

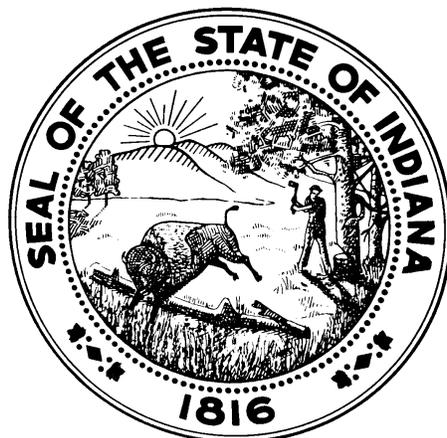
STATE BOARD OF ACCOUNTS
302 West Washington Street
Room E418
INDIANAPOLIS, INDIANA 46204-2769

ANNUAL FINANCIAL REPORT

2008

TOWN OF MUNSTER

LAKE COUNTY, INDIANA



FILED

11/23/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	David F. Shafer	01-01-08 to 12-31-11
President of the Town Council	Helen Brown Michael Mellon	01-01-08 to 12-31-08 01-01-09 to 12-31-09
Superintendent of Utilities	Thomas DeGiulio	01-01-08 to 12-31-09



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF MUNSTER, LAKE COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Munster (Town), as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2008, and the respective cash receipts and cash disbursements during the year then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated October 27, 2009, on our consideration of the Town'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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. 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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, as listed in the Table of Contents, are not required parts of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

October 27, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF MUNSTER, LAKE COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Munster (Town), as of and for the year ended December 31, 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated October 27, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are 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.

The Town's response to the findings identified in our audit is described in the accompanying section of the report entitled Official Response and Corrective Action Plan. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, the Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 27, 2009

TOWN OF MUNSTER
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 5,570,215	\$ 1,902,336	\$ 27,198	\$ -	\$ (3,640,681)	\$ -	\$ (3,640,681)
Public safety	4,044,970	806,107	-	-	(3,238,863)	-	(3,238,863)
Highways and streets	2,436,537	-	605,338	243,353	(1,587,846)	-	(1,587,846)
Sanitation	2,285,745	231,799	-	-	(2,053,946)	-	(2,053,946)
Economic development	5,140,095	-	-	-	(5,140,095)	-	(5,140,095)
Culture and recreation	5,284,188	984,587	-	-	(4,299,601)	-	(4,299,601)
Principal and interest on indebtedness	5,845,151	-	-	-	(5,845,151)	-	(5,845,151)
Total governmental activities	<u>30,606,901</u>	<u>3,924,829</u>	<u>632,536</u>	<u>243,353</u>	<u>(25,806,183)</u>	<u>-</u>	<u>(25,806,183)</u>
Business-type activities:							
Water Utility	3,679,276	3,824,492	-	-	-	145,216	145,216
Solid Waste Management	2,301,242	1,806,618	-	-	-	(494,624)	(494,624)
Total business-type activities	<u>5,980,518</u>	<u>5,631,110</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(349,408)</u>	<u>(349,408)</u>
Total primary government	<u>\$ 36,587,419</u>	<u>\$ 9,555,939</u>	<u>\$ 632,536</u>	<u>\$ 243,353</u>	<u>(25,806,183)</u>	<u>(349,408)</u>	<u>(26,155,591)</u>
General receipts:							
Property taxes					14,352,334	-	14,352,334
Intergovernmental					2,512,923	429,569	2,942,492
Other local sources					2,168,871	4,124	2,172,995
Net proceeds from borrowings					3,940,000	-	3,940,000
Grants and contributions not restricted to specific programs					1,215,311	-	1,215,311
Investment earnings					448,699	34,469	483,168
Net tax anticipation warrant proceeds (repayments)					(7,090,000)	-	(7,090,000)
Interfund loan repaid from pension trust					4,200	-	4,200
Total general receipts, special items, and transfers					<u>17,552,338</u>	<u>468,162</u>	<u>18,020,500</u>
Change in net assets					(8,253,845)	118,754	(8,135,091)
Net assets - beginning					<u>16,072,308</u>	<u>2,039,626</u>	<u>18,111,934</u>
Net assets - ending					<u>\$ 7,818,463</u>	<u>\$ 2,158,380</u>	<u>\$ 9,976,843</u>
Assets							
Cash and investments					\$ 855,792	\$ 2,158,380	\$ 3,014,172
Restricted assets:							
Cash and investments					<u>6,962,671</u>	<u>-</u>	<u>6,962,671</u>
Total assets					<u>\$ 7,818,463</u>	<u>\$ 2,158,380</u>	<u>\$ 9,976,843</u>
Net Assets							
Restricted for:							
General government					\$ 1,509,461	\$ -	\$ 1,509,461
Public safety					47,913	-	47,913
Highways and streets					443,264	-	443,264
Economic development					183,606	-	183,606
Culture and recreation					40,904	-	40,904
Debt service					1,506,766	-	1,506,766
Capital outlay					3,230,757	-	3,230,757
Unrestricted					<u>855,792</u>	<u>2,158,380</u>	<u>3,014,172</u>
Total net assets					<u>\$ 7,818,463</u>	<u>\$ 2,158,380</u>	<u>\$ 9,976,843</u>

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

TOWN OF MUNSTER
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Sewer Maintenance	State Grants	Park Bond Proceeds	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 5,072,477	\$ -	\$ -	\$ -	\$ 9,911,810	\$ 14,984,287
Licenses and permits	693,144	-	-	-	-	693,144
Intergovernmental	279,408	1,300,349	952,926	-	1,809,055	4,341,738
Charges for services	360,101	1,119,093	-	-	1,485,155	2,964,349
Fines and forfeits	234,515	-	-	-	32,821	267,336
Interfund loans	3,901,300	1,996,200	-	-	3,081,880	8,979,380
Other	257,462	30,197	-	-	1,082,262	1,369,921
Total receipts	10,798,407	4,445,839	952,926	-	17,402,983	33,600,155
Disbursements:						
General government	1,558,030	-	125,646	-	405,493	2,089,169
Public safety	4,456,789	-	-	-	42,300	4,499,089
Highways and streets	-	-	-	-	2,774,393	2,774,393
Sanitation	-	2,154,022	-	-	-	2,154,022
Economic development	-	-	-	-	268,447	268,447
Culture and recreation	-	-	-	8,322	2,786,156	2,794,478
Interfund loans	1,690,000	2,428,450	-	1,072,980	3,783,750	8,975,180
Debt service:						
Principal	-	69,698	-	-	4,020,723	4,090,421
Interest	212,950	2,082	-	-	1,539,698	1,754,730
Capital outlay:						
General government	-	-	-	-	1,579,655	1,579,655
Highways and streets	-	-	-	-	5,580	5,580
Sanitation	-	298,116	-	-	-	298,116
Economic development	-	-	-	-	4,881,648	4,881,648
Culture and recreation	-	-	-	2,747,582	-	2,747,582
Total disbursements	7,917,769	4,952,368	125,646	3,828,884	22,087,843	38,912,510
Excess (deficiency) of receipts over disbursements	2,880,638	(506,529)	827,280	(3,828,884)	(4,684,860)	(5,312,355)
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	1,970,000	1,970,000	3,940,000
Tax anticipation warrant proceeds	-	-	-	-	1,667,000	1,667,000
Tax anticipation warrant repayments	(3,000,000)	-	-	-	(5,757,000)	(8,757,000)
Transfers in	15,855	-	-	15,943	37,926	69,724
Transfers out	-	-	(52,926)	-	(16,798)	(69,724)
Other receipts	31,220	-	-	45,928	281,034	358,182
Total other financing sources (uses)	(2,952,925)	-	(52,926)	2,031,871	(1,817,838)	(2,791,818)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(72,287)	(506,529)	774,354	(1,797,013)	(6,502,698)	(8,104,173)
Cash and investment fund balance - beginning	92,957	1,187,940	15,000	3,033,838	10,872,794	15,202,529
Cash and investment fund balance - ending	\$ 20,670	\$ 681,411	\$ 789,354	\$ 1,236,825	\$ 4,370,096	7,098,356
Amounts reported for governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis are different because:						
Internal services funds are used by management to charge the costs of certain services to individual funds. The assets and liabilities of the internal service funds are included in governmental activities in the Statement of Activities and Net Assets - Cash and Investment Basis.						
						720,107
Net assets of governmental activities						\$ 7,818,463
Cash and Investment Assets - Ending						
Cash and investments	\$ 20,670	\$ 681,411	\$ -	\$ -	\$ 153,711	\$ 855,792
Restricted assets:						
Cash and investments	-	-	789,354	1,236,825	4,216,385	6,242,564
Total cash and investment assets - ending	\$ 20,670	\$ 681,411	\$ 789,354	\$ 1,236,825	\$ 4,370,096	\$ 7,098,356
Cash and Investment Fund Balance - Ending						
Restricted for:						
General government	\$ -	\$ -	\$ 789,354	\$ -	\$ 17,610	\$ 806,964
Public safety	-	-	-	-	47,913	47,913
Highways and streets	-	-	-	-	443,264	443,264
Economic development	-	-	-	-	1,011,438	1,011,438
Culture and recreation	-	-	-	-	40,904	40,904
Debt service	-	-	-	-	770,211	770,211
Capital outlay	-	-	-	1,236,825	1,885,045	3,121,870
Unrestricted	20,670	681,411	-	-	153,711	855,792
Total cash and investment fund balance - ending	\$ 20,670	\$ 681,411	\$ 789,354	\$ 1,236,825	\$ 4,370,096	\$ 7,098,356

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

TOWN OF MUNSTER
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As Of And For The Year Ended December 31, 2008

