	278,946	-	(45,666)	-	248,364	-
Cash and investments - ending	\$ -	\$ 278,946	\$ 2,863	\$ 30,222	\$ 25	\$ 331,646	\$ 12,978

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	CUM. CAP II (RATE-EMS)	CUMULATIVE FIRE	GENERAL IMPROVEMENT FD.	CUMULATIVE CAPITAL IMP.	POLICE PENSION	FIRE PENSION	CAGIT/LOIT PUBLIC SAFETY
Cash and investments - beginning	\$ 51,519	\$ 114,919	\$ 11,380	\$ 39,685	\$ 648,074	\$ 158,184	\$ -
Receipts:							
Taxes	25,384	52,314	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	207	4,891	-	72,257	433,958	64,226	699,567
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	9,017	-	-	-	504
Total receipts	25,591	57,205	9,017	72,257	433,958	64,226	700,071
Disbursements:							
Personal services	-	-	-	-	350	-	243,938
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	51,464	455,634	57,409	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	45,595	10,394	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	11,875
Total disbursements	-	45,595	10,394	51,464	455,984	57,409	255,813
Excess (deficiency) of receipts over disbursements	25,591	11,610	(1,377)	20,793	(22,026)	6,817	444,258
Cash and investments - ending	\$ 77,110	\$ 126,529	\$ 10,003	\$ 60,478	\$ 626,048	\$ 165,001	\$ 444,258

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	COURT SUPPLEMENTAL CTAR-1	CUMULATIVE SEWER	PUBLIC WORKS DONATION FD	NON REV BUILDER TEST FEES	NON-REV ECONOMIC DEV.	CP REDEV DEBT SERV RES	ST ANTHONY TIF BOND FUND
Cash and investments - beginning	\$ 99,074	\$ 296,998	\$ 353	\$ 25,657	\$ 24,588	\$ 333,631	\$ 106,415
Receipts:							
Taxes	-	-	-	-	-	-	288,127
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	475,938	-	2,600	25,400	4,767	-	-
Total receipts	475,938	-	2,600	25,400	4,767	-	288,127
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	40,843	553	4,963	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	457,314	-	-	-	-	-	-
Total disbursements	457,314	40,843	553	4,963	-	-	-
Excess (deficiency) of receipts over disbursements	18,624	(40,843)	2,047	20,437	4,767	-	288,127
Cash and investments - ending	\$ 117,698	\$ 256,155	\$ 2,400	\$ 46,094	\$ 29,355	\$ 333,631	\$ 394,542

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	911 EQUIPMENT FUND	LEASE RENTAL ES BLDING.	TOURISM FUND	GO BOND DEBT SERVICE	C.P. REDEVELOPMENT FUND	FIREFIGHTER'S GRANT FUND
Cash and investments - beginning	\$ 36	\$ 8,743	\$ 4,775	\$ 3,626	\$ 2,219,038	\$ 3,885
Receipts:						
Taxes	-	-	4,725	249,361	1,851,012	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	2,035	-	381,623
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	-	766,971	-
Total receipts	-	-	4,725	251,396	2,617,983	381,623
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	4,094	249,714	1,639,215	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	36	-	-	-	-	381,623
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	462,571	-
Total disbursements	36	-	4,094	249,714	2,101,786	381,623
Excess (deficiency) of receipts over disbursements	(36)	-	631	1,682	516,197	-
Cash and investments - ending	\$ -	\$ 8,743	\$ 5,406	\$ 5,308	\$ 2,735,235	\$ 3,885

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	RECYCLING & SOLID WASTE	G.O. BOND PROCEEDS FUND	SPORTSPLEX DEV & CONSTR	PYWH PERF	SAUERMAN WOODS RES. DONA.	PYWH SPECIAL INSURANCE
Cash and investments - beginning	\$ 225,903	\$ 375,232	\$ 2,545,060	\$ 15	\$ 1,250	\$ 95
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	183,184	-	1,671,346	-	-	-
Total receipts	183,184	-	1,671,346	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	188,084	325,587	3,062,650	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	550,000	-	-	-
Total disbursements	188,084	325,587	3,612,650	-	-	-
Excess (deficiency) of receipts over disbursements	(4,900)	(325,587)	(1,941,304)	-	-	-
Cash and investments - ending	\$ 221,003	\$ 49,645	\$ 603,756	\$ 15	\$ 1,250	\$ 95

