

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

CITY OF PRINCETON  
GIBSON COUNTY, INDIANA

January 1, 2015 to December 31, 2015



**FILED**  
05/11/2017



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Mindy Brines	01-01-12 to 12-31-19
Mayor	Robert Hurst Bradley D. Schmitt	01-01-12 to 12-31-15 01-01-16 to 12-31-19
President of the Board of Public Works	Robert Hurst Bradley D. Schmitt	01-01-15 to 12-31-15 01-01-16 to 12-31-17
President of the Common Council	Steve Taylor Jan E. Ballard	01-01-15 to 12-31-15 01-01-16 to 12-31-17
Superintendent of Water Distribution	J.B. Brines Jeff Smith	01-01-15 to 12-31-15 01-01-16 to 12-31-17
Superintendent of Water Treatment	Dennis Gray J.B. Brines	01-01-15 to 12-31-15 01-01-16 to 12-31-17
Superintendent of Wastewater Utility	Charlie Woodruff Lynn Elpers	01-01-15 to 12-31-15 01-01-16 to 12-31-17



**STATE OF INDIANA**  
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INDEPENDENT AUDITOR'S REPORT

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

**Report on the Financial Statement**

We have audited the accompanying financial statement of the City of Princeton (City), which comprises the financial position and results of operations for the year ended December 31, 2015, 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 (Indiana Code 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 from 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 to 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, 2015.

***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, 2015, 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 Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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 March 6, 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

March 6, 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 PRINCETON, GIBSON 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 Princeton (City), which comprises the financial position and results of operations for the year ended December 31, 2015, and the related notes to the financial statement, and have issued our report thereon dated March 6, 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.

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 City's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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




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*.

**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

March 6, 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 PRINCETON  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For the Year Ended December 31, 2015

Fund	Cash and Investments 01-01-15	Receipts	Disbursements	Cash and Investments 12-31-15
GENERAL FUND	\$ 840,178	\$ 4,205,308	\$ 4,250,546	\$ 794,940
MVH	528,730	671,084	864,770	335,044
LOCAL ROAD AND STREET	56,417	35,445	3,135	88,727
EDIT DISTRIBUTION	814,653	895,107	934,909	774,851
DEMOLITION OF BUILDING	52,424	25,047	22,763	54,708
PLANNING COMMISSION	32,723	57,582	45,807	44,498
POLICE NARCOTIC FUND	947	-	-	947
STELLAR GRANT	50	3,405,196	3,405,196	50
LAW ENF. CONT. ED. FUND	9,972	9,822	9,176	10,618
PARK AND RECREATION	293,076	408,589	389,251	312,414
RAINY DAY	3,576	-	-	3,576
POLICE K-9	1,388	-	-	1,388
FIRE TERRITORY OPERATING	1,067,702	2,322,713	2,087,112	1,303,303
CCDF-CUM CAP DEV FUND	169,580	75,346	51,560	193,366
STELLAR MATCH	765,157	61,937	580,053	247,041
REDEVELOPMENT AUTHORITY BONDS OF 2013	1,895,710	456,350	1,918,441	433,619
BAN 2013	800,957	-	-	800,957
CUM CAP IMPROVEMENT	30,512	21,716	-	52,228
FIRE TERRITORY EQUIP.FUND	825,551	489,730	39,800	1,275,481
POLICE PENSION	653,660	263,383	262,650	654,393
FIRE PENSION	695,972	177,060	180,689	692,343
FEDERAL SEIZURE FUND	2,455	-	-	2,455
DONATION FUND	22,572	31,809	17,881	36,500
FIRE TERRITORY GRANT FUND	337	-	-	337
USDA REDEVELOP (FEDERAL)	34,468	5,181	-	39,649
PAYROLL	31,556	5,217,697	5,118,043	131,210
CLEARING HOUSE ACCOUNT	15,469	5,686,180	5,684,398	17,251
INSURANCE TRUST FUND	53,825	796,314	827,001	23,138
SEWAGE OPERATING	915,572	2,891,588	3,029,559	777,601
SEWAGE BOND & INTEREST	25,628	295,200	293,750	27,078
SEW DEBT SERV RESERVE	138,000	-	-	138,000
SEWAGE CASH CHANGE	250	-	-	250
SEWAGE IMPROVEMENT FUND	36,405	-	-	36,405
WATER OPERATING	74,975	2,406,202	2,237,493	243,684
GUARANTEE METER	141,817	37,300	35,148	143,969
BOSHOKU IEDC WATER GRANT	7,288	-	-	7,288
WATER CASH CHANGE	250	-	-	250
2012 WATER BD & IN	187,051	345,600	341,637	191,014
WATER DEBT SER RESERVE	249,000	-	-	249,000
ONB/JOHNSON CONTROLS	113,834	227,668	227,668	113,834
2010 WATER BOND AND INT.	145,177	199,800	217,348	127,629
2010 WATER DEBT SER. RES.	181,125	-	-	181,125
<b>Totals</b>	<b>\$ 11,915,989</b>	<b>\$ 31,721,954</b>	<b>\$ 33,075,784</b>	<b>\$ 10,562,159</b>