	Water Utility	Solid Waste Management	Totals	Internal Service Funds
Operating receipts:				
Unmetered/flat rate	\$ -	\$ 1,802,183	\$ 1,802,183	\$ -
Metered/measured	3,520,987	-	3,520,987	-
Fire protection receipts	237,401	-	237,401	-
Employer contributions	-	-	-	1,556,801
Employee contributions	-	-	-	132,916
Miscellaneous	<u>66,104</u>	<u>4,435</u>	<u>70,539</u>	<u>386,983</u>
 Total operating receipts	 <u>3,824,492</u>	 <u>1,806,618</u>	 <u>5,631,110</u>	 <u>2,076,700</u>
Operating disbursements:				
Salaries, wages, pensions and benefits	892,334	303,398	1,195,732	-
Material and supplies	789,208	38,006	827,214	-
Contractual services	1,238,227	1,945,306	3,183,533	-
Insurance claims and expense	-	-	-	2,031,230
Customer accounts	61,710	-	61,710	-
Administration and general	17,534	-	17,534	195,142
Equipment and capital improvements	<u>155,588</u>	<u>14,532</u>	<u>170,120</u>	<u>-</u>
 Total operating disbursements	 <u>3,154,601</u>	 <u>2,301,242</u>	 <u>5,455,843</u>	 <u>2,226,372</u>
 Excess (deficiency) of operating receipts over operating disbursements	 <u>669,891</u>	 <u>(494,624)</u>	 <u>175,267</u>	 <u>(149,672)</u>
Nonoperating receipts (disbursements):				
Intergovernmental	228,710	200,859	429,569	-
Investment income	31,197	3,272	34,469	-
Refunds	4,124	-	4,124	-
Debt service of principal	(461,724)	-	(461,724)	-
Interest disbursements	<u>(62,951)</u>	<u>-</u>	<u>(62,951)</u>	<u>-</u>
 Total nonoperating receipts (disbursements)	 <u>(260,644)</u>	 <u>204,131</u>	 <u>(56,513)</u>	 <u>-</u>
 Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	 409,247	 (290,493)	 118,754	 (149,672)
 Cash and investment fund balance - beginning	 <u>1,133,505</u>	 <u>906,121</u>	 <u>2,039,626</u>	 <u>869,779</u>
 Cash and investment fund balance - ending	 <u>\$ 1,542,752</u>	 <u>\$ 615,628</u>	 <u>\$ 2,158,380</u>	 <u>\$ 720,107</u>
 <u>Cash and Investment Assets - December 31</u>				
Cash and investments	\$ 1,542,752	\$ 615,628	\$ 2,158,380	\$ -
Restricted assets:				
Cash and investments	<u>-</u>	<u>-</u>	<u>-</u>	<u>720,107</u>
 Total cash and investment assets - December 31	 <u>\$ 1,542,752</u>	 <u>\$ 615,628</u>	 <u>\$ 2,158,380</u>	 <u>\$ 720,107</u>
 <u>Cash and Investment Fund Balance - December 31</u>				
Restricted for:				
Other purposes	\$ -	\$ -	\$ -	\$ 720,107
Unrestricted	<u>1,542,752</u>	<u>615,628</u>	<u>2,158,380</u>	<u>-</u>
 Total cash and investment fund balance - December 31	 <u>\$ 1,542,752</u>	 <u>\$ 615,628</u>	 <u>\$ 2,158,380</u>	 <u>\$ 720,107</u>

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

TOWN OF MUNSTER
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2008

	Pension Trust Fund	Agency Funds
Additions:		
Contributions:		
Employer	\$ 289,132	
State	517,305	
Interfund loan	106,000	
Total additions	912,437	
Deductions:		
Benefits	621,825	
Interfund loan	110,200	
Administrative and general	2,255	
Total deductions	734,280	
Excess (deficiency) of total additions over total deductions	178,157	
Cash and investment fund balance - beginning	21	
Cash and investment fund balance - ending	\$ 178,178	\$ 1,130,815

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

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS

I. Summary of Significant Accounting Policies

A. Reporting Entity

The Town was established under the laws of the State of Indiana. The Town operates under a Town Council form of government and provides 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, sanitation, and water.

The Town's financial reporting entity is composed of the Town as the primary government. No significant component units require inclusion.

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Joint Venture

The Town is a participant with Lake, Porter, and LaPorte Counties and all municipalities in the three counties in a joint venture to operate the Northwestern Indiana Regional Planning Commission (NIRPC) which was created as a multi-purpose area-wide planning agency for such fields as economic development, transportation, environmental protection, and comprehensive planning. NIRPC's enabling legislation (Indiana Code 36-7) provides that participating counties must provide an annual appropriation at a minimum level of thirty cents per capita. Complete financial statements for the NIRPC can be obtained from their administrative offices at 6100 Southport Road, Portage, Indiana, 46368.

Related Organization

The Town's officials are also responsible for appointing the members of the boards of other organizations, but the Town's accountability for these organizations does not extend beyond making the appointments. The Town appoints the board members of the Munster Civic Foundation.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds,

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The sewer maintenance fund accounts for the collection of sewer/stormwater fees and tax revenue from the Hammond Sanitary District for the maintenance of the wastewater system.

The state grants fund accounts for the state grants received and the subsequent disbursement of the state grant funds.

The park bond proceeds fund accounts for the proceeds from the sale of municipal general obligation bonds and the disbursements for park improvement projects.

The Town reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The solid waste management fund accounts for the operation of trash collection system and the recycling grant from the Lake County Solid Waste District.

Additionally, the Town reports the following fund types:

The internal service funds account for health insurance for Town employees and liability insurance for the Town provided to other departments on a cost-reimbursement basis.

The pension trust fund accounts for the activities of the 1925 Police Officers' Pension Fund, which accumulate resources for pension benefit payments.

Agency funds account for assets held by the Town as an agent for the Hammond Sanitary District, state and local governmental units, and amounts held on deposit for individuals.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Elimination of these charges would distort the direct costs and program receipts reported for the various functions concerned.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government.

D. Assets and Cash and Investment Balances

1. Cash and Investments

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

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in December. 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% 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 become delinquent if not paid by May 10 and November 10, respectively.

In accordance with state statutes, all counties were required to reassess property values prior to billing taxes in 2008. Significant delays in the reassessment process have resulted in delays in billing taxes in 2008. Lake County 2007 pay 2008 tax rates were approved on November 14, 2008. Provisional bills for 50% of 2006 pay 2007 taxes were due October 29, 2008. The Town received advance draws on their 2008 taxes from the provisional billing during 2008. Lake County sent the final reconciliation bill for taxes payable in 2008 in January 2009 with payment due by February 6, 2009. The Town received their final settlement on April 3, 2009.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In October 2008, the governing board, through the passage of a resolution/ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund. The legal level of budgetary control is by object within the fund for all budgeted funds.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

III. Detailed Notes on All Funds

A. Deposits and Investments

1. Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The Town does not have a deposit policy for custodial credit risk. At December 31, 2008, the Town had deposit balances in the amount of \$11,285,836. Of this amount, the following was exposed to custodial credit risk:

	2008
Uninsured deposits collateralized with securities held by the pledging financial institution's trust department or agent, but not in the depositor-government's name	\$ 3,608,305

The remaining bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

2. Investments

As of December 31, 2008, the Town had the following investments:

Investment Type	Primary Government	Investment Maturities (in Years)		
	Market Value	Less Than 1	1-2	More Than 2
U.S. agencies	\$ 396,914	\$ 372,377	\$ 24,537	\$ -

Statutory Authorization for Investments

Indiana Code 5-13-9 authorizes the Town to invest in securities backed by the full faith and credit of the United States Treasury or fully guaranteed by the United States of America and issued by the United States Treasury, a federal agency, a federal instrumentality, or a federal government sponsored enterprise. Indiana Code also authorizes the Town to invest in securities fully guaranteed and issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. These investments are required by statute to have a stated final maturity of not more than two years.

Indiana Code also provides for investment in money market mutual funds that are in the form of securities of, or interest in, an open-end, no-load, management-type investment company or investment trust registered under the provision of the federal Investment Company Act of

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

1940, as amended. Investments in money market mutual funds may not exceed 50% of the funds held by the Town and available for investment. The portfolio of an investment company or investment trust used must be limited to direct obligations of the United States of America, obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise or repurchase agreements fully collateralized by direct obligations of the United States of America or obligations issued by a federal agency, a federal instrumentality, or a federal government sponsored enterprise. The form of securities of, or interest in, an investment company or investment trust must be rated as AAA, or its equivalent by Standard and Poor's Corporation or its successor or Aaa, or its equivalent, by Moody's Investors Service, Inc., or its successor. The form of securities in an investment company or investment trust should have a stated final maturity of one day.

Additionally, the Town may enter into repurchase agreements with depositories designated by the State Board of Finance as depositories for state deposits involving the Town's purchase and guaranteed resale of any interest-bearing obligations issued or fully insured or guaranteed by the United States of America, a United States of America government agency, an instrumentality of the United States of America, or a federal government sponsored enterprise. The repurchase agreement is considered to have a stated final maturity of one day. This agreement must be fully collateralized by interest-bearing obligations as determined by their current market value.

Investment Custodial Credit Risk

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. The Town does not have a formal investment policy for custodial credit risk for investments.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The Town must follow state statute and limit the stated final maturities of the investments to no more than two years. The Town does not have a formal investment policy for interest rate risk for investments.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The distribution of securities with credit ratings is summarized below. The Town does not have a formal investment policy for credit risk for investments.

Standard and Poor's Rating	Town's Investments Investment Pools
AAA	\$ 396,914

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The Town does not have a policy in regards to concentration of credit risk. United States of America government and United States of America governmental agency securities are exempt from this policy requirement.

B. Interfund Transfers

Interfund transfers for the year ended December 31, 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2008</u>
State Grants	Park Bond Proceeds	\$ 15,000
	Other governmental funds	37,926
Other governmental funds	General	15,855
	Park Bond Proceeds	<u>943</u>
Total		<u>\$ 69,724</u>

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

C. Temporary Interfund Loans

Temporary interfund loans for the year ended December 31, 2008, were as follows:

<u>Loan To</u>	<u>Loan From</u>	<u>Loans Outstanding January 1, 2008</u>	<u>Loans</u>	<u>Repayments</u>	<u>Loans Outstanding December 31, 2008</u>
General	Sewer maintenance	\$ -	\$ 1,690,000	\$ 1,690,000	\$ -
	Other governmental funds	-	2,211,300	-	2,211,300
Other governmental funds	Sewer maintenance	81,000	735,450	299,000	517,450
	Park bond proceeds	-	1,072,980	-	1,072,980
	Other governmental funds	220,000	950,450	220,000	950,450
Pension trust fund	Sewer maintenance	4,200	3,000	7,200	-
	Other governmental funds	-	<u>103,000</u>	<u>103,000</u>	-
Totals		<u>\$ 305,200</u>	<u>\$ 6,766,180</u>	<u>\$ 2,319,200</u>	<u>\$ 4,752,180</u>

The Town typically uses interfund loans for cash flow purposes to fund ongoing operations in anticipation of current revenues. All outstanding loans were repaid on January 8, 2009.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

IV. Other Information

A. Risk Management

The Town is 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 (excluding postemployment benefits); and natural disasters.

Theft of, Damage to and Destruction of Assets and Natural Disasters

The Town has chosen to establish a risk financing fund for risks associated with theft of, damage to and destruction of assets as well as natural disasters. The risk financing fund is accounted for in the Liability Insurance Escrow Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$50,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for group liability insurance. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Errors and Omissions, Comprehensive General and Automobile Liability

The Town has chosen to establish a risk financing fund for risks associated with errors and omissions and general and automobile liability. The risk financing fund is accounted for in the Liability Insurance Escrow Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$75,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for group liability insurance. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Job Related Illnesses and Injuries to Employees

The Town has chosen to establish a risk financing fund for risks associated with job related illnesses and injuries to employees. The risk financing fund is accounted for in the Liability Insurance Escrow Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for employee payroll. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

Pollution Legal Liability

The Town has chosen to establish a risk financing fund for risks associated with pollution exposures liability. The risk financing fund is accounted for in the Liability Insurance Escrow Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$100,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for group liability insurance. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Medical Benefits to Employees, Retirees and Dependents

The Town has chosen to establish a risk financing fund for risks associated with medical benefits to employees, retirees and dependents. The risk financing fund is accounted for in the Medical/Life Insurance Escrow Fund, an internal service fund, where assets are set aside for claim settlements. An excess policy through commercial insurance covers individual claims in excess of \$75,000 per year. Settled claims resulting from this risk did not exceed commercial insurance coverage in the past three years. A premium is charged to each fund that accounts for employee payroll. The total charge allocated to each of the funds is calculated using trends in actual claims experience. Provisions are also made for unexpected and unusual claims.