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	MISC. REFUNDS ESCROW	PYWH FIRE PENSION II	HIGH MEADOWS ESCROW FUND	NON-REV. SPEC. EVENTS FD.	STATE INCOME TAX	POL. PEN - IND. GROSS
Cash and investments - beginning	\$ 399,420	\$ 299	\$ 12,242	\$ 24,277	\$ 40,926	\$ 1,747
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	29,370	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	78,806	-	-	-	515,040	21,710
Total receipts	78,806	-	-	29,370	515,040	21,710
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	476,958	-	1,844	41,349	513,647	21,632
Total disbursements	476,958	-	1,844	41,349	513,647	21,632
Excess (deficiency) of receipts over disbursements	(398,152)	-	(1,844)	(11,979)	1,393	78
Cash and investments - ending	\$ 1,268	\$ 299	\$ 10,398	\$ 12,298	\$ 42,319	\$ 1,825

CITY OF CROWN POINT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2014
 (Continued)

	SENIOR DISC (HIDTA) FUND	DON C.P. BEAUTIFICATION	FIRE PEN. - IND. GROSS	PYWH POLICE PENSION II	ADULT PROBATION SERV. FD.	DOG SUPPLY/MAINT DONATION
Cash and investments - beginning	\$ 115,979	\$ 2,926	\$ 228	\$ 363	\$ 12,713	\$ 21,907
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	100,000	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	2,813	-	21,416	4,089
Total receipts	100,000	-	2,813	-	21,416	4,089
Disbursements:						
Personal services	-	-	-	-	21,328	-
Supplies	-	-	-	-	277	-
Other services and charges	-	2,926	2,807	-	1,627	3,741
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	1,041	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	97,587	-	-	-	3,542	-
Total disbursements	97,587	2,926	2,807	-	27,815	3,741
Excess (deficiency) of receipts over disbursements	2,413	(2,926)	6	-	(6,399)	348
Cash and investments - ending	\$ 118,392	\$ -	\$ 234	\$ 363	\$ 6,314	\$ 22,255

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	ESCROW-EDC	PYWH - COL. LIFE & ACCIDENT	GREENVIEW RECOVERY AGREE.	NON-REV RENTAL HOUSING	CEMETERY NON-REV. FUND	PYWH MUNICIPAL INS.
Cash and investments - beginning	\$ 1,489	\$ 370	\$ 9,600	\$ 24,939	\$ 31,204	\$ 412
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	20,550	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	255	-	54,243	-	364
Total receipts	-	255	-	54,243	20,550	364
Disbursements:						
Personal services	-	-	-	20,776	-	-
Supplies	-	-	-	500	-	-
Other services and charges	-	-	-	161	15,344	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	276	-	3,820	-	363
Total disbursements	-	276	-	25,257	15,344	363
Excess (deficiency) of receipts over disbursements	-	(21)	-	28,986	5,206	1
Cash and investments - ending	\$ 1,489	\$ 349	\$ 9,600	\$ 53,925	\$ 36,410	\$ 413

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	PARKS/ PLAYGROUNDS ESCROW	MISC. SALES TAX	COUNTY COURT COSTS ESC.	PRINC & INTEREST - TIF BOND	NON-REV VEH/EQUIP PURCH	COURT RECORD PERPETUATION
Cash and investments - beginning	\$ 42,800	\$ 85	\$ 911	\$ 325,335	\$ 81,373	\$ 29,366
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	17,356	-	-	2,573
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	13,781	-	320,571	131,319	-
Total receipts	-	13,781	17,356	320,571	131,319	2,573
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	786
Other services and charges	-	-	-	-	-	181
Debt service - principal and interest	-	-	-	325,250	-	-
Capital outlay	-	-	-	-	55,843	936
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	13,692	17,356	-	-	-
Total disbursements	-	13,692	17,356	325,250	55,843	1,903
Excess (deficiency) of receipts over disbursements	-	89	-	(4,679)	75,476	670
Cash and investments - ending	\$ 42,800	\$ 174	\$ 911	\$ 320,656	\$ 156,849	\$ 30,036

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	PREPAID LEGAL ESCROW	NON REV. PARK GIFT FUND	DARE FUND DONATIONS	FIRE DEPT. DONATIONS	NON REV. POLICE FED SEIZ.	MAYOR'S ROUNDTABLE ESCROW
Cash and investments - beginning	\$ 139	\$ 2,629	\$ 19,858	\$ 10,694	\$ 60,945	\$ 1
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	14,826	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,112	800	25,339	44,521	-	-
Total receipts	1,112	800	25,339	44,521	14,826	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,112	100	21,560	42,609	22,882	-
Total disbursements	1,112	100	21,560	42,609	22,882	-
Excess (deficiency) of receipts over disbursements	-	700	3,779	1,912	(8,056)	-
Cash and investments - ending	\$ 139	\$ 3,329	\$ 23,637	\$ 12,606	\$ 52,889	\$ 1