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

CITY OF PRINCETON  
NOTES TO FINANCIAL STATEMENT

**Note 1. Summary of Significant Accounting Policies**

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

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

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

*C. Cash and Investments*

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

*D. Receipts*

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

*Taxes.* Amounts received from 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.* Amounts received from businesses, occupations, or non-businesses 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, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

CITY OF PRINCETON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Intergovernmental receipts.* Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental 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.* Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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.* Amounts received 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.* Amounts received from charges for current services.

*Penalties.* Amounts received from late payment fees.

*Other receipts.* 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.* Amounts disbursed 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.* Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

*Other services and charges.* Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

CITY OF PRINCETON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Debt service - principal and interest.* Amounts disbursed for 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.* Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

*Utility operating expenses.* Amounts disbursed for operating the utilities.

*Other disbursements.* Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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

CITY OF PRINCETON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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 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.



CITY OF PRINCETON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

*Funding Policy*

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

CITY OF PRINCETON  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*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**

On October 24, 2012, the City approved the Bond Anticipation Note (BAN) of 2012, in the amount of \$1,480,000. The purpose of the BAN was to help fund projects related to the Stellar Grant.

On December 28, 2016, the City of Princeton Redevelopment Authority (Authority) issued Lease Rental Revenue Bonds in the amount of \$785,000. The proceeds of these bonds were used to purchase the city hall building from the City. The City used the proceeds from the sale of the building to refund the 2012 BAN. The Authority then entered into a lease rental agreement with the City of Princeton Redevelopment Commission to lease the city hall building. Lease rental payments are to begin July 1, 2017, and continue until January 1, 2027.

#### 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 PRINCETON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015

	GENERAL FUND	MVH	LOCAL ROAD AND STREET	EDIT DISTRIBUTION	DEMOLITION OF BUILDING	PLANNING COMMISSION	POLICE NARCOTIC FUND
Cash and investments - beginning	\$ 840,178	\$ 528,730	\$ 56,417	\$ 814,653	\$ 52,424	\$ 32,723	\$ 947
Receipts:							
Taxes	1,298,300	294,864	-	-	24,649	49,669	-
Licenses and permits	71,701	-	-	-	-	7,073	-
Intergovernmental receipts	349,332	364,015	35,445	892,219	398	801	-
Charges for services	394,197	11,955	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	2,091,778	250	-	2,888	-	39	-
Total receipts	<u>4,205,308</u>	<u>671,084</u>	<u>35,445</u>	<u>895,107</u>	<u>25,047</u>	<u>57,582</u>	<u>-</u>
Disbursements:							
Personal services	1,923,661	366,295	-	-	-	43,682	-
Supplies	90,953	474,491	3,135	-	-	1,190	-
Other services and charges	336,320	19,032	-	284,194	-	935	-
Debt service - principal and interest	-	-	-	390,269	-	-	-
Capital outlay	5,122	366	-	78,915	21,205	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	1,894,490	4,586	-	181,531	1,558	-	-
Total disbursements	<u>4,250,546</u>	<u>864,770</u>	<u>3,135</u>	<u>934,909</u>	<u>22,763</u>	<u>45,807</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(45,238)</u>	<u>(193,686)</u>	<u>32,310</u>	<u>(39,802)</u>	<u>2,284</u>	<u>11,775</u>	<u>-</u>
Cash and investments - ending	<u>\$ 794,940</u>	<u>\$ 335,044</u>	<u>\$ 88,727</u>	<u>\$ 774,851</u>	<u>\$ 54,708</u>	<u>\$ 44,498</u>	<u>\$ 947</u>