B. Holding Corporation

The Town has entered into a capital lease with the Town of Munster Municipal Center Corporation (the lessor). 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 Town. The lessor has been determined to be a related party of the Town. Lease payments during the year totaled \$1,220,000.

C. Municipal Solid Waste Landfill Closure and Postclosure Costs

State and federal laws and regulations required the Town to place a final cover on its municipal landfill when it stopped accepting solid waste and to perform certain maintenance and monitoring functions at the site for thirty years after closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the Town reports a portion of these closure and postclosure care costs as an operating disbursement in each period based on landfill capacity used as of each balance sheet date. The Town has recognized all the estimated costs of closure and postclosure care since the landfill capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004. The Town stopped accepting solid waste and began the closure process in August of 2004. Actual costs may be higher due to inflation, changes in technology, or changes in regulations.

The Town is required by state and federal laws and regulations to make contributions to a trust to finance closure and postclosure care, to obtain a line of credit, obtain a bond in an amount sufficient to finance the estimated closure and postclosure care cost, obtain insurance, or fulfill the financial requirements set forth in 329 IAC 2-12. The Town has chosen the last option. To meet this requirement, the Town has established that less than 50% of gross revenues are from solid waste management and the net assessed value is \$10,000,000 or more and is at least six times the current closure estimate. In addition, the Town has established that it can meet one of the following: (1) Have the authority to increase property tax rates to raise revenues in an amount at least six times greater than the current closure estimate, (2) Annual budget (as approved by the Indiana Department of Local Government Finance) is at least six times the current closure estimate, or (3) Have the ability to issue general obligation bonds equal to at least six times the current closure estimate (payable from property taxes) and has an A or better rating from Standard and Poor's or Moody's.

D. Subsequent Events

Beginning in 2009, the State Pension Relief Fund shall pay to each unit of local government with Pre-1977 Local Police and Fire Fighter Pension obligations, the total amount of pension, disability, and survivor benefit payments. The Pre-1977 funds include the 1925 Police Pension

TOWN OF MUNSTER
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Fund, the 1937 Firefighters' Fund, and the 1953 Police Pension Fund. The Town only participates in the 1925 Police Pension Fund. For property taxes due and payable after December 31, 2008, the Indiana Department of Local Government Finance shall reduce the maximum permissible property tax levy of any civil taxing unit and special service district by the amount of the payment to be made in 2009 by the State for the obligations.

On January 12, 2009, the Town Council approved Resolution 1861 approving \$180,000 from the Redevelopment Fund as a settlement agreement with Bruce Company of Wisconsin. The settlement agreement was due to additional expenses that were legitimately incurred outside of the contract specifications due in part to construction delays that were not the responsibility of the golf course contractor at Centennial Park.

From January to March 2009, the Town received Federal Emergency Management Agency (FEMA) reimbursements of \$994,901 due to costs incurred following the devastating flood of September 2008. Furthermore, the Town Council has approved the following for the continued improvements of the levee on the north side of Town. On January 12, 2009, the Town Council approved an additional \$200,000 from the sewer maintenance fund for emergency levee repairs. On March 9, 2009, the Town Council approved \$600,000 for levee repairs from Northcote Avenue to River Bend Drive. On June 22 and August 10, 2009, the Town Council approved the acquisition of real estate on 15, 21, and 27 River Drive for \$446,500 less taxes and liens plus closing costs and fees from the sewer maintenance fund. On August 24, 2009, the Town Council approved Resolution 1881 to acquire property at 1, 15, 21, 27 River Drive. The Munster Civic Foundation (MCF) entered into a loan agreement with Peoples Bank for an amount not to exceed \$900,000 with the assets of the MCF as collateral. The MCF will acquire the properties and hold them for twelve to twenty-four months. The MCF will make interest only payments on the loan. At some point in the near future, the Town will pay the MCF for the properties and interest. This transfer will occur by the Town paying the MCF or the MCF "demanding" payment to transfer the deeds to the properties. By handling the transaction this way, the Town can restrict the use of the property as a permanent open space.

On February 9 and March 9, 2009, the Town Council awarded several vehicle bids for trucks and a van for a total net cost to the Town of \$158,279.

On March 9, 2009, the Town Council approved Robinson Engineering for the initial phase of the grade separation project at Calumet and 45th Avenues. The total engineering cost is expected to be \$3,500,000, with the Town receiving \$3,000,000 in federal funding through the State of Indiana. This phase is estimated at \$625,000 with the Town responsible for a 20% match or \$125,000.

On May 4, 2009, the Town Council approved Ordinance 1430 for 2009 Tax Anticipation Warrants not to exceed \$7,935,000 for the following funds:

General	\$ 3,500,000
Motor Vehicle Highway	400,000
Park and Recreation	750,000
Corporation Bond and Interest	1,180,000
Park Bond and Interest	1,495,000
Municipal Complex	610,000

As of October 21, 2009, no funds have been drawn.

TOWN OF MUNSTER
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

On June 22, 2009, the Town Council approved disbursements from the 2008 general obligation bonds for a tandem dump truck for a net cost of \$120,599, fire pumper truck for a net cost of \$274,500, street resurfacing for \$1,200,000 and \$190,000 for a tree replacement program, a sidewalk and curb replacement program, and traffic signal improvements.

On July 13, 2009, the Town Council approved a five-year agreement with AT&T to enter a Public Educational Government (PEG) channel. The main terms of the agreement involve AT&T's U-Verse CATV becoming a second option for consumers, AT&T will pay for the equipment needed for the Town to get started with two channels. The channels will be accessible throughout North-west Indiana and Chicago and AT&T will pay the Town a 5% franchise fee.

On July 27, 2009, the Town Council approved a lease agreement with PublicFinance.com for \$105,000 for two years for the purchase of eight squad cars and \$145,000 for three years for the purchase of new golf software for Centennial Park at a combined interest rate of 4.75%.

On August 7, 2009, the Park Board awarded the Centennial Park Bike Path project to Berglund Construction for \$724,987.

On August 17, 2009, the Redevelopment Commission approved to disburse \$288,679 to the State of Indiana for the Town's share of the widening of Calumet Avenue from Fisher Street to 45th Avenue. The Town must pay 20% of the State's \$1,443,392 contract with Reith Riley.

On September 15, 2009, the Park Board adopted resolutions to initiate the process to sell and budget the Park Bonds of 2009 for an amount not to exceed \$1,970,000.

On September 24, 2009, the Town Council awarded the Calumet Avenue Water Pump Station exterior building renovations, HVAC replacement and landscaping improvement project to Gaskill and Walton for \$134,380 to be paid from Water Operating Fund.

On October 12, 2009, the Town Council adopted resolutions to initiate the process to sell and budget the Municipal Bonds of 2009 for an amount not to exceed \$1,970,000. The bonds are expected to be sold by December 1, 2009, with a closing date of December 8, 2009.

The Town has secured federal grants from the U.S. Department of Energy for a Waste-to-Energy Cogeneration Project for \$1,968,000 and \$951,500 for a total of \$2,919,500. The Town's required minimum non-federal cost share percentage for the project is 50% of \$2,919,500. The Town has not drawn any federal funds as of October 21, 2009.

In 2008, the Indiana General Assembly passed House Enrolled Act 1001 (HEA 1001) which provides a property tax credit (the Circuit Breaker Tax Credit) when the taxes on any property exceed a certain percentage of the property's assessed value. The credit is phased in over two years. For taxes payable in 2009 and 2010, the applicable percentages are as follows:

	2009	2010
Homestead (owner-occupied) residential property	1.5%	1%
Other residential property	2.5%	2%
Commercial and industrial property	3.5%	3%

The Circuit Breaker Tax Credit will result in a reduction of property tax collections for each political subdivision in which the Circuit Breaker Tax Credit is applied. A political subdivision may not increase its property tax levy or borrow funds to offset the effects of the Circuit Breaker Tax Credit.

TOWN OF MUNSTER
 NOTES TO FINANCIAL STATEMENTS
 (Continued)

Due to delays caused by trending of assessments, the assessed valuations of Lake County were not finalized by February 15, 2009, as required. Therefore, the 2008 pay 2009 property tax rates and levies, as well as related budget orders for 2009, were not established until July 31, 2009. Currently, the County is anticipating billing the 2008 pay 2009 taxes in two installments with due dates of October 29 and November 30, 2009.

E. Contingent Liabilities

The Town is a defendant in a lawsuit filed by Hammond Clinic LLC, whereby the medical facility alleges that on August 5, 2008, the Town and the Hammond Sanitary District were negligent in failing to provide a backup generator or secondary power source to a pump, resulting in flood damage to its property in excess of \$1,000,000. The Town anticipates that after completion of appropriate discovery it will file a dispositive motion to remove the Town as a defendant in the action since the Town has no control over the operations of the Hammond Sanitary District. In the event the Town remains as a defendant in the action, the Town will participate in the defense along with the Hammond Sanitary District. In the event the Hammond Clinic is successful in its action against the defendants under the Indiana Comparative Fault Act, liability would be apportioned between the two defendants. Since the Hammond Sanitary District bears the major responsibility for the ownership and operation of the pump station which failed, the Town believes that the greater liability would be apportioned to the Hammond Sanitary District and only nominal, if any, damages would be realized against the Town.

On September 12, 2008, the Town experienced an extraordinary rainfall in a short period of time which led to substantial flooding of the Little Calumet River. The Town has received a number of tort claims arising from the September 12, 2008 flood. To date, no lawsuit has been filed by the parties who have filed a tort claim notice. The Town believes it has defense against actions rising from the flooding due to the unforeseeable and extraordinary circumstances which led to the flooding and additional defenses available to the Town under the Indiana Tort Immunity Statute. The Town believes that a significant unfavorable verdict against it is less than likely.

The Town is a defendant in a discrimination lawsuit filed by an employee of the Town with the Indiana Civil Rights Commission. The charges were forwarded to the U.S. Equal Employment Opportunity Commission (EEOC). The matter is still under administrative review by the U.S. EEOC and has not been set for mediation or any other resolution. No litigation has been filed. If the employee is successful in the charge of discrimination, the employee may be entitled to recover lost back pay and attorney fees. Since the employee has been on paid administrative leave in the course of the proceedings, the total lost pay is not substantial and currently would be in the \$10,000 to \$20,000 range. Any attorney fees received after trial would probably be in excess of the damages.