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	POLICE DONATIONS ESCROW	NON REV. HAZ MATERIALS	TANK IMP. ESCROW	PYWH VISION INS.	PYWH AFLAC	PYWH AMER. BANKERS INS.
Cash and investments - beginning	\$ 23,820	\$ 6,165	\$ 144	\$ 1,591	\$ 15,449	\$ 158
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	25,252	-	-	8,382	91,348	-
Total receipts	25,252	-	-	8,382	91,348	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	14,866	1,263	-	8,181	94,015	-
Total disbursements	14,866	1,263	-	8,181	94,015	-
Excess (deficiency) of receipts over disbursements	10,386	(1,263)	-	201	(2,667)	-
Cash and investments - ending	\$ 34,206	\$ 4,902	\$ 144	\$ 1,792	\$ 12,782	\$ 158

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	UNUM/CIGNA VOL INS ESCROW	EMP/RETIREE NON-REV INS.	CIVIL DEFENSE DONATIONS	L.C.DRUG FREE ALLIANCE GR	4TH FRIDAY ARTS GRANT	LAKE CO. HIDTA PROGRAM
Cash and investments - beginning	\$ 1,889	\$ 616,851	\$ 20,501	\$ -	\$ 948	\$ 207
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	17,385	3,705,802	3,900	8,817	-	3,068,141
Total receipts	17,385	3,705,802	3,900	8,817	-	3,068,141
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	3,829,538	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	17,718	-	11,462	8,817	947	3,068,117
Total disbursements	17,718	3,829,538	11,462	8,817	947	3,068,117
Excess (deficiency) of receipts over disbursements	(333)	(123,736)	(7,562)	-	(947)	24
Cash and investments - ending	\$ 1,556	\$ 493,115	\$ 12,939	\$ -	\$ 1	\$ 231

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	ESCROW PERPET.BLDG. IMP.FD	GRANT L.C.DRUNK DRIV.TASK	HOMESTEAD RESTOR. DON.	CASH STORMWATER O&M	CASH STORMWATER DEBT SER	CASH WASTEWATER O&M FUND
Cash and investments - beginning	\$ 114,620	\$ 186	\$ 100	\$ 727,482	\$ -	\$ 600,001
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	875,202	-	5,681,530
Penalties	-	-	-	13,645	-	82,183
Other receipts	263,594	-	-	201	240,520	639,526
Total receipts	263,594	-	-	889,048	240,520	6,403,239
Disbursements:						
Personal services	-	-	-	312,144	-	1,489,825
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	35,991	-	103,112
Debt service - principal and interest	-	-	-	-	240,520	-
Capital outlay	-	-	-	350,127	-	244,394
Utility operating expenses	-	-	-	118,867	-	1,862,639
Other disbursements	291,989	-	-	361,246	-	2,703,270
Total disbursements	291,989	-	-	1,178,375	240,520	6,403,240
Excess (deficiency) of receipts over disbursements	(28,395)	-	-	(289,327)	-	(1)
Cash and investments - ending	\$ 86,225	\$ 186	\$ 100	\$ 438,155	\$ -	\$ 600,000

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	CASH WW IMPROVEMT OTHER	WASTEWATER SRF 2011 TRUST	WASTEWATER SRF 2013 TRUST	CASH WW IMPROVE REPLACE	CASH WW UTIL CONSTR ACCT	CASH ON HAND-WW PETTY
Cash and investments - beginning	\$ 2,985,009	\$ 354,788	\$ -	\$ 352	\$ 85,333	\$ 800
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,004,608	-	450,360	-	546,769	-
Total receipts	1,004,608	-	450,360	-	546,769	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	450,360	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	1,084,667	354,788	-	-	546,769	-
Total disbursements	1,084,667	354,788	450,360	-	546,769	-
Excess (deficiency) of receipts over disbursements	(80,059)	(354,788)	-	-	-	-
Cash and investments - ending	\$ 2,904,950	\$ -	\$ -	\$ 352	\$ 85,333	\$ 800

