

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF VINCENNES
KNOX COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
03/13/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	David L. Culp Sharon K. Meek	01-01-12 to 12-31-15 01-01-16 to 12-31-19
Mayor	Joe Yochum	01-01-12 to 12-31-19
President of the Board of Public Works and Safety	Joe Yochum	01-01-12 to 12-31-19
President Pro Tempore of the Common Council	Duane Chattin Shirley S. Rose Scott Brown	01-01-14 to 12-31-15 01-01-16 to 12-31-16 01-01-17 to 12-31-17
Vincennes Water General Manager	L. Kirk Bouchie	01-01-14 to 12-31-17



STATE OF INDIANA

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INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statement

We have audited the accompanying financial statement of the City of Vincennes (City), which comprises the financial position and results of operations for the year ended December 31, 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 January 25, 2017, 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

January 25, 2017



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the City of Vincennes (City), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated January 25, 2017, 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 a material weakness.

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

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)

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*.


We noted certain matters that we reported to management in a separate letter dated January 25, 2017.

City of Vincennes's Response to Finding

The City's response to the finding 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

January 25, 2017

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
PAY- VSP-VISION	\$ -	\$ 2,426	\$ 2,426	\$ -
GENERAL FUND	1,029,500	6,657,313	6,560,532	1,126,281
MOTOR VEHICLE HIGHWAY	630,461	656,976	591,411	696,026
LOCAL ROAD & STREET	76,338	97,772	17,318	156,792
PARK NONREVERTING	5,292	38,036	33,175	10,153
UNSAFE BUILDING NONREVERT	8,167	-	2,677	5,490
PARK & RECREATION	96,617	285,042	265,685	115,974
FIRE HAZMAT REIMBURSEMENT	12,095	6,329	8,741	9,683
RAINY DAY	2,895,958	55,004	-	2,950,962
CO ECON DEV INCOME TAX	1,438,013	877,189	998,385	1,316,817
LEVY EXCESS FUND	19,772	-	-	19,772
FIRE DEPARTMENT	341,195	1,922,254	2,264,134	(685)
CUM CAP IMP- CIG TAX	230,711	48,731	-	279,442
CUM CAP DEVELOPMENT	365,514	161,836	200,000	327,350
PARK BOND POOL (PROCEEDS)	1,823,530	308,051	2,059,846	71,735
TIF	1,247,011	1,726,371	1,146,868	1,826,514
FIRE DEBT	84,187	239,127	210,985	112,329
POLICE PENSION	51,602	221,304	245,017	27,889
FIRE PENSION	238,678	532,949	579,802	191,825
WEED ORD 13-94	52,416	17,899	5,571	64,744
RIVERBOAT	495,900	109,136	105,021	500,015
CHICAGO PARK IDNR	39,718	-	39,000	718
NEIGHBORHOOD FACILITIES	11,414	-	-	11,414
RENTAL HOUSING	71,970	49,600	56,646	64,924
DONATION MAYOR CASH FUND	5,179	-	-	5,179
FIRE NR DONATIONS	60,771	10,474	28,821	42,424
CITY COUNCIL DONATION	1,447	-	-	1,447
RR RELOCATION GRANT	186,217	-	-	186,217
RESTRICTED PARK DONATIONS	10,878	19,320	21,899	8,299
DONATIONS TREE BOARD CASH	3,090	-	1,272	1,818
PROMOTION OF CITY DONATION	86,285	1,084	86,500	869
PET PORT DONATIONS	8,907	35,016	22,673	21,250
SOLID WASTE GRANT RECYCLE	18,347	-	-	18,347
REVOLVING LOAN	137,925	24,460	-	162,385
LOCAL LAW ENF CONT ED	13,208	78,444	65,739	25,913
INTEREST REVOLVING LOAN	149,861	28,111	-	177,972
RIVERFRONT PAVILION FUND	4,645	1,200	450	5,395
POLICE DEPT DONATION FUND	11,138	2,095	6,394	6,839
POLICE DEPT DRUG INVESTIG	7,872	3,000	2,001	8,871
POLICE ALARM SYSTEM	4,173	550	1,596	3,127
YOUTH EXP SUMMER (YES)	5,188	-	-	5,188
DARE	2,812	4,000	4,618	2,194
POLICE BREATH TEST INSTR	861	-	-	861
NON-REVERTING POLICE DEPT	931	-	616	315
FED FORFEITURE & SEIZURE	32,872	44,164	22,219	54,817
K-9 DONATIONS	574	-	-	574
ARSON INVESTIGATIONS	1,500	-	-	1,500
CAGIT	121,210	-	121,210	-
HERITAGE TRAIL GRANT	23,248	-	-	23,248
CAPITAL IMPROVEMENT BOND	1,542	-	-	1,542
DEBT SER REDEV BOND- TIF	288,494	-	-	288,494
LEVEE FUND	5,013	-	-	5,013
RIVER RD WASTEWATER 5/12	-	208,141	208,141	-
CAP FUND LAWN EQMT PARK	2,183	-	-	2,183
URBAN ENTERPRISE ZONE	771	9,660	10,433	(2)
HOUSING REHAB GRANT/ SIDC 2/14	-	333,023	332,392	631
LEVEE DRAINAGE GRANT/ SIDC 6/14	-	355,812	355,812	-
SEWAGE WKS BAN \$1M 8.30.13	116,300	1,032,672	1,148,972	-
RECYCLE FUND	305,693	316,786	243,559	378,920
CASH CHANGE FOR DEPTS	400	-	-	400
CEMETERY- CHARLES FREE ESTATE	-	49,832	10,933	38,899
WILLIAM H VOLLMER TRUST	3,405	-	-	3,405
CEMETERY DONATIONS	183	-	-	183
MEMORIAL PARK EARNINGS	142,121	1,560	2,923	140,758