F. Termination Benefits

During the current year, the Town offered to reward all employees who retire or separate from the Town with a minimum of fifteen years of service with the following:

<u>Years of Service</u>	<u>Benefit</u>
15 - 17	Ten days of salary and one month of insurance if desired
17 -19	Twenty days of salary and two months of insurance if desired
20+	Thirty days of salary and three months on insurance if desired

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

During the current year, the Town offered to employees who have fifteen years of service, or who have met the requirements in any of the approved retirement systems, continuation of insurance benefits indefinitely. The employee pays 102% (Cobra Rate) of the regular insurance rate. Currently, the Town receives Cobra payments from eight participants for medical and dental insurance. The Town is self-insured for medical and dental benefits and the claims associated with the Cobra participants could not be reasonably determined.

G. Rate Structure – Enterprise Funds

Water Utility

On July 11, 2005, the Town Council adopted Ordinance 1287 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on September 18, 2006.

Solid Waste Management

The current rate structure was approved by the Town Council on July 16, 2007.

H. Pension Plans

1. Agent Multiple-Employer and Single-Employer Defined Benefit Pension Plans

a. Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the PERF Board, most requirements of the system and give the Town 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Funding Policy

PERF members are required to contribute three percent of their annual covered salary. The Town is required to contribute at an actuarially determined rate; the current rate is 6.75% of annual covered payroll. The contribution requirements of plan members and the Town are established and may be amended by the PERF Board of Trustees.

Information to segregate the assets/liabilities and the actuarial study figures between the Town and the Utilities is not available.

Annual Pension Cost

For 2008, the Town's annual pension cost of \$251,022 for PERF exceeded the Town's required and actual contributions.

b. 1925 Police Officers' Pension Plan

Plan Description

The Town contributes to the 1925 Police Officers' Pension Plan, which 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

Plan members are required by state statute (IC 36-8-6-4) to contribute an amount equal to six percent (6%) of the salary of a first class patrolman. The Town is required to contribute an amount equal to the funding deficit of the differences between receipts of the fund and the required disbursements of the fund (pay-as-you-go basis); the amount contributed for 2008 is \$806,437. The contribution requirements of plan members and the Town are established by state statute. Of this amount, \$517,305 is contributed by the State of Indiana on behalf of the Town. On behalf contributions from the State of Indiana approximates the amount paid out for benefits.

Annual Pension Cost

For 2008, the Town's annual pension cost of \$584,200 for the 1925 Police Officers' Pension Plan was less than the Town's required and actual contributions.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plans

	PERF	1925 Police Officers' Pension
Annual required contribution	\$ 250,995	\$ 654,300
Interest on net pension obligation	(192)	267,500
Adjustment to annual required contribution	219	(337,600)
Annual pension cost	251,022	584,200
Contributions made	233,892	806,437
Increase (decrease) in net pension obligation	17,130	(222,237)
Net pension obligation, beginning of year	(2,653)	4,459,037
Net pension obligation, end of year	\$ 14,477	\$ 4,236,800

	PERF	1925 Police Officers' Pension
Contribution rates:		
Town	6.75%	N/A
Plan members	3%	6%
Actuarial valuation date	07-01-08	01-01-08
Actuarial cost method	Entry age normal cost	Entry age
Amortization method	Level dollar closed amortization period	Level percentage of projected payroll, closed
Amortization period	30 years	30 years
Amortization period (from date)	07-01-07	01-01-05
Asset valuation method	75% of expected actuarial value plus 25% of market value	4 year phase in of unrealized and realized capital

N/A= Not applicable

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

<u>Actuarial Assumptions</u>	<u>PERF</u>	<u>1925 Police Officers' Pension</u>
Investment rate of return	7.25%	6%
Projected future salary increases:		
Total	4%	4%
Cost-of-living adjustments	1.5%	2.75/4%*

*2.75% converted members; 4% nonconverted members

Three-Year Trend Information

	<u>Year Ending</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
PERF	06-30-06	\$ 239,491	78%	\$ (31,820)
	06-30-07	232,050	87%	(2,653)
	06-30-08	251,022	93%	14,477
1925 Police Officers' Pension Plan	12-31-06	612,700	72%	4,247,494
	12-31-07	626,200	66%	4,459,037
	12-31-08	584,200	138%	4,236,800

Membership in the 1925 Police Officers' Pension Plan at January 1, 2008, was comprised of the following:

Retirees and beneficiaries currently receiving benefits	<u>1925 Police Officers' Pension</u>
	21

Funded Status and Funding Progress for the Above Plans

The funded status of each plan as of July 1, 2008, the most recent actuarial valuation date (except 1925 police pension plan which is as of January 1, 2008) is as follows:

<u>Retirement Plan</u>	<u>Actuarial Value of Assets (a)</u>	<u>Actuarial Accrued Liability (AAL) Retirement (b)</u>	<u>Unfunded AAL Retirement (a-b)</u>	<u>Funded Ratio Retirement (a/b)</u>	<u>Covered Payroll Retirement (c)</u>	<u>Unfunded AAL as a Percentage of Covered Payroll Retirement ((a-b)/c)</u>
PERF	\$ 4,822,456	\$ 5,396,369	\$ (573,913)	89%	\$ 3,506,040	(16%)
1925 Police Officers' Pension	21	8,894,800	(8,894,779)	0%	-	No covered payroll

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Schedule of Funding Progress, presented as RSI for the above plans following the notes to the financial statements, presents multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

2. Cost-Sharing Multiple-Employer Defined Benefit Pension Plan

1977 Police Officers' and Firefighters' Pension and Disability Fund

Plan Description

The Town contributes to the 1977 Police Officers' and Firefighters' Pension and Disability Fund, a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Employees' Retirement Plan (PERF) 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 55 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 55. The plan also provides for death and disability benefits.

PERF 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:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Costs

Plan members are required to contribute 6% of the first-class police officers' salary and the Town is to contribute at an actuarially determined rate. The current rate, which has not changed since the inception of the plan, is 21% of the first-class police officers' salary. The contribution requirements of plan members and the Town are established by the Board of Trustees of PERF. The Town's contributions to the plan for the years ending December 31, 2008, 2007, and 2006, were \$450,930, \$415,500, and \$394,510, respectively, equal to the required contributions for each year.

TOWN OF MUNSTER
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULES OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-06	\$ 4,367,125	\$ 4,918,778	\$ (551,653)	89%	\$ 3,444,040	(16%)
07-01-07	4,824,666	5,467,709	(643,043)	88%	3,588,782	(18%)
07-01-08	4,822,456	5,396,369	(573,913)	89%	3,506,040	(16%)

1925 Police Pension Plan

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Unfunded AAL as a Percentage of Covered Payroll ((a-b)/c)
01-01-03	\$ 553,044	\$ 9,879,900	\$ (9,326,856)	6%	\$ 98,800	(9,440%)
01-01-04	594,771	10,014,400	(9,419,629)	6%	50,800	(18,543%)
01-01-05	488,579	9,547,100	(9,058,521)	5%	50,800	(17,832%)
01-01-06	325,809	9,128,500	(8,802,691)	4%	50,900	(17,294%)
01-01-07	211,786	9,279,100	(9,067,314)	2%	53,400	(16,980%)
01-01-08	21	8,894,800	(8,894,779)	0%	-	No covered payroll

TOWN OF MUNSTER
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF CONTRIBUTIONS FROM THE
 EMPLOYER AND OTHER CONTRIBUTING ENTITIES

1925 Police Officers' Pension Plan				
Year	Annual	Percentage of ARC		
Ending	Required Contribution (ARC)	Contributed		
		Town	State	
12-31-03	\$ 1,105,900	16%	39%	
12-31-04	1,156,500	6%	35%	
12-31-05	689,800	1%	58%	
12-31-06	668,100	7%	59%	
12-31-07	688,100	4%	56%	
12-31-08	654,300	44%	79%	

TOWN OF MUNSTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Motor Vehicle Highway	Local Road And Street	Donations	Economic Development Operating	Law Enforcement Continuing Education
Receipts:					
Taxes	\$ 1,464,418	\$ -	\$ -	\$ -	\$ -
Intergovernmental	664,194	243,353	-	-	-
Charges for services	223,875	-	-	-	24,300
Fines and forfeits	-	-	-	-	6,604
Interfund loans	913,450	103,000	-	-	-
Other	75,093	7,145	74,941	5,077	-
Total receipts	3,341,030	353,498	74,941	5,077	30,904
Disbursements:					
General government	-	-	73,573	-	-
Public safety	-	-	-	-	23,843
Highways and streets	2,403,053	371,340	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Interfund loans	176,000	103,000	-	-	-
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Capital outlay:					
General government	-	-	-	-	-
Highways and streets	-	5,580	-	-	-
Economic development	-	-	-	-	-
Total disbursements	2,579,053	479,920	73,573	-	23,843
Excess (deficiency) of receipts over disbursements	761,977	(126,422)	1,368	5,077	7,061
Other financing sources (uses):					
Net proceeds from borrowings	-	-	-	-	-
Tax anticipation warrant proceeds	-	-	-	-	-
Tax anticipation warrant repayments	(900,000)	-	-	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts	45,895	425	-	-	-
Total other financing sources (uses)	(854,105)	425	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(92,128)	(125,997)	1,368	5,077	7,061
Cash and investment fund balance - beginning	435,247	226,142	16,789	178,529	20,547
Cash and investment fund balance - ending	<u>\$ 343,119</u>	<u>\$ 100,145</u>	<u>\$ 18,157</u>	<u>\$ 183,606</u>	<u>\$ 27,608</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ 18,157	\$ -	\$ -
Restricted assets:					
Cash and investments	343,119	100,145	-	183,606	27,608
Total cash and investment assets - ending	<u>\$ 343,119</u>	<u>\$ 100,145</u>	<u>\$ 18,157</u>	<u>\$ 183,606</u>	<u>\$ 27,608</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	27,608
Highways and streets	343,119	100,145	-	-	-
Economic development	-	-	-	183,606	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	-	-	-	-	-
Unrestricted	-	-	18,157	-	-
Total cash and investment fund balance - ending	<u>\$ 343,119</u>	<u>\$ 100,145</u>	<u>\$ 18,157</u>	<u>\$ 183,606</u>	<u>\$ 27,608</u>