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	CASH WW B&I SINKING FUND	CASH WW DEBT SERV RES	CASH WATER O&M FUND	CASH WATER HYDRANT DEP	CASH WTR DEPR/IMPR FUND	CASH WW UTL CONSTR ACCT
Cash and investments - beginning	\$ 15,091	\$ 1,364,403	\$ 726,000	\$ 6,750	\$ 9,616,287	\$ 5,776
Receipts:						
Taxes	-	-	427,971	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	7,266,597	-	-	-
Penalties	-	-	39,268	-	-	-
Other receipts	1,411,832	36,642	3,158,024	1,750	6,802,514	-
Total receipts	1,411,832	36,642	10,891,860	1,750	6,802,514	-
Disbursements:						
Personal services	-	-	1,432,130	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	104,620	-	-	-
Debt service - principal and interest	1,412,588	-	-	-	-	-
Capital outlay	-	-	205,711	-	-	-
Utility operating expenses	-	-	3,674,806	-	-	-
Other disbursements	-	594,310	5,250,593	500	6,329,085	-
Total disbursements	1,412,588	594,310	10,667,860	500	6,329,085	-
Excess (deficiency) of receipts over disbursements	(756)	(557,668)	224,000	1,250	473,429	-
Cash and investments - ending	\$ 14,335	\$ 806,735	\$ 950,000	\$ 8,000	\$ 10,089,716	\$ 5,776

CITY OF CROWN POINT
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	CASH ON HAND-WATER PETTY	CASH WATER B&I SINKING	CASH WATER DEBT SERV RES	CASH WTR NEW CONS DEP	CASH 2007 WTR CONST FUND	Totals
Cash and investments - beginning	\$ 600	\$ 288,032	\$ 701,554	\$ 16,780	\$ 67	\$ 29,954,988
Receipts:						
Taxes	-	-	-	-	-	12,878,005
Licenses and permits	-	-	-	-	-	999,190
Intergovernmental receipts	-	-	-	-	-	4,891,473
Charges for services	-	-	-	-	-	3,621,160
Fines and forfeits	-	-	-	-	-	103,059
Utility fees	-	-	-	-	-	13,823,329
Penalties	-	-	-	-	-	135,096
Other receipts	-	694,814	-	800	2,799,667	36,160,659
Total receipts	-	694,814	-	800	2,799,667	72,611,971
Disbursements:						
Personal services	-	-	-	-	-	12,484,873
Supplies	-	-	-	-	-	900,214
Other services and charges	-	-	-	-	-	14,730,975
Debt service - principal and interest	-	690,011	-	-	-	2,668,369
Capital outlay	-	-	-	-	1,716,177	4,397,357
Utility operating expenses	-	-	-	-	87,240	5,743,552
Other disbursements	-	-	72,973	1,216	1,100	32,005,167
Total disbursements	-	690,011	72,973	1,216	1,804,517	72,930,507
Excess (deficiency) of receipts over disbursements	-	4,803	(72,973)	(416)	995,150	(318,536)
Cash and investments - ending	\$ 600	\$ 292,835	\$ 628,581	\$ 16,364	\$ 995,217	\$ 29,636,452

CITY OF CROWN POINT
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Storm Water	\$ 4,072	\$ 98,486
Wastewater	46,952	493,441
Water	34,836	632,423
Governmental activities	<u>721,721</u>	<u>1,041,564</u>
Totals	<u>\$ 807,581</u>	<u>\$ 2,265,914</u>

CITY OF CROWN POINT
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities: Fifth Third Bank	911 Lease - Equipment	<u>\$ 17,746</u>	12/01/2008	06/01/2015

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2010 G.O Bond-Building and Land Improvements	\$ 1,240,000	\$ 255,935
General obligation bonds	2008 Gen Obligation Bond-Road Improvements	1,200,000	174,536
Revenue bonds	2007 TIF Redevelopment Bond-Property Purchase	2,370,000	320,570
Revenue bonds	2013 Redevelopment Bond Anticipation Note	4,500,000	4,556,406
Revenue bonds	2014 Redevelopment Bond-Mainstreet Project	<u>1,670,000</u>	<u>-</u>
Total governmental activities		<u>10,980,000</u>	<u>5,307,447</u>
Storm Water:			
Revenue bonds	2010 Sewage Works Revenue Bond-Sewage & Stormwater Improvements	<u>2,895,000</u>	<u>237,660</u>
Wastewater:			
Revenue bonds	2006 Sewage Works Revenue Bond-Sewage Constr and Improvements	2,645,000	265,800
Lines of credit	2013 SRF Loan/Line of Credit-Wastewater & Stormwater Improvements	1,430,000	87,452
Lines of credit	2011 SRF Loan/Line of Credit-Wastewater & Stormwater Improvements	<u>1,650,000</u>	<u>131,810</u>
Total Wastewater		<u>5,725,000</u>	<u>485,062</u>
Water:			
Revenue bonds	2007 Waterworks Revenue Bond-Refund 1998 Bond	1,800,000	492,800
Revenue bonds	2012 Waterworks Refunding Revenue Bonds of 2012	1,637,000	205,271
Revenue bonds	2014 Waterworks Revenue Bond	<u>2,750,000</u>	<u>216,576</u>
Total Water		<u>6,187,000</u>	<u>914,647</u>
Totals		<u>\$ 25,787,000</u>	<u>\$ 6,944,816</u>