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

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

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
MAUSOLEUM	123,035	24,798	32,492	115,341
MAUSOLEUM EARNINGS	207,386	34,298	3,034	238,650
PERP CARE FOR J CANNON	42,537	103	394	42,246
CEM PERP CARE	540,000	-	-	540,000
TRUST FOR GEO MISCHLER	136	-	-	136
JOSEPH SUTHERLAND ESTATE	7,025	13	66	6,972
CEMETERY RD REPAIR & IMP	93,186	7,400	-	100,586
CEM PERP SAVINGS	17,831	17,264	-	35,095
MAUSOLEUM P/C SAVINGS	8,126	2,497	-	10,623
PAY- NET SALARIES	-	4,223,293	4,223,293	-
PAY- FEDERAL WITHHOLDING	-	624,085	624,085	-
PAY- FICA	-	199,934	199,934	-
PAY- MEDICARE	-	127,619	127,619	-
PAY- STATE WITHHOLDING	-	192,102	193,051	(949)
PAY- COUNTY WITHHOLDING	-	60,109	60,109	-
PAY- PERF WITHHOLDING	-	60,253	60,253	-
PAY- POLICE PENSION W/H	-	40,970	40,970	-
HARTBELL LLC	-	390	390	-
KNOX CO. PROBATION DEPARTMENT	-	65	65	-
PAY- FIRE PENSION W/H	-	43,663	43,663	-
PAY- IN FIREFIGHTERS PAC	-	552	552	-
PAY- UNION DUES	-	8,400	8,400	-
457/ RETIREMENT	-	10,080	10,080	-
PAY- FIREMEN'S INSURANCE	685	4,123	4,123	685
PAY- UNITED FUND	-	2,308	2,308	-
PAY- WASHINGTON NATIONAL	-	1,571	1,571	-
PAY- DENTAL HEALTH	-	39,127	39,127	-
PAY- RELIASTAR	-	1,677	1,677	-
PAY- YMCA	-	4,896	4,896	-
PAY- AFLAC	-	10,103	10,103	-
PAY- DONALD L DECKER D ROB	-	2,000	2,000	-
PAY- AMER UNITED LIFE INS	-	2,354	2,354	-
PAY- DONALD L DECKER K MO	-	18,600	18,600	-
PAY- PRE-PAID LEGAL SVC	-	550	550	-
PAY- BOSTON MUTUAL LIFE	-	5,384	5,384	-
PAY- FIRE PAC	-	436	436	-
PAY- WESTERN SOUTHERN	-	15,380	15,380	-
PAY- CINCINNATI LIFE INS	-	5,809	5,809	-
PAY- PENSION UNION DUES	-	1,080	1,080	-
PAY- CHILD SUPPORT	-	37,517	37,517	-
PAY- KNOX CO SUP CRT II	-	1,010	1,010	-
PAY- ANTHEM	14,296	170,956	185,252	-
PAY- HSA	-	50	50	-
DONALD L DECKER	-	6,000	6,000	-
AMERICAN FIDELITY	-	54,492	54,492	-
PAY- ANNUAL SUPPORT FEE	-	275	275	-
PAY- GARNISHMENT JB	-	900	863	37
US TREASURY- CHRISTIE	-	149	149	-
GARNISHMENT- T. SNIDER	-	108	108	-
SEWAGE UTILITY OPERATING	118,661	2,744,661	2,778,451	84,871
SEWAGE UTIL IMPROVEMENT	30,192	468,130	497,877	445
SEWAGE SRF 2002 BONDS	-	2,195,294	2,195,294	-
SEWAGE WORKS GROSS REVENUE	-	4,943,877	4,943,877	-
1998 SEWER SINKING FUND	-	189,117	189,117	-
WATER UTILITY OPERATING	195,971	2,644,133	2,783,862	56,242
WATER UTIL METER DEPOSIT	196,189	42,184	41,915	196,458
WATER UTIL IMPROVEMENT	22,392	45,121	66,562	951
WATER DEBT SVC RESERVE	308,000	669	607	308,062
WATER 2003 SRF LOANS PAY	-	333,546	307,759	25,787
WATER GROSS REVENUE	410	8,265,584	8,264,930	1,064
STORMWATER IMP FUND	52,208	668,020	624,454	95,774
Totals	\$ 15,009,569	\$ 45,177,828	\$ 46,816,682	\$ 13,370,715