TOWN OF MUNSTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Parks And Recreation	Technology Fund	Special Asset Forfeiture Nonreverting	Federal Grants	Corporation Bond And Interest
Receipts:					
Taxes	\$ 958,329	\$ -	\$ -	\$ -	\$ 2,160,994
Intergovernmental	56,706	-	-	27,198	122,008
Charges for services	1,014,663	222,317	-	-	-
Fines and forfeits	-	-	26,217	-	-
Interfund loans	653,400	-	-	-	900,400
Other	164,847	129,188	260	-	54,769
Total receipts	2,847,945	351,505	26,477	27,198	3,238,171
Disbursements:					
General government	-	294,768	-	11,363	800
Public safety	-	-	18,457	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	2,600,199	-	-	-	-
Interfund loans	262,000	-	-	-	-
Debt service:					
Principal	-	-	-	-	1,910,000
Interest	-	-	-	-	167,572
Capital outlay:					
General government	-	6,159	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Total disbursements	2,862,199	300,927	18,457	11,363	2,078,372
Excess (deficiency) of receipts over disbursements	(14,254)	50,578	8,020	15,835	1,159,799
Other financing sources (uses):					
Net proceeds from borrowings	-	-	-	-	-
Tax anticipation warrant proceeds	-	-	-	-	885,000
Tax anticipation warrant repayments	-	-	-	-	(2,085,000)
Transfers in	8,926	-	-	-	4,000
Transfers out	-	-	-	(16,798)	-
Other receipts	5,220	-	-	-	-
Total other financing sources (uses)	14,146	-	-	(16,798)	(1,196,000)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(108)	50,578	8,020	(963)	(36,201)
Cash and investment fund balance - beginning	4,148	80,936	12,285	963	178,219
Cash and investment fund balance - ending	<u>\$ 4,040</u>	<u>\$ 131,514</u>	<u>\$ 20,305</u>	<u>\$ -</u>	<u>\$ 142,018</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ 4,040	\$ 131,514	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	-	-	20,305	-	142,018
Total cash and investment assets - ending	<u>\$ 4,040</u>	<u>\$ 131,514</u>	<u>\$ 20,305</u>	<u>\$ -</u>	<u>\$ 142,018</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	20,305	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	142,018
Capital outlay	-	-	-	-	-
Unrestricted	4,040	131,514	-	-	-
Total cash and investment fund balance - ending	<u>\$ 4,040</u>	<u>\$ 131,514</u>	<u>\$ 20,305</u>	<u>\$ -</u>	<u>\$ 142,018</u>

TOWN OF MUNSTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Redevelopment Bond And Interest	Park Bond And Interest	Municipal Complex	Redevelopment Reserve Fund	Cumulative Capital Improvement Cigarette Tax
Receipts:					
Taxes	\$ 390,312	\$ 1,864,695	\$ 1,724,275	\$ -	\$ -
Intergovernmental	53,840	122,008	82,134	-	69,955
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interfund loans	-	461,580	50,050	-	-
Other	37,867	32,088	5,076	-	-
Total receipts	482,019	2,480,371	1,861,535	-	69,955
Disbursements:					
General government	500	1,300	5,000	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	83,888
Culture and recreation	-	-	-	-	-
Interfund loans	-	-	-	-	-
Debt service:					
Principal	-	1,450,000	575,000	-	-
Interest	556,060	166,981	645,000	-	-
Capital outlay:					
General government	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	-	-
Total disbursements	556,560	1,618,281	1,225,000	-	83,888
Excess (deficiency) of receipts over disbursements	(74,541)	862,090	636,535	-	(13,933)
Other financing sources (uses):					
Net proceeds from borrowings	-	-	-	-	-
Tax anticipation warrant proceeds	-	661,000	121,000	-	-
Tax anticipation warrant repayments	-	(1,551,000)	(1,221,000)	-	-
Transfers in	-	-	-	-	-
Transfers out	-	-	-	-	-
Other receipts	-	875	1,006	-	-
Total other financing sources (uses)	-	(889,125)	(1,098,994)	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(74,541)	(27,035)	(462,459)	-	(13,933)
Cash and investment fund balance - beginning	560,042	169,715	462,471	736,555	86,449
Cash and investment fund balance - ending	<u>\$ 485,501</u>	<u>\$ 142,680</u>	<u>\$ 12</u>	<u>\$ 736,555</u>	<u>\$ 72,516</u>
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	485,501	142,680	12	736,555	72,516
Total cash and investment assets - ending	<u>\$ 485,501</u>	<u>\$ 142,680</u>	<u>\$ 12</u>	<u>\$ 736,555</u>	<u>\$ 72,516</u>
Cash and Investment Fund Balance - Ending					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ -
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	736,555	-
Culture and recreation	-	-	-	-	-
Debt service	485,501	142,680	12	-	-
Capital outlay	-	-	-	-	72,516
Unrestricted	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 485,501</u>	<u>\$ 142,680</u>	<u>\$ 12</u>	<u>\$ 736,555</u>	<u>\$ 72,516</u>

TOWN OF MUNSTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Cumulative Capital Development	Corporation Bond Proceeds	Riverboat Capital Project	Redevelopment Operating	Barrett Bond Proceeds
Receipts:					
Taxes	\$ 308,078	\$ -	\$ -	\$ 1,040,709	\$ -
Intergovernmental	14,803	-	313,103	39,753	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Interfund loans	-	-	-	-	-
Other	15	-	5	387,675	-
Total receipts	322,896	-	313,108	1,468,137	-
Disbursements:					
General government	18,000	-	189	-	-
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	163,572	-
Culture and recreation	-	-	-	-	-
Interfund loans	81,000	3,161,750	-	-	-
Debt service:					
Principal	85,723	-	-	-	-
Interest	4,085	-	-	-	-
Capital outlay:					
General government	-	1,514,373	59,123	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	1,246,690	-
Total disbursements	188,808	4,676,123	59,312	1,410,262	-
Excess (deficiency) of receipts over disbursements	134,088	(4,676,123)	253,796	57,875	-
Other financing sources (uses):					
Net proceeds from borrowings	-	1,970,000	-	-	-
Tax anticipation warrant proceeds	-	-	-	-	-
Tax anticipation warrant repayments	-	-	-	-	-
Transfers in	-	25,000	-	-	-
Transfers out	-	-	-	-	-
Other receipts	447	576	22,481	-	14,449
Total other financing sources (uses)	447	1,995,576	22,481	-	14,449
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	134,535	(2,680,547)	276,277	57,875	14,449
Cash and investment fund balance - beginning	413	2,908,336	93,178	33,402	3,161
Cash and investment fund balance - ending	\$ 134,948	\$ 227,789	\$ 369,455	\$ 91,277	\$ 17,610
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:					
Cash and investments	134,948	227,789	369,455	91,277	17,610
Total cash and investment assets - ending	\$ 134,948	\$ 227,789	\$ 369,455	\$ 91,277	\$ 17,610
Cash and Investment Fund Balance - Ending					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 17,610
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	-
Economic development	-	-	-	91,277	-
Culture and recreation	-	-	-	-	-
Debt service	-	-	-	-	-
Capital outlay	134,948	227,789	369,455	-	-
Unrestricted	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 134,948	\$ 227,789	\$ 369,455	\$ 91,277	\$ 17,610

TOWN OF MUNSTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008
 (Continued)

	Redevelopment Capital Improvements	Local Major Moves Construction	Park Donation Non-Reverting	Park Land Escrow	Totals
Receipts:					
Taxes	\$ -	\$ -	\$ -	\$ -	\$ 9,911,810
Intergovernmental	-	-	-	-	1,809,055
Charges for services	-	-	-	-	1,485,155
Fines and forfeits	-	-	-	-	32,821
Interfund loans	-	-	-	-	3,081,880
Other	89,291	17,226	259	1,440	1,082,262
Total receipts	89,291	17,226	259	1,440	17,402,983
Disbursements:					
General government	-	-	-	-	405,493
Public safety	-	-	-	-	42,300
Highways and streets	-	-	-	-	2,774,393
Economic development	20,987	-	-	-	268,447
Culture and recreation	-	-	185,957	-	2,786,156
Interfund loans	-	-	-	-	3,783,750
Debt service:					
Principal	-	-	-	-	4,020,723
Interest	-	-	-	-	1,539,698
Capital outlay:					
General government	-	-	-	-	1,579,655
Highways and streets	-	-	-	-	5,580
Economic development	3,634,958	-	-	-	4,881,648
Total disbursements	3,655,945	-	185,957	-	22,087,843
Excess (deficiency) of receipts over disbursements	(3,566,654)	17,226	(185,698)	1,440	(4,684,860)
Other financing sources (uses):					
Net proceeds from borrowings	-	-	-	-	1,970,000
Tax anticipation warrant proceeds	-	-	-	-	1,667,000
Tax anticipation warrant repayments	-	-	-	-	(5,757,000)
Transfers in	-	-	-	-	37,926
Transfers out	-	-	-	-	(16,798)
Other receipts	2,216	-	187,444	-	281,034
Total other financing sources (uses)	2,216	-	187,444	-	(1,817,838)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,564,438)	17,226	1,746	1,440	(6,502,698)
Cash and investment fund balance - beginning	4,086,032	541,517	27,638	10,080	10,872,794
Cash and investment fund balance - ending	\$ 521,594	\$ 558,743	\$ 29,384	\$ 11,520	\$ 4,370,096
Cash and Investment Assets - Ending					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 153,711
Restricted assets:					
Cash and investments	521,594	558,743	29,384	11,520	4,216,385
Total cash and investment assets - ending	\$ 521,594	\$ 558,743	\$ 29,384	\$ 11,520	\$ 4,370,096
Cash and Investment Fund Balance - Ending					
Restricted for:					
General government	\$ -	\$ -	\$ -	\$ -	\$ 17,610
Public safety	-	-	-	-	47,913
Highways and streets	-	-	-	-	443,264
Economic development	-	-	-	-	1,011,438
Culture and recreation	-	-	29,384	11,520	40,904
Debt service	-	-	-	-	770,211
Capital outlay	521,594	558,743	-	-	1,885,045
Unrestricted	-	-	-	-	153,711
Total cash and investment fund balance - ending	\$ 521,594	\$ 558,743	\$ 29,384	\$ 11,520	\$ 4,370,096

TOWN OF MUNSTER
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 INTERNAL SERVICE FUNDS
 As Of And For The Year Ended December 31, 2008

	Medical/Life Insurance Escrow	Liability Insurance Escrow	Totals
Operating receipts:			
Employer contributions	\$ 947,776	\$ 609,025	\$ 1,556,801
Employee contributions	132,916	-	132,916
Miscellaneous	144,029	242,954	386,983
Total operating receipts	1,224,721	851,979	2,076,700
Operating disbursements:			
Administrative and general	48,981	146,161	195,142
Insurance claims and expense	1,240,358	790,872	2,031,230
Total operating disbursements	1,289,339	937,033	2,226,372
Excess (deficiency) of receipts over disbursements	(64,618)	(85,054)	(149,672)
Cash and investment fund balance - beginning	587,256	282,523	869,779
Cash and investment fund balance - ending	\$ 522,638	\$ 197,469	\$ 720,107
<u>Cash and Investment Assets - December 31</u>			
Restricted assets:			
Cash and investments	\$ 522,638	\$ 197,469	\$ 720,107
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Other purposes	\$ 522,638	\$ 197,469	\$ 720,107

TOWN OF MUNSTER
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2008

	Payroll	Intergovernmental Collection	Insurance Payments	Cable TV Security	Escrow Fund	Totals
Additions:						
Agency fund additions	\$ 10,371,172	\$ 1,821,249	\$ 1,434,157	\$ 3,400	\$ 346,345	\$ 13,976,323
Deductions:						
Agency fund deductions	10,362,461	1,805,823	1,434,157	-	375,145	13,977,586
Excess (deficiency) of total additions over total deductions	8,711	15,426	-	3,400	(28,800)	(1,263)
Cash and investment fund balance - beginning	219,489	224,832	-	106,783	580,974	1,132,078
Cash and investment fund balance - ending	<u>\$ 228,200</u>	<u>\$ 240,258</u>	<u>\$ -</u>	<u>\$ 110,183</u>	<u>\$ 552,174</u>	<u>\$ 1,130,815</u>

TOWN OF MUNSTER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2008

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.