CITY OF CROWN POINT
SCHEDULE OF CAPITAL ASSETS
December 31, 2014

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	\$ 4,642,229
Infrastructure	24,385,420
Buildings	4,948,162
Improvements other than buildings	8,558,521
Machinery, equipment, and vehicles	<u>11,329,932</u>
Total governmental activities	<u>53,864,264</u>
Storm Water:	
Infrastructure	16,628
Machinery, equipment, and vehicles	<u>6,000</u>
Total Storm Water	<u>22,628</u>
Wastewater:	
Land	6,671,742
Infrastructure	31,936,114
Buildings	70,568
Improvements other than buildings	1,179,696
Machinery, equipment, and vehicles	3,492,901
Construction in progress	<u>281,000</u>
Total Wastewater	<u>43,632,021</u>
Water:	
Land	237,959
Infrastructure	18,508,882
Buildings	4,377,551
Machinery, equipment, and vehicles	1,791,433
Construction in progress	<u>5,633</u>
Total Water	<u>24,921,458</u>
Total capital assets	<u>\$ 122,440,371</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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

TO: THE OFFICIALS OF THE CITY OF CROWN POINT, LAKE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of Crown Point'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, 2014. 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, 2014.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with OMB Circular A-133 and which are described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002 and 2014-003. Our opinion on each major federal program is not modified with respect to these matters.

The City's response to the noncompliance 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 compliance and, accordingly, we express no opinion on the response.

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.

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

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as items 2014-002, 2014-003, and 2014-004 to be material weaknesses.

The City's response to the internal control over compliance 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 compliance and, accordingly, we express no opinion on the response.

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

July 7, 2016

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

CITY OF CROWN POINT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

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	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Justice</u>					
Equitable Sharing Program	Direct Grant				
Federal Seizure Police		16.922	DUNS NO. 039340096	\$ -	\$ 22,882
Total - Department of Justice				-	22,882
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205			
Summit & Merr Rd Intersection Modernization			DES 1173708	-	74,596
Congestion Mitigation And Air Quality (CMAQ) E-85 Fuel			DES 1297254	-	43,749
Total - Highway Planning and Construction Cluster				-	118,345
Total - Department of Transportation				-	118,345
<u>Environmental Protection Agency</u>					
Clean Water State Revolving Fund Cluster					
Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority	66.458			
SRF Loans			WW091144502	-	121,742
SRF Loans			WW12451603	-	153,418
Total - Clean Water State Revolving Fund Cluster				-	275,160
Total - Environmental Protection Agency				-	275,160
<u>Executive Office of the President</u>					
High Intensity Drug Trafficking Areas Program	Direct Grant	95.001			
HIDTA			G12LC0003A	-	117,049
HIDTA			G13LC0003A	-	2,058,097
HIDTA			G14LC0003A	-	742,708
Total - Executive Office of the President				-	2,917,854
<u>Department of Homeland Security</u>					
Assistance to Firefighters Grant	Direct Grant	97.044			
Firefighter Grant			2014-M3-C111-P4310000-4101-D	-	381,623
Total - Department of Homeland Security				-	381,623
Total federal awards expended				\$ -	\$ 3,715,864

The accompanying notes are an integral part of the Schedule of Expenditures of Federal Awards.

CITY OF CROWN POINT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the City, it is not intended to and does not present the financial position of the City.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-133, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

CITY OF CROWN POINT
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?	no

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	yes
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?	yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
95.001	High Intensity Drug Trafficking Areas Program
97.044	Assistance to Firefighters Grant

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 2014-001 - FINANCIAL TRANSACTIONS AND REPORTING

Condition

There were several deficiencies in the internal control system of the City related to financial transactions and reporting.