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

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

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

C. Cash and Investments

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

D. Receipts

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

Taxes, which can include one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's 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 VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts, which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of 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.

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 can 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.

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.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. *Deposits and Investments*

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

State statutes authorize the City to invest in securities including, but not limited to, 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 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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

B. 1925 Police Officers' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

C. 1937 Firefighters' Pension Plan

Plan Description

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

Funding Policy

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

On Behalf Payments

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

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Plan Description

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

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

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

Indiana Public Retirement System
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. Cash Balance Deficits

The financial statement contains three funds with deficits in cash. This is a result of an error in one fund, and the payment of expenses in excess of receipts in two funds.

Note 8. Holding Corporation

The City has entered into a capital lease with the City of Vincennes Park and Recreation Building Corporation. The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related-party of the City. Lease payments during the year 2014 totaled \$207,000.

CITY OF VINCENNES
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. Subsequent Events

Subsequent to December 31, 2014, the City has issued the following bonds:

Bond Issue	Date of Issuance	Purpose	Amount
Sewage Works Refunding Revenue Bonds of 2015	06/03/15	Sewage Works Improvements	\$14,955,000
Water Works Revenue Bonds of 2016	06/28/16	Construction, acquisition, and improvement of the Water Utility	6,715,000
Sewage Works Revenue Bonds of 2016	06/28/16	Construction, acquisition, and improvement of the Sewage Works	5,275,000
General Obligation Bonds, Series 2016A	11/21/16	Police Department vehicles and equipment	1,600,000
General Obligation Bonds, Series 2016B	11/21/16	Fire Department vehicles and equipment	995,000

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 City's Annual Financial Report 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 VINCENNES
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014

	PAY- VSP-VISION	GENERAL FUND	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	PARK NONREVERTING	UNSAFE BUILDING NONREVERT	PARK & RECREATION
Cash and investments - beginning	\$ -	\$ 1,029,500	\$ 630,461	\$ 76,338	\$ 5,292	\$ 8,167	\$ 96,617
Receipts:							
Taxes	-	3,839,024	-	-	-	-	222,219
Licenses and permits	-	62,721	-	-	-	-	-
Intergovernmental receipts	-	1,992,178	647,695	69,670	-	-	26,420
Charges for services	-	225,146	-	-	38,036	-	36,034
Fines and forfeits	-	885	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,426	537,359	9,281	28,102	-	-	369
Total receipts	2,426	6,657,313	656,976	97,772	38,036	-	285,042
Disbursements:							
Personal services	-	4,719,466	366,460	-	7,272	-	154,285
Supplies	-	96,126	127,906	-	-	-	1,972
Other services and charges	-	1,478,265	97,045	17,318	25,903	2,677	109,428
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	106,464	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,426	160,211	-	-	-	-	-
Total disbursements	2,426	6,560,532	591,411	17,318	33,175	2,677	265,685
Excess (deficiency) of receipts over disbursements	-	96,781	65,565	80,454	4,861	(2,677)	19,357
Cash and investments - ending	\$ -	\$ 1,126,281	\$ 696,026	\$ 156,792	\$ 10,153	\$ 5,490	\$ 115,974

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

	FIRE HAZMAT REIMBURSEMENT	RAINY DAY	CO ECON DEV INCOME TAX	LEVY EXCESS FUND	FIRE DEPARTMENT	CUM CAP IMP- CIG TAX	CUM CAP DEVELOPMENT
Cash and investments - beginning	\$ 12,095	\$ 2,895,958	\$ 1,438,013	\$ 19,772	\$ 341,195	\$ 230,711	\$ 365,514
Receipts:							
Taxes	-	-	-	-	1,533,648	-	144,636
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	732,964	-	198,606	48,731	17,200
Charges for services	6,329	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	55,004	144,225	-	190,000	-	-
Total receipts	6,329	55,004	877,189	-	1,922,254	48,731	161,836
Disbursements:							
Personal services	-	-	-	-	2,065,036	-	-
Supplies	-	-	-	-	30,988	-	-
Other services and charges	-	-	-	-	156,629	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	11,481	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	8,741	-	998,385	-	-	-	200,000
Total disbursements	8,741	-	998,385	-	2,264,134	-	200,000
Excess (deficiency) of receipts over disbursements	(2,412)	55,004	(121,196)	-	(341,880)	48,731	(38,164)
Cash and investments - ending	\$ 9,683	\$ 2,950,962	\$ 1,316,817	\$ 19,772	\$ (685)	\$ 279,442	\$ 327,350