CITY OF PRINCETON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	STELLAR GRANT	LAW ENF. CONT. ED. FUND	PARK AND RECREATION	RAINY DAY	POLICE K-9	FIRE TERRITORY OPERATING
Cash and investments - beginning	\$ 50	\$ 9,972	\$ 293,076	\$ 3,576	\$ 1,388	\$ 1,067,702
Receipts:						
Taxes	-	-	242,045	-	-	2,281,054
Licenses and permits	-	2,660	-	-	-	-
Intergovernmental receipts	3,405,196	-	3,905	-	-	17,483
Charges for services	-	-	157,777	-	-	15
Fines and forfeits	-	212	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	6,950	4,862	-	-	24,161
Total receipts	<u>3,405,196</u>	<u>9,822</u>	<u>408,589</u>	<u>-</u>	<u>-</u>	<u>2,322,713</u>
Disbursements:						
Personal services	-	-	248,050	-	-	1,911,843
Supplies	-	9,176	28,805	-	-	45,750
Other services and charges	2,958,829	-	81,774	-	-	91,518
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	24,781	-	-	34,560
Utility operating expenses	-	-	-	-	-	-
Other disbursements	446,367	-	5,841	-	-	3,441
Total disbursements	<u>3,405,196</u>	<u>9,176</u>	<u>389,251</u>	<u>-</u>	<u>-</u>	<u>2,087,112</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>646</u>	<u>19,338</u>	<u>-</u>	<u>-</u>	<u>235,601</u>
Cash and investments - ending	<u>\$ 50</u>	<u>\$ 10,618</u>	<u>\$ 312,414</u>	<u>\$ 3,576</u>	<u>\$ 1,388</u>	<u>\$ 1,303,303</u>

CITY OF PRINCETON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	CCDF-CUM CAP DEV FUND	STELLAR MATCH	REDEVELOPMENT AUTHORITY BONDS OF 2013	BAN 2013	CUM CAP IMPROVEMENT	FIRE TERRITORY EQUIP.FUND
Cash and investments - beginning	\$ 169,580	\$ 765,157	\$ 1,895,710	\$ 800,957	\$ 30,512	\$ 825,551
Receipts:						
Taxes	74,133	-	-	-	-	488,415
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	1,196	61,937	-	-	21,712	1,315
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	17	-	456,350	-	4	-
Total receipts	<u>75,346</u>	<u>61,937</u>	<u>456,350</u>	<u>-</u>	<u>21,716</u>	<u>489,730</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	51,560	387	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	157,879	-	-	-	39,800
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	421,787	1,918,441	-	-	-
Total disbursements	<u>51,560</u>	<u>580,053</u>	<u>1,918,441</u>	<u>-</u>	<u>-</u>	<u>39,800</u>
Excess (deficiency) of receipts over disbursements	<u>23,786</u>	<u>(518,116)</u>	<u>(1,462,091)</u>	<u>-</u>	<u>21,716</u>	<u>449,930</u>
Cash and investments - ending	<u>\$ 193,366</u>	<u>\$ 247,041</u>	<u>\$ 433,619</u>	<u>\$ 800,957</u>	<u>\$ 52,228</u>	<u>\$ 1,275,481</u>

CITY OF PRINCETON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	POLICE PENSION	FIRE PENSION	FEDERAL SEIZURE FUND	DONATION FUND	FIRE TERRITORY GRANT FUND	USDA REDEVELOP (FEDERAL)
Cash and investments - beginning	\$ 653,660	\$ 695,972	\$ 2,455	\$ 22,572	\$ 337	\$ 34,468
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	263,383	177,060	-	31,809	-	5,181
Total receipts	263,383	177,060	-	31,809	-	5,181
Disbursements:						
Personal services	262,650	180,689	-	-	-	-
Supplies	-	-	-	15,370	-	-
Other services and charges	-	-	-	365	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	2,146	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	262,650	180,689	-	17,881	-	-
Excess (deficiency) of receipts over disbursements	733	(3,629)	-	13,928	-	5,181
Cash and investments - ending	\$ 654,393	\$ 692,343	\$ 2,455	\$ 36,500	\$ 337	\$ 39,649

CITY OF PRINCETON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	PAYROLL	CLEARING HOUSE ACCOUNT	INSURANCE TRUST FUND	SEWAGE OPERATING	SEWAGE BOND & INTEREST	SEW DEBT SERV RESERVE
Cash and investments - beginning	\$ 31,556	\$ 15,469	\$ 53,825	\$ 915,572	\$ 25,628	\$ 138,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	24	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	3,075	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	52,302	-	-
Penalties	-	-	-	21,320	-	-
Other receipts	5,217,673	5,683,105	796,314	2,817,966	295,200	-
Total receipts	5,217,697	5,686,180	796,314	2,891,588	295,200	-
Disbursements:						
Personal services	4,679,688	-	-	817,230	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	35,213	-	-
Debt service - principal and interest	-	-	-	-	293,750	-
Capital outlay	-	-	-	1,847	-	-
Utility operating expenses	-	-	-	1,476,670	-	-
Other disbursements	438,355	5,684,398	827,001	698,599	-	-
Total disbursements	5,118,043	5,684,398	827,001	3,029,559	293,750	-
Excess (deficiency) of receipts over disbursements	99,654	1,782	(30,687)	(137,971)	1,450	-
Cash and investments - ending	\$ 131,210	\$ 17,251	\$ 23,138	\$ 777,601	\$ 27,078	\$ 138,000