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

1. Lack of Segregation of Duties: The City had not separated incompatible activities related to recording receipts in the accounting system. One individual recorded the receipts in the accounting system. Controls had not been implemented to verify the accuracy and allocation of the receipts recorded. The failure to establish these controls could have enabled material misstatements or irregularities to remain undetected. Control activities should be in place to reduce the risks of errors in financial reporting.
2. Vendor Disbursements: The Accounts Payable Vouchers (APV's) were entered into the computerized appropriation ledger and recorded in the appropriate fund. The Clerk-Treasurer's Office had a process to verify that the APV's were recorded properly; however, they failed to retain the documentation of that process.
3. Payroll: The Clerk-Treasurer's Office had a process to verify that payroll information was correctly entered in the ledger and properly allocated to the correct fund and department. However, they failed to retain the documentation of that process.
4. Monitoring of Controls: An evaluation of the City's system of internal control had not been conducted. The failure to monitor the internal control system placed the City at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls will prevent, or detect and correct, material misstatements in a timely manner. Additionally, the City had no process to identify or communicate corrective actions to improve controls. Effective internal controls, over financial reporting, require the City to monitor and assess the quality of the system of internal control.

Criteria

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)

Cause

Management of the City had not established a proper system of internal control.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected. The failure to monitor the internal control system placed the City at risk that controls may not be either designed properly or operating effectively to provide reasonable assurance that controls could have prevented, or detected and corrected, material misstatements in a timely manner.

Control activities should be in place to reduce the risks of errors in financial reporting.

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Section III - Federal Award Findings and Questioned Costs

FINDING 2014-002 - CASH MANAGEMENT

Federal Agency: Department of Homeland Security
Federal Program: Assistance to Firefighters Grant
CFDA Number: 97.044
Federal Award Number and Years (or Other Identifying Number): FY 2013

Condition

An effective internal control system, which would have included segregation of duties, was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Cash Management compliance requirement.

The City received grant funds in advance; but had no controls in place to ensure compliance with Cash Management requirements. One person prepared and submitted the request for funds. The City did not comply with the Cash Management requirements of the program; they did not minimize the time elapsing between the transfer of funds and disbursement of funds.

Context

There was only one expenditure of grant funds during the audit period. The City received the advance grant payment on August 29, 2014, but did not disburse the funds until November 3. Thus, the advance was received before an immediate need arose.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

The City accepted and agreed to abide by the Agreement Articles. Article I - Administrative Requirements states in part:

"The administrative requirements that apply to most DHS award recipients through a grant or cooperative agreement arise from two sources: - Office of Management and Budget (OMB) Circular A-102, Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments (also known as the 'A-102 Common rule'), found under FEMA regulations at Title 44, Code of Federal Regulations (CFR) Part 13, 'Uniform Administrative Requirements for Grants and Cooperative Agreements to State and Local Governments.' . . ."

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

44 CFR 13.21 Payment states in part:

". . . (b) *Basic standard.* Methods and procedures for payment shall minimize the time elapsing between the transfer of funds and disbursement by the grantee or subgrantee, in accordance with Treasury regulations at 31 CFR part 205.

(c) *Advances.* Grantees and subgrantees shall be paid in advance, provided they maintain or demonstrate the willingness and ability to maintain procedures to minimize the time elapsing between the transfer of the funds and their disbursement by the grantee or subgrantee. . . ."

Per the Grant Approval Letter: "Remember, you should request funds when you have an immediate cash need."

Cause

Management did not develop a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system enabled material noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls to ensure compliance and comply with the Cash Management requirements of the program.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-003 - PROCUREMENT AND SUSPENSION AND DEBARMENT

Federal Agency: Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award Number and Year (or Other Identifying Number): FY 2013

Condition

An effective internal control system was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Procurement and Suspension and Debarment compliance requirement.

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

The City used a vendor and contract amount which was approved for another governmental entity in accordance with Indiana Code 36-1-7-12(c). However, the City did not establish effective controls to ensure that the other governmental entity's referenced written contract complied with state purchasing laws.

The City did not have policies in place to comply with Suspension and Debarment requirements. They did not verify that the vendor used was not suspended or debarred from participation in federal programs.

Context

There was only one \$409,205 expenditure of grant funds during the audit period. This purchase required the City to verify that the vendor was not suspended or debarred from participation in federal programs; they did not.

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

2 CFR 180.300 states:

"When you enter into a covered transaction with another person at the next lower tier, you must verify that the person with whom you intend to do business is not excluded or disqualified. You do this by:

- (a) Checking SAM Exclusions; or
- (b) Collecting a certification from that person; or
- (c) Adding a clause or condition to the covered transaction with that person."