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

	PARK BOND POOL (PROCEEDS)	TIF	FIRE DEBT	POLICE PENSION	FIRE PENSION	WEED ORD 13-94	RIVERBOAT
Cash and investments - beginning	\$ 1,823,530	\$ 1,247,011	\$ 84,187	\$ 51,602	\$ 238,678	\$ 52,416	\$ 495,900
Receipts:							
Taxes	257,097	1,726,371	219,283	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	17,359	-	19,844	-	-	-	109,136
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	17,899	-
Utility fees	-	-	-	-	-	-	-
Other receipts	33,595	-	-	221,304	532,949	-	-
Total receipts	308,051	1,726,371	239,127	221,304	532,949	17,899	109,136
Disbursements:							
Personal services	-	-	-	243,728	578,854	-	-
Supplies	-	-	-	-	338	-	-
Other services and charges	-	-	-	1,289	610	-	-
Debt service - principal and interest	207,000	-	-	-	-	-	-
Capital outlay	1,852,846	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	1,146,868	210,985	-	-	5,571	105,021
Total disbursements	2,059,846	1,146,868	210,985	245,017	579,802	5,571	105,021
Excess (deficiency) of receipts over disbursements	(1,751,795)	579,503	28,142	(23,713)	(46,853)	12,328	4,115
Cash and investments - ending	\$ 71,735	\$ 1,826,514	\$ 112,329	\$ 27,889	\$ 191,825	\$ 64,744	\$ 500,015

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

	CHICAGO PARK IDNR	NEIGHBORHOOD FACILITIES	RENTAL HOUSING	DONATION MAYOR CASH FUND	FIRE NR DONATIONS	CITY COUNCIL DONATION	RR RELOCATION GRANT
Cash and investments - beginning	\$ 39,718	\$ 11,414	\$ 71,970	\$ 5,179	\$ 60,771	\$ 1,447	\$ 186,217
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	49,600	-	10,474	-	-
Total receipts	-	-	49,600	-	10,474	-	-
Disbursements:							
Personal services	-	-	43,561	-	-	-	-
Supplies	-	-	5,694	-	-	-	-
Other services and charges	39,000	-	7,391	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	28,821	-	-
Total disbursements	39,000	-	56,646	-	28,821	-	-
Excess (deficiency) of receipts over disbursements	(39,000)	-	(7,046)	-	(18,347)	-	-
Cash and investments - ending	\$ 718	\$ 11,414	\$ 64,924	\$ 5,179	\$ 42,424	\$ 1,447	\$ 186,217

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

	RESTRICTED PARK DONATIONS	DONATIONS TREE BOARD CASH	PROMOTION OF CITY DONATION	PET PORT DONATIONS	SOLID WASTE GRANT RECYCLE	REVOLVING LOAN	LOCAL LAW ENF CONT ED
Cash and investments - beginning	\$ 10,878	\$ 3,090	\$ 86,285	\$ 8,907	\$ 18,347	\$ 137,925	\$ 13,208
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	6,197
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	19,320	-	1,084	35,016	-	24,460	72,247
Total receipts	19,320	-	1,084	35,016	-	24,460	78,444
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	21,899	1,272	86,500	22,673	-	-	65,739
Total disbursements	21,899	1,272	86,500	22,673	-	-	65,739
Excess (deficiency) of receipts over disbursements	(2,579)	(1,272)	(85,416)	12,343	-	24,460	12,705
Cash and investments - ending	\$ 8,299	\$ 1,818	\$ 869	\$ 21,250	\$ 18,347	\$ 162,385	\$ 25,913

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

	INTEREST REVOLVING LOAN	RIVERFRONT PAVILION FUND	POLICE DEPT DONATION FUND	POLICE DEPT DRUG INVESTIG	POLICE ALARM SYSTEM	YOUTH EXP SUMMER (YES)	DARE
Cash and investments - beginning	\$ 149,861	\$ 4,645	\$ 11,138	\$ 7,872	\$ 4,173	\$ 5,188	\$ 2,812
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	1,200	-	-	550	-	-
Fines and forfeits	-	-	-	3,000	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	28,111	-	2,095	-	-	-	4,000
Total receipts	28,111	1,200	2,095	3,000	550	-	4,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	450	6,394	2,001	1,596	-	4,618
Total disbursements	-	450	6,394	2,001	1,596	-	4,618
Excess (deficiency) of receipts over disbursements	28,111	750	(4,299)	999	(1,046)	-	(618)
Cash and investments - ending	\$ 177,972	\$ 5,395	\$ 6,839	\$ 8,871	\$ 3,127	\$ 5,188	\$ 2,194