CITY OF PRINCETON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	SEWAGE CASH CHANGE	SEWAGE IMPROVEMENT FUND	WATER OPERATING	GUARANTEE METER	BOSHOKU IEDC WATER GRANT	WATER CASH CHANGE
Cash and investments - beginning	\$ 250	\$ 36,405	\$ 74,975	\$ 141,817	\$ 7,288	\$ 250
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	71,930	37,020	-	-
Penalties	-	-	10,053	-	-	-
Other receipts	-	-	2,324,219	280	-	-
Total receipts	-	-	2,406,202	37,300	-	-
Disbursements:						
Personal services	-	-	553,723	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	34,780	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	919	-	-	-
Utility operating expenses	-	-	891,203	35,148	-	-
Other disbursements	-	-	756,868	-	-	-
Total disbursements	-	-	2,237,493	35,148	-	-
Excess (deficiency) of receipts over disbursements	-	-	168,709	2,152	-	-
Cash and investments - ending	\$ 250	\$ 36,405	\$ 243,684	\$ 143,969	\$ 7,288	\$ 250

CITY OF PRINCETON  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2015  
 (Continued)

	2012 WATER BD & IN	WATER DEBT SER RESERVE	ONB/JOHNSON CONTROLS	2010 WATER BOND AND INT.	2010 WATER DEBT SER. RES.	Totals
Cash and investments - beginning	\$ 187,051	\$ 249,000	\$ 113,834	\$ 145,177	\$ 181,125	\$ 11,915,989
Receipts:						
Taxes	-	-	-	-	-	4,753,129
Licenses and permits	-	-	-	-	-	81,458
Intergovernmental receipts	-	-	-	-	-	5,154,954
Charges for services	-	-	-	-	-	567,019
Fines and forfeits	-	-	-	-	-	212
Utility fees	-	-	-	-	-	161,252
Penalties	-	-	-	-	-	31,373
Other receipts	345,600	-	227,668	199,800	-	20,972,557
Total receipts	345,600	-	227,668	199,800	-	31,721,954
Disbursements:						
Personal services	-	-	-	-	-	10,987,511
Supplies	-	-	-	-	-	668,870
Other services and charges	-	-	-	-	-	3,894,907
Debt service - principal and interest	341,637	-	227,668	217,348	-	1,470,672
Capital outlay	-	-	-	-	-	367,540
Utility operating expenses	-	-	-	-	-	2,403,021
Other disbursements	-	-	-	-	-	13,283,263
Total disbursements	341,637	-	227,668	217,348	-	33,075,784
Excess (deficiency) of receipts over disbursements	3,963	-	-	(17,548)	-	(1,353,830)
Cash and investments - ending	\$ 191,014	\$ 249,000	\$ 113,834	\$ 127,629	\$ 181,125	\$ 10,562,159

CITY OF PRINCETON  
 SCHEDULE OF PAYABLES AND RECEIVABLES  
 December 31, 2015

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ -	\$ 28,870
Wastewater	-	246,817
Water	-	180,138
Totals	\$ -	\$ 455,825

CITY OF PRINCETON  
SCHEDULE OF LEASES AND DEBT  
December 31, 2015

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Old National Bank	Economic Development Income Tax Lease Rental Bond of 2013	\$ 379,500	1/15/2014	1/15/2033
TCF Financing Equipment Finance, Inc.	Sanitation Truck	<u>32,556</u>	2/6/2013	2/6/2017
Total governmental activities		<u>412,056</u>		
Water:				
Old National Bank	Water Meter Upgrade	<u>227,668</u>	7/1/2011	7/1/2025
Total of annual lease payments		<u>\$ 639,724</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
Notes and loans payable	Bond Anticipation Notes of 2012	\$ 1,480,000	\$ 12,950
Wastewater:			
Revenue bonds	Sewage Works Refunding Revenue Bond 2012	<u>565,000</u>	<u>145,300</u>
Water:			
Revenue bonds	Waterworks Refunding Revenue Bond 2012	1,930,000	329,656
Revenue bonds	Waterworks Revenue Bonds 2010	<u>2,267,000</u>	<u>152,628</u>
Total Water		<u>4,197,000</u>	<u>482,284</u>
Totals		<u>\$ 6,242,000</u>	<u>\$ 640,534</u>