General infrastructure assets are included if acquired (purchased, constructed, or donated) after July 1, 1980, or if they received major renovations, restorations, or improvements after that date. The government was able to estimate the historical cost for the initial reporting of these assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year.) As the government constructs or acquires additional capital assets each period, including infrastructure assets, they are reported at historical cost.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 33,042,815
Infrastructure	158,286,207
Buildings	8,742,709
Public art	613,788
Improvements other than buildings	3,057,559
Machinery and equipment	8,161,977
Construction in progress	<u>5,262,852</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 217,167,907</u>
 Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 215,213
Infrastructure	21,399,746
Buildings	3,863,636
Machinery and equipment	626,106
Construction in progress	<u>500,000</u>
 Total business-type activities capital assets, not being depreciated	 <u>\$ 26,604,701</u>
 Grand Total for Town	 <u>\$ 243,772,608</u>

TOWN OF MUNSTER
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:		
Capital leases:		
Centennial Park	\$ 13,150,000.00	\$ 1,220,000.00
2007 Copy Machines	126,000.00	36,000.00
2007 Police Cars (I)	15,175.00	15,420.00
2008 Police Cars (K)	139,842.51	73,140.00
Bonds payable:		
General obligation bonds:		
2005 Municipal	470,000.00	482,142.32
2006 Municipal	1,030,000.00	538,462.50
2007 Municipal	1,500,000.00	547,889.66
2008 Municipal	1,970,000.00	526,517.88
2005 Park District	470,000.00	482,142.32
2006 Park District	1,030,000.00	540,725.00
2007 Park District	1,500,000.00	551,187.39
2008 Park District	1,970,000.00	533,408.75
2007 Redevelopment Bonds	8,125,000.00	734,106.75
Total governmental activities debt	<u>\$ 31,496,017.51</u>	<u>\$ 6,281,142.57</u>
Business-type activities:		
Water Utility:		
Capital leases:		
2005 Water Meters #1	\$ 291,550.00	\$ 136,640.00
2006 Water Meters #2	224,081.00	105,260.00
2007 Water Meters #3	375,156.00	176,020.00
2007 Water Meters #4	178,594.00	83,800.00
2008 Water Meters #5	87,206.62	45,910.00
Total business-type activities debt	<u>\$ 1,156,587.62</u>	<u>\$ 547,630.00</u>

TOWN OF MUNSTER
AUDIT RESULTS AND COMMENTS

PRIOR PAYMENT OF CLAIMS – REDEVELOPMENT COMMISSION

The Redevelopment Commission approves the claims for the Redevelopment Operating, Redevelopment Capital Improvement, and Redevelopment Bond and Interest funds. Monthly, claims are paid prior to allowance by the Redevelopment Commission and then confirmed at the next meeting. Prior written approval, allowing the Clerk-Treasurer to pay certain types of claims prior to the commission's allowance, was not presented for audit.

IC 36-5-4-12 states:

"(a) The legislative body of a town may adopt an ordinance allowing money to be disbursed under this section for lawful town purposes. (b) Notwithstanding IC 5-11-10, with the prior written approval of the board having jurisdiction over allowance of the claim, a town fiscal officer may make claim payments in advance of a board allowance for the following types of expenses if the town legislative body has adopted an ordinance under subsection (a): (1) Property or services purchased or leased from the United States government, (2) License fees or permit fees, (3) Insurance premiums, (4) Utility payments or utility connection charges, (5) Federal grant programs where advance funding is not prohibited and the contracting party provides sufficient security for the amount advanced, (6) Grants of state funds authorized by statute, (7) Maintenance agreements or service agreements, (8) Lease agreements or rental agreements, (9) Principal and interest payments on bonds, (10) Payroll, (11) State, federal, or county taxes, (12) Expenses that must be paid because of emergency circumstances, (13) Expenses described in an ordinance, (c) Each payment of expenses under this section must be supported by a fully itemized invoice or bill and certification by the fiscal officer. (d) The town legislative body or the board having jurisdiction over the allowance of the claim shall review and allow the claim at the body's or board's next regular or special meeting following the preapproved payment of the expense."

LEASES – REDEVELOPMENT COMMISSION

In December 2007 and during 2008, the Redevelopment Commission purchased the business complexes located at 45th and Calumet Avenues in anticipation of the redevelopment of the intersection. As part of the acquisition, the Redevelopment Commission assumed the leases with the tenants at the time. Since the assumption of the leases, the tenants have either vacated the units or new lease agreements have been negotiated. The Redevelopment Commission minutes for 2008 and 2009 included approval for Southside Christian Center, Children of Abraham, and the Humane Society to occupy units rent-free and the month to month lease to the Munster Animal Hospital before it moved. However, the other tenants' lease agreements were not approved by the Redevelopment Commission.

IC 36-7-14-22.5 states in part:

"(a) This section applies to the following: (1) Real property: (A) that was acquired by the commission to carry out a redevelopment project, an economic development area project, or an urban renewal project . . . (b) The commission may do the following to or for real property described in subsection (a): (1) Examine, classify, manage, protect, insure, and maintain the property. (2) Eliminate deficiencies (including environmental deficiencies), carry out repairs, remove structures, and make improvements. (3) Control the use of the property. (4) Lease the property . . ."

TOWN OF MUNSTER
AUDIT RESULTS AND COMMENTS
(Continued)

REDEVELOPMENT TAX INCREMENT FINANCING (TIF) RECEIPTS AND DISBURSEMENTS

In February 2006, the Redevelopment Commission approved Resolution 002 declaring a portion of the Town an economic development area to be developed under IC 36-7-14 and 36-7-25 and prepared an economic development plan for the selected economic development area. The additional taxes collected once an economic development area has been established are remitted to the Commission from the County as Tax Increment Financing (TIF) allocation. The commission received \$627,275.54 and \$2,069,476.48 of TIF allocations in 2008 and 2009, respectively. The TIF allocations were posted to the Redevelopment Operating Fund; however, per IC 36-7-14-39(b) (2) the allocations are to be posted to a separate allocation fund for the established economic development area. Furthermore, the allocation funds cannot be used for operating expenses of the commission. Thus, the Commission should establish a Redevelopment TIF Allocation Fund and transfer the TIF allocations and related allowable disbursements from the operating fund to the new TIF allocation fund.

In addition, on February 16, 2009, the Redevelopment Commission approved to set aside TIF allocations for public art based on a formula. The minutes state: "Money collected under this program would be used for the maintenance and annual upkeep of lighting (25%), creating a depreciation fund for the long-term maintenance of existing artwork (15%), and for the new artwork throughout Town (60%)." Furthermore, on April 20, 2009, the Commission reinstated the 50/50 fence policy to be paid from TIF allocations. Further clarification of the fence policy on August 17, 2009, was made by the Commission stipulating the fence must be immediately adjacent to a Town-owned right-of-way or property, or the majority of the fence must run parallel to the Town-owned right-of-way, or the fence must adjoin one of the Town's major arterial roads or any of its commercially-zoned areas to include alleys. The maintenance of the existing artwork, the construction of new artwork, and the 50/50 fence policy are not allowable under IC 36-7-14-39.

IC 36-7-14-39(b) (2) states in part:

"Except as otherwise provided in this section, property tax proceeds in excess of those described in subdivision (1) shall be allocated to the redevelopment district and, when collected, paid into an allocation fund for that allocation area that may be used by the redevelopment district only to do one (1) or more of the following:

(A) Pay the principal of and interest on any obligations payable solely from allocated tax proceeds which are incurred by the redevelopment district for the purpose of financing or refinancing the redevelopment of that allocation area.

(B) Establish, augment, or restore the debt service reserve for bonds payable solely or in part from allocated tax proceeds in that allocation area.

(C) Pay the principal of and interest on bonds payable from allocated tax proceeds in that allocation area and from the special tax levied under section 27 of this chapter.

(D) Pay the principal of and interest on bonds issued by the unit to pay for local public improvements that are physically located in or physically connected to that allocation area.

(E) Pay premiums on the redemption before maturity of bonds payable solely or in part from allocated tax proceeds in that allocation area.

(F) Make payments on leases payable from allocated tax proceeds in that allocation area under section 25.2 of this chapter: . . .

TOWN OF MUNSTER
AUDIT RESULTS AND COMMENTS
(Continued)

(G) Reimburse the unit for expenditures made by it for local public improvements (which include buildings, parking facilities, and other items described in section 25.1(a) of this chapter) that are physically located in or physically connected to that allocation area.

(H) Reimburse the unit for rentals paid by it for a building or parking facility that is physically located in or physically connected to that allocation area under any lease entered into under IC 36-1-10.

(I) For property taxes first due and payable before January 1, 2009, pay all or a part of a property tax replacement credit to taxpayers in an allocation area as determined by the redevelopment commission. This credit equals the amount determined under the following STEPS for each taxpayer in a taxing district (as defined in IC 6-1.1-1-20) that contains all or part of the allocation area.

(J) Pay expenses incurred by the redevelopment commission for local public improvements that are in the allocation area or serving the allocation area. Public improvements include buildings, parking facilities, and other items described in section 25.1(a) of this chapter.

(K) Reimburse public and private entities for expenses incurred in training employees of industrial facilities that are located: (i) in the allocation area; and (ii) on a parcel of real property that has been classified as industrial property under the rules of the department of local government finance. However, the total amount of money spent for this purpose in any year may not exceed the total amount of money in the allocation fund that is attributable to property taxes paid by the industrial facilities described in this clause. The reimbursements under this clause must be made within three (3) years after the date on which the investments that are the basis for the increment financing are made.

The allocation fund may not be used for operating expenses of the commission."

NONUSE OF PURCHASE ORDERS

The Town does not utilize purchase orders to encumber/reserve appropriations when purchases are initiated. An analysis of 2009 accounts payable vouchers revealed that 2008 invoices were paid from 2009 appropriations without being properly encumbered. The following schedule reflects the total paid in 2009, by fund, for December 2008 invoice dates and the total paid in 2009 for January to November 2008 invoice dates:

	<u>December 2008</u> <u>Invoice Dates</u>	<u>November 2008</u> <u>Invoice Dates</u>	<u>Totals</u>
General	\$ 21,198	\$ 3,959	\$ 25,157
Motor Vehicle Highway	24,697	-	24,697
Local Road and Street	73,604	14,465	88,069
Park and Recreation	47,397	13,289	60,686
Sewer Maintenance	26,703	9,708	36,411
Special Asset Forfeiture Nonreverting	8,347	-	8,347
Cumulative Capital Improvement	6,470	-	6,470
Redevelopment Operating	2,175	-	2,175
	<u>210,591</u>	<u>41,421</u>	<u>252,012</u>
Totals	<u>\$ 210,591</u>	<u>\$ 41,421</u>	<u>\$ 252,012</u>

TOWN OF MUNSTER
AUDIT RESULTS AND COMMENTS
(Continued)

IC 5-22-18-5(b) states in part:

"Within thirty (30) days after the acceptance of an offer, the purchasing agent shall deliver in person or by first class mail to the successful offeror the original of each purchase order or lease, retain a copy for the purchasing agent's records, and file a copy for public record and inspection as follows: (1) When a purchase or lease is made for a county or municipality, the copy of the purchase order or lease must be filed with the fiscal officer of the unit. . . ."