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

	POLICE BREATH TEST INSTR	NON-REVERTING POLICE DEPT	FED FORFEITURE & SEIZURE	K-9 DONATIONS	ARSON INVESTIGATIONS	CAGIT	HERITAGE TRAIL GRANT
Cash and investments - beginning	\$ 861	\$ 931	\$ 32,872	\$ 574	\$ 1,500	\$ 121,210	\$ 23,248
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	44,164	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	44,164	-	-	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	616	22,219	-	-	121,210	-
Total disbursements	-	616	22,219	-	-	121,210	-
Excess (deficiency) of receipts over disbursements	-	(616)	21,945	-	-	(121,210)	-
Cash and investments - ending	\$ 861	\$ 315	\$ 54,817	\$ 574	\$ 1,500	\$ -	\$ 23,248

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

	CAPITAL IMPROVEMENT BOND	DEBT SER REDEV BOND- TIF	LEEVE FUND	RIVER RD WASTEWATER 5/12	CAP FUND LAWN EQMT PARK	URBAN ENTERPRISE ZONE	HOUSING REHAB GRANT/ SIDC 2/14
Cash and investments - beginning	\$ 1,542	\$ 288,494	\$ 5,013	\$ -	\$ 2,183	\$ 771	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	178,801	-	-	333,023
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	29,340	-	9,660	-
Total receipts	-	-	-	208,141	-	9,660	333,023
Disbursements:							
Personal services	-	-	-	-	-	10,433	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	208,141	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	332,392
Total disbursements	-	-	-	208,141	-	10,433	332,392
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(773)	631
Cash and investments - ending	\$ 1,542	\$ 288,494	\$ 5,013	\$ -	\$ 2,183	\$ (2)	\$ 631

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

	LEVEE DRAINAGE GRANT/ SIDC 6/14	SEWAGE WKS BAN \$1M 8.30.13	RECYCLE FUND	CASH CHANGE FOR DEPTS	CEMETERY- CHARLES FREE ESTATE	WILLIAM H VOLLMER TRUST	CEMETERY DONATIONS
Cash and investments - beginning	\$ -	\$ 116,300	\$ 305,693	\$ 400	\$ -	\$ 3,405	\$ 183
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	355,812	-	-	-	-	-	-
Charges for services	-	-	293,741	-	-	-	-
Fines and forfeits	-	-	23,045	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	1,032,672	-	-	49,832	-	-
Total receipts	355,812	1,032,672	316,786	-	49,832	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	1,000,000	-	-	-	-	-
Capital outlay	-	148,972	-	-	9,800	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	355,812	-	243,559	-	1,133	-	-
Total disbursements	355,812	1,148,972	243,559	-	10,933	-	-
Excess (deficiency) of receipts over disbursements	-	(116,300)	73,227	-	38,899	-	-
Cash and investments - ending	\$ -	\$ -	\$ 378,920	\$ 400	\$ 38,899	\$ 3,405	\$ 183

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

	MEMORIAL PARK EARNINGS	MAUSOLEUM	MAUSOLEUM EARNINGS	PERP CARE FOR J CANNON	CEM PERP CARE	TRUST FOR GEO MISCHLER	JOSEPH SUTHERLAND ESTATE
Cash and investments - beginning	\$ 142,121	\$ 123,035	\$ 207,386	\$ 42,537	\$ 540,000	\$ 136	\$ 7,025
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	24,625	33,790	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,560	173	508	103	-	-	13
Total receipts	1,560	24,798	34,298	103	-	-	13
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	2,923	32,492	3,034	394	-	-	66
Total disbursements	2,923	32,492	3,034	394	-	-	66
Excess (deficiency) of receipts over disbursements	(1,363)	(7,694)	31,264	(291)	-	-	(53)
Cash and investments - ending	\$ 140,758	\$ 115,341	\$ 238,650	\$ 42,246	\$ 540,000	\$ 136	\$ 6,972

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

	CEMETERY RD REPAIR & IMP	CEM PERP SAVINGS	MAUSOLEUM P/C SAVINGS	PAY- NET SALARIES	PAY- FEDERAL WITHHOLDING	PAY- FICA	PAY- MEDICARE
Cash and investments - beginning	\$ 93,186	\$ 17,831	\$ 8,126	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	7,400	17,264	2,497	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	4,223,293	624,085	199,934	127,619
Total receipts	7,400	17,264	2,497	4,223,293	624,085	199,934	127,619
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	4,223,293	624,085	199,934	127,619
Total disbursements	-	-	-	4,223,293	624,085	199,934	127,619
Excess (deficiency) of receipts over disbursements	7,400	17,264	2,497	-	-	-	-
Cash and investments - ending	\$ 100,586	\$ 35,095	\$ 10,623	\$ -	\$ -	\$ -	\$ -