Cause

Management had not developed a system of internal controls that segregated key functions or ensured compliance with the Procurement and Suspension and Debarment requirements.

Effect

The failure to establish an effective internal control system enabled material noncompliance with the grant agreement and the compliance requirement. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirement and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Recommendation

We recommended that the City's management establish controls to ensure compliance and comply with the Procurement and Suspension and Debarment requirements of the program.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

FINDING 2014-004 - ASSISTANCE TO FIREFIGHTERS GRANT

Federal Agency: Department of Homeland Security

Federal Program: Assistance to Firefighters Grant

CFDA Number: 97.044

Federal Award Number and Year (or Other Identifying Number): FY 2013

Condition

An effective internal control system, which would have included segregation of duties, was not in place at the City in order to ensure compliance with requirements related to the grant agreement and the Matching, Level of Effort - Maintenance of Effort, Period of Availability, and Reporting compliance requirements.

Matching

The City did not have effective controls to ensure compliance with the 10 percent Matching requirement of the program.

Level of Effort - Maintenance of Effort

Although the City met the Maintenance of Effort requirements, they did not have controls in place to ensure that the requirements were always met nor were they aware of the possibility of filing a waiver of the requirements.

Period of Availability

The City did not have effective controls in place to ensure that the disbursement of program funds was within the period of availability.

Reporting

The City did not have effective controls in place to ensure that the required reports were submitted or that they were accurate.

Context

The issues noted were systemic problems during the whole grant period. We tested everything at 100 percent for the Assistance to Firefighters Grant.

CITY OF CROWN POINT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Criteria

OMB Circular A-133, Subpart C, section .300 states in part:

"The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs. . . ."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish an effective internal control system placed the City at risk of noncompliance with the grant agreement and the compliance requirements. A lack of segregation of duties within an internal control system could have also allowed noncompliance with the compliance requirements and allowed the misuse and mismanagement of federal funds and assets by not having proper oversight, reviews, and approvals over the activities of the program.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the City's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

Views of Responsible Officials

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

Auditor's Response

The Corrective Action Plan includes language about noncompliance which is inconsistent with the finding.

AUDITEE-PREPARED DOCUMENT

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



CITY OF CROWN POINT

CLERK-TREASURER

Kristie L. Dressel
Clerk-Treasurer

CORRECTIVE ACTION PLAN

FINDING 2014-001 (Auditor Assigned Reference Number)

Contact Person Responsible for Corrective Action: Kristie L. Dressel, Clerk-Treasurer
Contact Phone Number: 219-662-3235 ext. 401

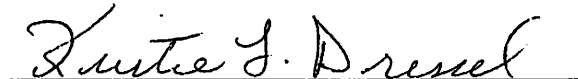
Views of Responsible Official "We concur with the finding"

Description of Corrective Action Plan:

Lack of segregation of duties recovered.

1. Correction Plan – Dual control have been put into place. Example: Daily Receipts – Billing Department provide a Daily Summary sheet showing the receipt activities. It's then provided to the Bookkeeping Department. They enter the receipt amounts into the Journals. That person is verifying while entering. Afterwards another Bookkeeper reviews.
2. Vendor Disbursements – (Retainage) of the balancing documentation has been put in place.
3. Payroll – We will retain these documents with two reviewing and both initialing for Internal Controls.
4. Future monitoring of Internal Controls – Monthly checklist is soon to be created to monitor and verify all Internal Controls are in place by each employee and department.
In regards to payroll, accounts payable and revenue will be monitored on a monthly basis to properly identify allocations are correct.

Anticipated Completion Date: November 1, 2016


Signature

Clerk-Treasurer
Title

July 6, 2016

www.crownpoint.in.gov

Main Floor • 101 N. East Street • Crown Point, IN 46307

Office (219) 662-3235

Fax (219) 662-3378



CITY OF CROWN POINT

David D.F. Uran
Mayor

OFFICE OF THE MAYOR

Greg Falkowski
Chief of Staff

CORRECTIVE ACTION PLAN

Findings – 2014-001

Contact Person Responsible for Corrective Action: **Mayor David Uran**
Contact Phone Number: **(219) 662-3240**


Views of Responsible Official: **Acknowledged**

Description of Corrective Action Plan: **The City of Crown Point has already adopted and has begun implementation of State initiated Internal Controls. Furthermore, the City of Crown Point has begun a progressive effort to implement next generation financial software; a solution that would strengthen the City's transparency and offer an increase in security, monitoring and accountability.**