The purchase order (General Form 98) is used in conjunction with City and Town Form 209, Ledger of Appropriations, Encumbrances, Disbursements and Balances. Provision is made for certification of an unobligated balance being available in the appropriation from which purchase is to be made, in compliance with the law.

This will require the encumbering of appropriations for each order as it is issued.

It is necessary that all orders pass through the hands of the Clerk-Treasurer, who is responsible for appropriation accounting.

The original will be delivered to the vendor, the duplicate copy filed with the purchasing authority and the triplicate copy filed with the Clerk-Treasurer.

The purchase order number must appear on all invoices and claims or original order prepared by the vendor.

Provision is made on copies for certificate of the party receiving the merchandise. In case of centralized purchasing, a copy should be delivered to the department for execution of this certificate, to be signed and returned to the purchasing authority upon receipt of the merchandise.

Purchase orders issued on bids and contracts must be delivered to the vendor within thirty (30) days after acceptance by the board. [IC 5-22-18-5]

The original copy of a purchase order must be given to the vendor at the time of purchase.

The original purchase order issued to the vendor at the time the purchase is made must accompany the bill or invoice and accounts payable voucher to the department before payment is made, or the number thereof must be shown on the bill or invoice and accounts payable voucher.

An itemized accounts payable voucher covering the purchase must be filed with the department after delivery is made.

It will be observed that there is a sequence of time that must be followed. The order comes first, in the same manner as though an order was being made from a catalog. The Clerk-Treasurer must be advised of the order so that the fund will be encumbered and not obligated more than once. The bill or invoice and accounts payable voucher must be fully prepared, not just a statement of account.

It is to the advantage of the Clerk-Treasurer to know at all times what purchases have been entered into and how the appropriation ledger stands, for purposes of anticipating the year's needs. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 4)

TOWN OF MUNSTER
 AUDIT RESULTS AND COMMENTS
 (Continued)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

ESCROW FUND

The Town's agency fund, entitled Escrow Fund, accounts for the collection of security deposits for redevelopment commission building leases, park security deposits for shelter rentals, street and curb deposits, and new construction deposits and the subsequent disbursement of the deposit back to the customer. Of the \$552,174 cash balance at December 31, 2008, 64% or \$351,525 could not be identified to the original transaction prior to 1999. In addition, a review of the detail that could be identified noted transactions dating back to 1987 and 1988 for bond in lieu of contractor's license, 2002 and 2003 plans and specs collections which were posted to the escrow fund in error, a \$12,500 street and curb deposit from 2002, 77% or \$50,600 of new construction deposits which are at least three years or older, police abandoned property from 2006 and bid packet fees collected from 2000 and 2002. Officials should transfer the unidentified cash balance to the General Fund except for \$659.79 which should be transferred to the Water Operating for unidentified water meter activity.

In addition, the new construction \$200 deposit to ensure contractor's complete items after occupancy was not included in the schedule of fees approved by the Town Council.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

PRORATED SALARIES

The Town Council salaries were prorated between several funds for 2008 and 2009 by the following percentages:

General (101)	40%	25%
Motor Vehicle Highway (201)	10%	10%
Sewer Maintenance (280)	20%	20%
Redevelopment Operating (406)	0%	15%
Water Cash Operating (601)	20%	20%
Solid Waste Management (623)	10%	10%
Totals	<u>100%</u>	<u>100%</u>

TOWN OF MUNSTER
AUDIT RESULTS AND COMMENTS
(Continued)

The amount prorated to the Motor Vehicle Highway is not allowable under Indiana Statute. The Town Council appointed themselves as the Redevelopment Commission. The position of the Town Council member has been determined to be a lucrative office. Per Indiana Statute, the Redevelopment Commissioners may not receive a salary from the Redevelopment Operating Fund since the Commissioners already hold a lucrative office as members of the Town Council.

Furthermore, other positions are prorated between the general fund and other appropriate funds. However, the percent prorated to each fund is not set at the time the salary ordinance is approved.

IC 8-14-1-5 states in part:

"(a) All funds allocated to cities and towns from the motor vehicle highway account shall be used by the cities and towns for the construction, reconstruction, repair, maintenance, oiling, sprinkling, snow removal, weed and tree cutting and cleaning of their highways as herein defined, and including also any curbs, and the city's or town's share of the cost of the separation of the grades of crossing of public highways and railroads, the purchase or lease of highway construction and maintenance equipment, the purchase, erection, operation and maintenance of traffic signs and signals, and safety zones and devices; and the painting of structures, objects, surfaces in highways for purposes of safety and traffic regulation. All of such funds shall be budgeted as provided by law. (b) In addition to purposes for which funds may be expended under subsections (a) and (c) of this section, monies allocated to cities and towns under this chapter may be expended for law enforcement purposes, subject to the following limitations . . . (c) In addition to purposes for which funds may be expended under subsections (a) and (b) of this section, monies allocated to cities and towns under this chapter may be expended for the payment of principal and interest on bonds sold primarily to finance road, street, or thoroughfare projects."

IC 36-7-14-7(f) states:

"Except as provided in subsection (g), redevelopment commissioners are not entitled to salaries but are entitled to reimbursement for expenses necessarily incurred in the performance of their duties."

IC 36-7-14-7(g) states:

"A redevelopment commissioner who does not otherwise hold a lucrative office for the purpose of Article 2, Section 9 of the Indiana Constitution may receive: (1) a salary; or (2) a per diem; and is entitled to reimbursement for expenses necessarily incurred in the performance of the redevelopment commissioner's duties."

Compensation of all town officers and employees shall be fixed by an ordinance of the town council, and for other than elected town officials, this compensation may be changed by another ordinance of the town council at any time. There is no limitation upon the amount fixed, only to the extent of available appropriations where tax funds are involved. [IC 36-5-3-2] At the time such compensation is fixed, it may be prorated between the general fund or any other applicable funds of the town, as well as any available utility funds. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF MUNSTER
AUDIT RESULTS AND COMMENTS
(Continued)

OFFICIAL BOND

The 2009 official bonds for the Clerk-Treasurer, Town manager, Police Pension Secretary, and the Redevelopment Commissioners were not filed with the county recorder.

IC 5-4-1-5.1(b) states in part: "Every elected or appointed officer, official, deputy, or employee of a political subdivision . . . shall file the bond in the office of the county recorder. . . ."

INTERNAL CONTROLS – PARK DEPARTMENT

Controls over the receipting, recording, and accounting for the financial activities for certain activities at Centennial Park were insufficient as follows:

The View Restaurant

1. The waitress calculates a customer's bill by entering the transaction into a cash register. The cash register provides a tape, which is provided to the customer as the bill, which indicates that the customer paid in cash when in fact the customer has yet to pay. Once payment is received by the waitress, the waitress collects the payment and places the payment in the drawer of the cash register. A calculator is available for the waitress to determine the amount of change, if any. In addition, customers may pay by credit card even though the cash register tape already reflects a cash payment.
2. Multiple persons have access to the same cash register and cash drawer. No identifying code is provided by the cash register to know which person entered a transaction. Daily cash longs and shorts occur with no process to identify the causes.

Banquet and Outdoor Facilities

1. When the banquet or outdoor facilities have been rented for an event, the customer enters into a contract. The customer information and the details of the services ordered are entered into the "Reserve" software program and a prenumbered contract is printed. The contract notes the deposit or the full payment received. When subsequent payments are received from the customer, a new updated contract with the same number as the original contract is printed and the total received to date is reflected on the updated contract and a copy of the updated contract is given to the customer as a receipt. The contract does not reflect current amount received or the form of payment received. In addition, since the prenumbered contracts are reprinted for subsequent payments, all collections could not be verified as collected.
2. All the event managers who book events share the same access to the "Reserve" software. Thus, adjustments made to contracts or to amounts received would not be able to be traced back to a specific event manager.

TOWN OF MUNSTER
AUDIT RESULTS AND COMMENTS
(Continued)

Dog Park

Dog owners are issued a card representing payment of fees to use the facilities. The cards are prenumbered and can be renewed the subsequent year. However, since the card number is not noted on the receipt, all cards issued could not be verified to a payment. The Membership Pass Status report does not note the card number or the owner's name. A spreadsheet log is maintained but does not have enough information to trace a card to a payment.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Receipts shall be issued and recorded at the time of the transaction; for example, when cash or a check is received, a receipt is to be immediately prepared and given to the person making payment. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

FEES - PARK DEPARTMENT

The Park Board minutes did not reflect fee approvals for all programs and activities provided by the Park Department. The Board annually approves fees for the use of most facilities for the following year; however, Board approval of the following fees and policies was not noted in the Park minutes:

1. The Park recreational guides which detail upcoming programs and the related fees and policies for youth programs, adult programs, sports, lessons, preschool, etc.
2. At Centennial Park, the View's menu prices, fees for items served or rented at the banquet facilities, or items sold at the pro shop.
3. The policy of reducing the fees for the Dog Park when a pass is applied for during the last six months of the year.

All fees collected by the park department must be approved by the Park Board.

Fees should only be collected as specifically authorized by statute or properly authorized resolutions or ordinances, as applicable, which are not contrary to statutory or Constitutional provisions. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF MUNSTER, LAKE COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Munster (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the year ended December 31, 2008. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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 Town'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. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2008.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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 Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a Town's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control. We consider the deficiencies in internal control over compliance described in items 2008-1 and 2008-2 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control. We did not consider any of the deficiencies described in the accompanying Schedule of Findings and Questioned Costs to be material weaknesses.

The Town's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, the Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

October 27, 2009

TOWN OF MUNSTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended December 31, 2008

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF COMMERCE</u>			
Pass Through Indiana Department of Natural Resources Coastal Zone Management Administration Awards 2006 Indiana Lake Michigan Coastal Grant CZ0505	11.419	NA05NOS4190061	\$ 943
<u>U.S. DEPARTMENT OF INTERIOR</u>			
Pass Through Indiana Department of Natural Resources Outdoor Recreation - Acquisition, Development, and Planning	15.916	18-00523	65,059
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Criminal Justice Institute Highway Safety Cluster State and Community Highway Safety Big City Big County Seatbelt Enforcement Grant	20.600	PT-08-04-01-35 PT-09-04-01-38	9,308 7,859
Total for program			17,167
Pass-Through City of Crown Point Alcohol Traffic Safety and Drunk Driving Prevention Incentive Grants Lake County DUI Taskforce	20.601	K8-2008-02-03-15	1,064
Pass-Through Town of St. John Lake County DUI Taskforce		K8-2009-03-03-17	1,533
Total for program			2,597
Safety Incentive Grants for Use of Seatbelts 2007 Fatality Crash Reduction Effort Grant	20.604	154HE-2007-08-01-03 K4-2009-08-01-10	5,377 1,745
Total for program			7,122
Total for federal grantor agency			26,886
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass Through Indiana Department of Homeland Security Disaster Grants - Public Assistance (Presidentially Declared Disasters) Disaster #1795	97.036		994,901
Total federal awards expended			\$ 1,087,789

The accompanying note is an integral part of the Schedule of Expenditures of Federal Awards.

