

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

SUPPLEMENTAL COMPLIANCE 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**  
AN EQUAL OPPORTUNITY EMPLOYER

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

This report is supplemental to our audit report of the City of Princeton (City), for the period from January 1, 2015 to December 31, 2015. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the City. It should be read in conjunction with our Financial Statement and Federal Single Audit Report of the City, which provides our opinions on the City's financial statement and federal program compliance. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

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

March 6, 2017

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CLERK-TREASURER  
CITY OF PRINCETON

CLERK-TREASURER  
CITY OF PRINCETON  
AUDIT RESULT AND COMMENT

**PAYROLL EXPENSES**

The Common Council passed Salary Ordinances 2014-09 and 2014-11 which established the salaries and wages for officials and employees of the City, and the percentage of the salaries and wages that would be paid from each fund for the year 2015. Eight of the thirty-nine employees' wages tested were not paid from authorized funds. The percentage of the salaries and wages paid from the funds was not in agreement with the percentages established by the salary ordinances. In addition, the time records submitted by the employees did not document the breakdown of the time worked between the departments of the City.

Each unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Indiana Code 5-11-9-4(b) states:

"The state board of accounts shall require that records be maintained showing which hours are worked each day by officers and employees:

- (1) covered by section 1 or 2 of this chapter; and
- (2) employed by more than one (1) public agency or in more than one (1) position by the same public agency described in section 1 or 2 of this chapter."



CLERK-TREASURER  
CITY OF PRINCETON  
EXIT CONFERENCE

The contents of this report were discussed on March 6, 2017, with Mindy Brines, Clerk-Treasurer; Bradley D. Schmitt, Mayor; Sheri L. Greene, Common Council member; and Jason M. Spindler, City Attorney.

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COMMON COUNCIL  
CITY OF PRINCETON

COMMON COUNCIL  
CITY OF PRINCETON  
AUDIT RESULT AND COMMENT

**CREDIT CARDS**

The City used credit cards to purchase items without an approved credit card policy.

The State Board of Accounts will not take exception to the use of credit cards by a unit provided the following criteria are observed:

1. The governing board must authorize credit card use through an ordinance or resolution, which has been approved in a meeting and approved in the minutes.
2. Issuance and use should be handled by an official or employee designated by the governing body.
3. The purposes for which the credit card may be used must be specifically stated in the ordinance/resolution.
4. When the purpose for which the credit card has been issued has been accomplished, the card should be returned to the custody of the responsible person.
5. The designated responsible official or employee should maintain an accounting system or log which would include the names of individuals requesting usage of the cards, their position, estimated amounts to be charged, fund and account numbers to be charged, date the card is issued and returned, etc.
6. Credit cards should not be used to bypass the accounting system. One reason that purchase orders are issued is to provide the fiscal officer with the means to encumber and track appropriations to provide the governing board and other officials with timely and accurate accounting information and monitoring of the accounting system.
7. Payment should not be made on the basis of a statement or a credit card slip only. Procedures for payments should be no different than for any other claim. Supporting documents such as paid bills and receipts must be available. Additionally, any interest or penalty incurred due to late filing or furnishing of documentation by an officer or employee should be the responsibility of that officer or employee.
8. If properly authorized, an annual fee may be paid.

(Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

COMMON COUNCIL  
CITY OF PRINCETON  
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