CITY OF PRINCETON  
 SCHEDULE OF CAPITAL ASSETS  
 December 31, 2015

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

	Ending Balance
Governmental activities:	
Land	\$ 131,997
Infrastructure	2,316,402
Buildings	2,565,891
Improvements other than buildings	6,696,236
Machinery, equipment, and vehicles	4,113,824
Total governmental activities	15,824,350
Wastewater:	
Land	13,592,047
Buildings	3,059,188
Improvements other than buildings	7,488,484
Machinery, equipment, and vehicles	4,145,540
Total Wastewater	28,285,259
Water:	
Land	154,850
Buildings	1,936,684
Improvements other than buildings	7,896,406
Machinery, equipment, and vehicles	316,315
Total Water	10,304,255
Total capital assets	\$ 54,413,864

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SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



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

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

**Report on Compliance for the Major Federal Program**

We have audited the City of Princeton's (City) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2015. 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 federal statutes, regulations, and the terms and conditions of its federal awards 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 the audit requirements of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance 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, 2015.



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 the Uniform Guidance, 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 a 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 a 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 the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

March 6, 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 prepared by management of the City. The schedule and notes are presented as intended by the City.

CITY OF PRINCETON  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2015

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
<b><u>Department of Housing and Urban Development</u></b>					
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii					
Theater/Community Center	Indiana Housing & Community Development	14.228	DR2SC-012-003	\$ -	\$ 1,571,538
Bicentennial Project		14.228	DR2SC-013-001	-	5,000
Downtown Facades Planning Grant	Office of Community Rural Affairs (OCRA)	14.228	ST-11-104	-	1,333,000
Total - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				-	2,909,538
Total - Department of Housing and Urban Development				-	2,909,538
<b><u>Department of Justice</u></b>					
Bulletproof Vest Partnership Program	Direct Grant				
Police BPV(Vest) Partnership		16.607	FY2014	-	3,178
Total - Bulletproof Vest Partnership Program				-	3,178
Total - Department of Justice				-	3,178
<b><u>Department of Transportation</u></b>					
Highway Planning and Construction Cluster					
Highway Planning and Construction	Indiana Department of Transportation				
CR100 W		20.205	DES0901282	-	299,758
Trails Project		20.205	DES0902247	-	11,166
Streetscape		20.205	DES1298673	-	26,236
Streetscape		20.205	DES1298674	-	28,723
Toyota Trail		20.205	DES1298675	-	2,232
Downtown Gateway		20.205	DES1298676	-	5,754
Toyota Trail		20.205	DES1298677	-	186
Heritage Trail		20.205	DES1298678	-	34,439
Total - Highway Planning and Construction				-	408,494
Total - Highway Planning and Construction Cluster				-	408,494
Highway Safety Cluster					
State and Community Highway Safety	Indiana Criminal Justice Institute				
Police Operation Pull Over Grant		20.600	18X9204020IN15	-	10,327
Total - State and Community Highway Safety				-	10,327
Occupant Protection Incentive Grants					
Bicycle/Police (Non Motorist Grant)	Indiana Criminal Justice Institute	20.602	18X9204050IN15	-	7,893
Total - Occupant Protection Incentive Grants				-	7,893
Total - Highway Safety Cluster				-	18,220
Total - Department of Transportation				-	426,714
Total federal awards expended				\$ -	\$ 3,339,430

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

CITY OF PRINCETON  
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, 2015. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). 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 the Uniform Guidance, 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. The City has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

CITY OF PRINCETON  
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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	no

Identification of Major Program and type of auditor's report issued on compliance for it:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
14.228	Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

No matters are reportable.

**Section III - Federal Award Findings and Questioned Costs**

No matters are reportable.

AUDITEE-PREPARED DOCUMENT

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

# City of Princeton

Clerk-Treasurer  
P.O. BOX 15  
PRINCETON, IN 47670  
(812) 385-3283

## SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

### **FINDING 2014-001**

Fiscal year in which the finding initially occurred: 2014


Pass-Through Entity, if pass-through or Federal Grantor Agency, if direct: Indiana Housing & Community Development Authority (IHCDA)

Contact Person Responsible for Corrective Action: Mindy Brines, Clerk-Treasurer

Contact Phone Number: (812) 385-3283

Status of Audit Finding:

Internal controls have been implemented over reporting.

  
\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
Clerk-Treasurer  
(Title)

\_\_\_\_\_  
February 14, 2017  
(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/>.