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

	PAY- STATE WITHHOLDING	PAY- COUNTY WITHHOLDING	PAY- PERF WITHHOLDING	PAY- POLICE PENSION W/H	HARTBELL LLC	KNOX CO. PROBATION DEPARTMENT	PAY- FIRE PENSION W/H
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	192,102	60,109	60,253	40,970	390	65	43,663
Total receipts	192,102	60,109	60,253	40,970	390	65	43,663
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	193,051	60,109	60,253	40,970	390	65	43,663
Total disbursements	193,051	60,109	60,253	40,970	390	65	43,663
Excess (deficiency) of receipts over disbursements	(949)	-	-	-	-	-	-
Cash and investments - ending	\$ (949)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	PAY- IN FIREFIGHTERS PAC	PAY- UNION DUES	457/ RETIREMENT	PAY- FIREMEN'S INSURANCE	PAY- UNITED FUND	PAY- WASHINGTON NATIONAL	PAY- DENTAL HEALTH
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 685	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	552	8,400	10,080	4,123	2,308	1,571	39,127
Total receipts	552	8,400	10,080	4,123	2,308	1,571	39,127
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	552	8,400	10,080	4,123	2,308	1,571	39,127
Total disbursements	552	8,400	10,080	4,123	2,308	1,571	39,127
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 685	\$ -	\$ -	\$ -

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

	PAY- RELIASTAR	PAY- YMCA	PAY- AFLAC	PAY- DONALD L DECKER D ROB	PAY- AMER UNITED LIFE INS	PAY- DONALD L DECKER K MO	PAY- PRE-PAID LEGAL SVC
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,677	4,896	10,103	2,000	2,354	18,600	550
Total receipts	1,677	4,896	10,103	2,000	2,354	18,600	550
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,677	4,896	10,103	2,000	2,354	18,600	550
Total disbursements	1,677	4,896	10,103	2,000	2,354	18,600	550
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	PAY- BOSTON MUTUAL LIFE	PAY- FIRE PAC	PAY- WESTERN SOUTHERN	PAY- CINCINNATI LIFE INS	PAY- PENSION UNION DUES	PAY- CHILD SUPPORT	PAY- KNOX CO SUP CRT II
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,384	436	15,380	5,809	1,080	37,517	1,010
Total receipts	5,384	436	15,380	5,809	1,080	37,517	1,010
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	5,384	436	15,380	5,809	1,080	37,517	1,010
Total disbursements	5,384	436	15,380	5,809	1,080	37,517	1,010
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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

	PAY- ANTHEM	PAY- HSA	DONALD L DECKER	AMERICAN FIDELITY	PAY- ANNUAL SUPPORT FEE	PAY- GARNISHMENT JB	US TREASURY- CHRISTIE
Cash and investments - beginning	\$ 14,296	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	170,956	50	6,000	54,492	275	900	149
Total receipts	170,956	50	6,000	54,492	275	900	149
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	185,252	50	6,000	54,492	275	863	149
Total disbursements	185,252	50	6,000	54,492	275	863	149
Excess (deficiency) of receipts over disbursements	(14,296)	-	-	-	-	37	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 37	\$ -

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

	GARNISHMENT- T. SNIDER	SEWAGE UTILITY OPERATING	SEWAGE UTIL IMPROVEMENT	SEWAGE SRF 2002 BONDS	SEWAGE WORKS GROSS REVENUE	1998 SEWER SINKING FUND	WATER UTILITY OPERATING
Cash and investments - beginning	\$ -	\$ 118,661	\$ 30,192	\$ -	\$ -	\$ -	\$ 195,971
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	2,219,717	-	-	4,943,877	189,070	2,643,944
Other receipts	108	524,944	468,130	2,195,294	-	47	189
Total receipts	108	2,744,661	468,130	2,195,294	4,943,877	189,117	2,644,133
Disbursements:							
Personal services	-	540,925	-	-	-	-	808,901
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	6,199	-	-	-	-	-
Other disbursements	108	2,231,327	497,877	2,195,294	4,943,877	189,117	1,974,961
Total disbursements	108	2,778,451	497,877	2,195,294	4,943,877	189,117	2,783,862
Excess (deficiency) of receipts over disbursements	-	(33,790)	(29,747)	-	-	-	(139,729)
Cash and investments - ending	\$ -	\$ 84,871	\$ 445	\$ -	\$ -	\$ -	\$ 56,242