Anticipated Completion Date: 1st Quarter 2017


(Signature)


(Title)


(Date)

www.crownpoint.in.gov

101 N East Street • Crown Point, IN 46307



CITY OF CROWN POINT

David D.F. Uran
Mayor

FIRE RESCUE

Gregory A. De Lor
Fire Chief

Gerard Abraham
Assistant Fire Chief

CORRECTIVE ACTION PLAN

Findings – 2014-002 Cash Management

Contact Person Responsible for Corrective Action: **Greg Delor**

Contact Phone Number: **(219) 662-3248**

Views of Responsible Official: **Acknowledged**


Description of Corrective Action Plan: **All future Federal Grants will segregate duties to include provisions for proper oversight, reviews, and approvals.**

Request for funds will be reviewed and initiated by a Chief Officer that was not part of the grant application committee. All funding requests will be reviewed by the Clerk Treasurer for compliance with grant guidelines.

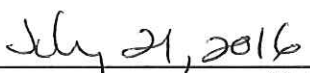
We will work with the Mayor and the City Council to develop a more expedient method of paying claims when dealing with Federal Grants.

Current internal controls and procedures require that funds are in place prior to the issuance of a Purchase Order. The products and/or services cannot be ordered without a purchase order signed by the Department Head, the Clerk Treasurer, and the Mayor for purchases exceeding \$1,000. Invoices for products and/or services cannot be paid to the vendor until all items are received and the claim is reviewed by the City Council and approved at the City Council Meeting on the 1st Monday of the month.

These reviews and safeguards are the cause of the cited condition. The advance grant payment was made on August 29, 2014. A purchase order was written and approved by the Mayor and the Clerk Treasurer upon funding. The merchandise and invoice was received on October 10, 2014. The claim was processed and reviewed by the City Council on November 3, 2014 with immediate payment.


(Signature)


(Title)


(Date)



CITY OF CROWN POINT

David D.F. Uran
Mayor

FIRE RESCUE

Gregory A. De Lor
Fire Chief

Gerard Abraham
Assistant Fire Chief

CORRECTIVE ACTION PLAN

Findings – 2014-003 Procurement, Suspension and Disbarment

Contact Person Responsible for Corrective Action: **Greg Delor**


Contact Phone Number: **(219) 662-3248**


Views of Responsible Official: **Acknowledged**

Description of Corrective Action Plan: **The City used the vendor and contract amount that was approved by the Lake County Commissioners in accordance with Indiana Code 36-1-7-12(c). The approved vendor, Motorola Solutions, Inc. is an approved Federal vendor, however, we did not independently verify their status.**

All vendors awarded future bid approvals generated by the City of Crown Point or any Inter-Governmental Agency will be verified as in compliance by the City of Crown Point Legal Department prior to bid award.

Anticipated Completion Date: Immediately


(Signature)


(Title)


(Date)



CITY OF CROWN POINT

David D.F. Uran
Mayor

FIRE RESCUE

Gregory A. De Lor
Fire Chief

Gerard Abraham
Assistant Fire Chief

CORRECTIVE ACTION PLAN

Findings – 2014-004

Contact Person Responsible for Corrective Action: **Greg Delor**

Contact Phone Number: **(219) 662-3248**


Views of Responsible Official: **Acknowledged / Disagree**

Description of Corrective Action Plan: **All future Federal Grants will segregate duties to include provisions for proper oversight, reviews, and approvals.**

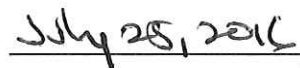
Request for funds will be reviewed and initiated by a Chief Officer that was not part of the grant application committee. All funding requests will be reviewed by the Clerk Treasurer for compliance with grant guidelines.

In addition to, the City is in disagreement with the subsection of the finding pertaining to Maintenance of Effort. Per Section 797(b) of the Public Health Service Act, the Maintenance of Effort ("MOE") provision requires federal grant recipients "to maintain non-federal funding for activities described in their application at a level which is not less than expenditures for such activities during the fiscal year prior to receiving the grant or cooperative agreement." In most cases, federal grantees are required to maintain at least 90 percent of their current non-federal funds during the grant period.

The City has maintained an amount exceeding 90 percent of the current non-federal funds during the grant period. Thusly, we are already in compliance with Section 797(b).


(Signature)


(Title)


(Date)

OTHER REPORTS

In addition to this report, other reports may have been issued for the City. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.