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

	WATER UTIL METER DEPOSIT	WATER UTIL IMPROVEMENT	WATER DEBT SVC RESERVE	WATER 2003 SRF LOANS PAY	WATER GROSS REVENUE	STORMWATER IMP FUND	Totals
Cash and investments - beginning	\$ 196,189	\$ 22,392	\$ 308,000	\$ -	\$ 410	\$ 52,208	\$ 15,009,569
Receipts:							
Taxes	-	-	-	-	-	-	7,942,278
Licenses and permits	-	-	-	-	-	-	68,918
Intergovernmental receipts	-	-	-	-	-	-	4,747,439
Charges for services	-	-	-	-	-	-	686,612
Fines and forfeits	-	-	-	-	-	-	88,993
Utility fees	41,756	44,507	-	333,431	8,265,582	667,727	19,349,611
Other receipts	428	614	669	115	2	293	12,293,977
Total receipts	42,184	45,121	669	333,546	8,265,584	668,020	45,177,828
Disbursements:							
Personal services	-	-	-	-	-	-	9,538,921
Supplies	-	-	-	-	-	-	263,024
Other services and charges	-	-	-	-	-	-	1,935,555
Debt service - principal and interest	-	-	-	-	-	-	1,207,000
Capital outlay	-	-	-	-	-	-	2,337,704
Utility operating expenses	-	-	-	-	-	-	6,199
Other disbursements	41,915	66,562	607	307,759	8,264,930	624,454	31,528,279
Total disbursements	41,915	66,562	607	307,759	8,264,930	624,454	46,816,682
Excess (deficiency) of receipts over disbursements	269	(21,441)	62	25,787	654	43,566	(1,638,854)
Cash and investments - ending	\$ 196,458	\$ 951	\$ 308,062	\$ 25,787	\$ 1,064	\$ 95,774	\$ 13,370,715

CITY OF VINCENNES
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 57,687	\$ 409,758
Water	53,903	190,161
Storm Water	<u>-</u>	<u>107,640</u>
Totals	<u>\$ 111,590</u>	<u>\$ 707,559</u>

CITY OF VINCENNES
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Caterpillar Financial Services Corp	2014 Caterpillar Wheel Loader	\$ 6,397	6/26/2014	6/26/2019
Edgar County Bank	2014 Case 580SN 4X4 Backhoe	11,088	8/1/2014	8/1/2019
TCF Equipment Finance Inc.	Cart Tipper Trash Truck	113,103	4/19/2011	4/19/2015
City of Vincennes Park and Recreation Building Corporation	New Pool	271,000	12/31/2014	12/31/1932
Total governmental activities		<u>401,588</u>		
Wastewater:				
GABC LEASING CORP	2011 SEWER CLEANING TRUCK	<u>26,476</u>	7/6/2011	7/6/2016
Total of annual lease payments		<u>\$ 428,064</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
General obligation bonds	Fire Trucks Loan GOB 2011	\$ 530,000	\$ 213,085
General obligation bonds	Redevelopment TIF District GOB 2001	<u>270,000</u>	<u>283,838</u>
Total governmental activities		<u>800,000</u>	<u>496,923</u>
Wastewater:			
Revenue bonds	2002 SRF	14,793,298	2,384,117
Notes and loans payable	Bond Anticipation Note (BAN) 2014	<u>1,000,000</u>	<u>1,008,893</u>
Total Wastewater		<u>15,793,298</u>	<u>3,393,010</u>
Water:			
Revenue bonds	2003 SRF Bonds	<u>2,379,344</u>	<u>307,758</u>
Totals		<u>\$ 18,972,642</u>	<u>\$ 4,197,691</u>

CITY OF VINCENNES
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

	Ending Balance
Governmental activities:	
Land	\$ 631,771
Buildings	5,413,494
Improvements other than buildings	10,280
Machinery, equipment, and vehicles	<u>3,833,664</u>
Total governmental activities	<u>9,889,209</u>
Wastewater:	
Land	170,785
Infrastructure	14,221,156
Buildings	21,670,934
Improvements other than buildings	6,313,567
Machinery, equipment, and vehicles	<u>8,123,468</u>
Total Wastewater	<u>50,499,910</u>
Water:	
Land	259,093
Infrastructure	18,561,775
Buildings	5,632,813
Improvements other than buildings	889,801
Machinery, equipment, and vehicles	<u>2,507,112</u>
Total Water	<u>27,850,594</u>
Storm Water:	
Infrastructure	4,153,199
Construction in progress	73,922
Books and other	<u>55,554</u>
Total Storm Water	<u>4,282,675</u>
Total capital assets	<u><u>\$ 92,522,388</u></u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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

Report on Compliance for the Major Federal Program

We have audited the City of Vincennes's (City) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2014. The City's major federal program is 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 the City's major federal program 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on the 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 its major federal program for the year ended December 31, 2014.

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


Report on Internal Control over Compliance

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

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

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

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


Paul D. Joyce, CPA
State Examiner

January 25, 2017

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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 VINCENNES
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 Housing and Urban Development</u>					
CDBG - State-Administered CDBG Cluster					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community and Rural Affairs	14.228	B14DC180001 DR1B-09-027 EDS#A192-13-CF-12-11	\$ - \$ -	355,812 178,801
Levee Drainage SIDC RivRdSIDC420371					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Housing and Community Development Authority	14.228	DR2OR-012-008	-	332,392
Housing Rehab 2/14					
Total - CDBG - State-Administered CDBG Cluster				-	867,005
Total - Department of Housing and Urban Development				-	867,005
<u>Department of Justice</u>					
Joint Law Enforcement Operations (JLEO)	Direct Grant	16.111	GL-INS-0195	-	19,166
FED DRUG HOLT 101345					
Bulletproof Vest Partnership Program	Direct Grant	16.607	BPV 2014	-	3,714
Equitable Sharing Program	Direct Grant	16.922	IN-0420200	-	30,196
Fed Forfeitur257001					
Total - Department of Justice				-	53,076
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation	20.205	DES 1297754	-	104,766
2nd & Niblack					
Total - Highway Planning and Construction Cluster				-	104,766
Total - Department of Transportation				-	104,766
<u>Environmental Protection Agency</u>					
Brownfield Assessment and Cleanup Cooperative Agreements	Direct Grant	66.818	BF-00E00889-0	-	24,160
Brownfield EPA					
Total - Environmental Protection Agency				-	24,160
<u>Department of Homeland Security</u>					
Homeland Security Grant Program	Indiana Department of Homeland Security	97.067	EMW-2013-SS-00017	-	6,329
2013 Hazardous Materials					
Total - Department of Homeland Security				-	6,329
Total federal awards expended				\$ - \$ -	1,055,336

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

CITY OF VINCENNES
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-87, *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 VINCENNES
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

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

Identification of Major Program:

Name of Federal Program or Cluster

CDBG - State-Administered CDBG Cluster

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

**FINDING 2014-001 - INTERNAL CONTROLS OVER FINANCIAL
TRANSACTIONS AND REPORTING - CLERK-TREASURER**

Condition

There were deficiencies in the internal control system of the Clerk-Treasurer's office related to financial transactions. The Clerk-Treasurer had not separated incompatible activities related to receipts, disbursements (including payroll), and cash and investment balances. Procedures established were as follows:

1. Receipts. The 2nd Deputy Clerk-Treasurer wrote receipts, posted receipts, and made bank deposits with no oversight.

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

2. Vendor disbursements. The 1st Deputy Clerk-Treasurer reviewed claims, posted disbursements, and performed bank reconciliations with no oversight.
3. Payroll disbursements. The Chief Deputy Clerk-Treasurer prepared the payroll claims, calculated payroll, prepared checks, posted payroll disbursements, and reconciled the payroll bank account with no oversight.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the publication, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. This includes control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner, whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes. An integral part of the control activity component is segregation of duties. . . . There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

Management of the City had not established a proper system of internal control over duties in the Clerk-Treasurer's office.

Effect

The failure to establish controls could have enabled material misstatements or irregularities to remain undetected.

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

No matters are reportable.

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AUDITEE-PREPARED DOCUMENT

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



VINCENNES CITY
CLERK-TREASURER
203 Vigo Street
Vincennes, IN 47591

Sharon K. Meek
Clerk-Treasurer
812-882-6426 office
812-886-3406 fax
smeek@vincennes.org

CORRECTIVE ACTION PLAN

FINDING 2014 – 001

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING- CLERK TREASURER

Description of corrective action plan –

1. RECEIPTS: On January 1, 2016 when I became Vincennes City Clerk Treasurer, I put Internal Controls into place. There is no longer one person taking in receipts, checking the reports and taking the money to the bank. At any given time any employee from the office will receipt money, balance the daily report and walk the money across the street to the bank.
2. DISBURSEMENTS: The deputy that reviews and pays the claims is not the person who performs the bank reconciliations. I, the clerk treasurer, have started performing the bank reconciliations along with Tami Burke and Samantha McCrary.
3. PAYROLL DISBURSEMENT: Tami Burke does perform the payroll duties, however, the bank reconcilements are performed by any of the three mentioned above. We all work together and it is based on who has the free time to reconcile at any given time.

A handwritten signature in cursive script that reads "Sharon K. Meek".

Sharon K Meek
Vincennes City Clerk Treasurer
812-882-6426

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/>.