TOWN OF MUNSTER
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Munster (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

TOWN OF MUNSTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:

Material weaknesses identified?	no
Significant deficiencies identified that are not considered to be material weaknesses?	yes

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? yes

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
97.036	Disaster Grants – Public Assistance (Presidentially Declared Disasters)

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

TOWN OF MUNSTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III – Federal Award Findings and Questioned Costs

FINDING NO 2008-1, ALLOWABLE COSTS, DISASTER GRANTS - PUBLIC ASSISTANCE

Federal Agency: U.S. Department of Homeland Security
Federal Program: Disaster Grants - Public Assistance (Presidentially Declared Disasters)
CFDA Number: 97.036
Pass-Through: Indiana Department of Homeland Security
Award Number: Disaster #1795

Claims submitted for reimbursement included expenditures for removal of debris related to storm flood damage. The debris was disposed at the Allied Waste transfer station (commonly called Illiana) in Schererville. At delivery to Illiana, scale tickets were issued. The scale tickets detail the tonnage delivered (which is the basis for the amounts billed) and the vehicle number of the vehicle delivering the debris. Due to the volume of debris, the Town used not only their own vehicles but also used assistance from Hammond, Griffith and other surrounding communities to remove the debris and deliver to Illiana.

The invoices from Illiana were used to prepare project worksheet for reimbursement. The invoices charged the Town for debris delivered by vehicles from both the Town and the other communities, apparently on behalf of the Town. We requested the scale tickets to review the accuracy of the invoices on a test basis. The Town was only able to provide 44 scale tickets for delivery by vehicles from Hammond and Griffith, and these tickets were not on the invoice selected for testing. Inquiry of public works staff indicated that the tickets had not been compared to the invoices for accuracy. The invoice selected for testing was for \$23,491.26.

Without the scale tickets, it is possible that the Town paid for, and Federal Emergency Management Agency (FEMA) reimbursed the Town for, debris disposal that may have been billed in error or incorrectly billed.

Title 44 CFR 13.42(e) states: "(e) *Access to records* — (1) *Records of grantees and subgrantees.* The awarding agency and the Comptroller General of the United States, or any of their authorized representatives, shall have the right of access to any pertinent books, documents, papers, or other records of grantees and subgrantees which are pertinent to the grant, in order to make audits, examinations, excerpts, and transcripts."

IC 5-11-10-1.6 states in part:

"(b) As used in this section, 'claim' means a bill or an invoice submitted to a governmental entity for goods or services."

"(c) The fiscal officer of a governmental entity may not draw a warrant or check for payment of a claim unless:

- (1) there is a fully itemized invoice or bill for the claim;
- (2) the invoice or bill is approved by the officer or person receiving the goods and services;
- (3) the invoice or bill is filed with the governmental entity's fiscal officer;
- (4) the fiscal officer audits and certifies before payment that the invoice or bill is true and correct; and

TOWN OF MUNSTER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

(5) payment of the claim is allowed by the governmental entity's legislative body or the board or official having jurisdiction over allowance of payment of the claim."

We recommended that officials prepare and retain adequate supporting documentation for costs included in each request for reimbursement.

FINDING NO 2008-2. REPORTING, DISASTER GRANTS - PUBLIC ASSISTANCE

Federal Agency: U.S. Department of Homeland Security
Federal Program: Disaster Grants - Public Assistance (Presidentially Declared Disasters)
CFDA Number: 97.036
Pass-Through: Indiana Department of Homeland Security
Award Number: Disaster #1795

Town staff prepared worksheets from invoices, time records and other documents to determine amounts to submit to the Federal Emergency Management Agency (FEMA) for reimbursement of costs associated with the September 2008 Flood. The worksheets were provided to the FEMA project specialist who prepared the FEMA project worksheets, contract summary records and other required forms for reimbursement. The reimbursement forms were then provided to the Town Manager for signature and submitted for reimbursement.

The project specialist did not provide the completed reimbursements forms to the Town for review prior to signatures and submission. Subsequently, the Town did not review their copies of the forms for accuracy. As a result, procedures were not established to detect if errors occurred when the information from the Town's worksheets was entered onto the FEMA forms.

On the "contract summary record" (record), submitted as part of "Project Worksheet JJM-001", an input error occurred which prevented the amount from being recognized by the formulas that total the amounts on the record. As a result, the amount submitted was understated by \$39,201.93. As the Town was eligible to receive 75% of the amount understated, the Town did not receive \$29,401.45 due to a lack of review procedures for the reports submitted for reimbursement.

Title 44 CFR 13.20(b)(1) states "" *Financial reporting.* Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

OMB Circular A-133 §___.300 states in part: "The auditee shall: . . . (b) Maintain internal control over Federal programs that provides reasonable assurance that the auditee is managing Federal awards in compliance with laws, regulations, and the provisions of contracts or grant agreements that could have a material effect on each of its Federal programs."

We recommended that officials design and implement procedures to ensure that requests for reimbursement are accurate.

TOWN OF MUNSTER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF MUNSTER
EXIT CONFERENCE

The contents of this report were discussed on October 27, 2009, with Michael Mellon, President of the Town Council; Thomas DeGiulio, Town Manager; David F. Shafer, Clerk-Treasurer; and Eugene Feingold, Town Attorney. The Park Department comments were also discussed with Robert O'Shaughnessy, Director of Parks and Recreation. The official response has been made a part of this report and may be found on pages 61 through 64



At Your Service

November 20, 2009

Mr. Bruce A. Hartman, CPA, State Examiner
Indiana State Board of Accounts
302 West Washington Street, Room E418
Indianapolis, Indiana 46204

Re: Town of Munster
Examination for the Year 2008
OFFICIAL RESPONSE

Dear Mr. Hartman:

Following are our responses to comments resulting from an A-133 audit of the Town of Munster for the year ending December 31, 2008.

FINDING NO. 2008-1, ALLOWABLE COSTS, DISASTER GRANTS – PUBLIC ASSISTANCE

The State Board of Accounts found that scale tickets generated at the Allied Waste transfer station during recovery from the flood of September, 2008, had not been retained or compared to invoices for accuracy.

Response: We concur. A Corrective Action Plan was developed, implemented, and presented to the State Board of Accounts.

FINDING NO. 2008-2, REPORTING, DISASTER GRANTS – PUBLIC ASSISTANCE

The State Board of Accounts found that the Federal Emergency Management Agency committed an input error in a reimbursement form for the flood of September, 2008, resulting in a \$29,401.45 under-reimbursement to the Town of Munster. The Town of Munster relied on the documents prepared by the federal agency.



Response: We concur. A Corrective Action Plan was developed and presented to the State Board of Accounts, and will be implemented if a request for reimbursement becomes necessary.

PRIOR PAYMENT OF CLAIMS – REDEVELOPMENT COMMISSION

The State Board of Accounts found that the Munster Redevelopment Commission did not have in place an authorization to pay claims prior to approval.

Response: Town of Munster Ordinance 971, as adopted August 17, 1992, and as amended from time to time, authorizes the payment of claims prior to approval by the Town Council. IC 36-5-4-12(d) grants the Town Council dual jurisdiction with the Redevelopment Commission to approve claims against the Redevelopment Commission, and Ordinance 971, as amended, applies in all cases. Nevertheless, rather than belabor the point, the Redevelopment Commission will adopt a resolution to bring us into compliance with the State Board of Accounts' position.

LEASES – REDEVELOPMENT COMMISSION

The State Board of Accounts found that some leases of property owned by the Munster Redevelopment Commission were not approved by the Commission.

Response: We concur. The Munster Redevelopment Commission will ratify all current and new leases.

REDEVELOPMENT TAX INCREMENT FINANCING (TIF) RECEIPTS AND DISBURSEMENTS

The State Board of Accounts found that TIF allocations must be receipted into a separate allocation fund and not the redevelopment operating fund. Also, TIF allocations cannot be used for the maintenance of existing artwork, the construction of new artwork, or in support of a shared-expense fence construction program.

Response: The Town Council will create the required allocation fund. With respect to the use of TIF allocations, the Town of Munster's Economic Development Program was established by the Town Council pursuant to Resolution 002 on February 20, 2007. The District was later amended pursuant to Resolution 003 on February 26, 2007. These resolutions outlined a number of project areas. The Town has undertaken improvements in these areas since 2006, utilizing Tax Increment Financing dollars. The

purchase of public art, including the installation of art commissioned by others, benefits projects in and adjacent to the TIF District. With regards to the shared-expense fence construction program, TIF dollars are only used if the location is in or benefiting the TIF District. The Town has a separate program for areas outside of the TIF District. Respectfully, we request the State Board of Accounts' reconsideration of its comment.

NONUSE OF PURCHASE ORDERS

The State Board of Accounts found that the Town does not, but should use purchase orders.

Response: We concur. A purchase order system is being formulated for implementation at the earliest opportunity.

ESCROW FUND

The State Board of Accounts found unidentified cash balances in an escrow fund which should be transferred to the General Fund and the Water Operating Fund. Also, the contractor's deposit was not included in the schedule of fees approved by the Town Council.

Response: We concur. The cash balances will be transferred and the fee schedule will be amended.

PRORATED SALARIES

The State Board of Accounts found that Town Council salaries were prorated among the Town's several operating funds, but should not include the Redevelopment Operating Fund. Also, salary prorations should be recited in the annual salary ordinance.

Response: We concur. We wish to remark that total salaries of the Town Council were not increased as a result of assigning a portion of the salaries to the Redevelopment Operating Fund. Rather, the proration was made to reflect a reasonable, justifiable allocation of routine expenses among the several operating funds. The Town Council salaries will be removed from the Redevelopment Operating Fund, and allocations will be recited in the Town's salary ordinance.

OFFICIAL BOND

The State Board of Accounts found that certain official bonds were not filed with the county recorder.

Response: We concur. The documents will be recorded.

INTERNAL CONTROLS – PARK DEPARTMENT

The State Board of Accounts found shortcomings in the financial activities at Centennial Park.

Response: We concur. The Park Board will approve all fees.

FEES – PARK DEPARTMENT

The State Board of Accounts found that certain fees for programs and activities had not been approved by the Park Board.

Response: With respect to fees for programs, the Park Board will approve the fees. With respect to menu prices in the restaurant and merchandise prices in the Pro Shop, the Park Board attempt to formulate appropriate procedures for compliance (taking into account seasonal sales and market fluctuations), but will continue its inquiry whether prices constitute fees. In the ordinary parlance, fees apply to services and other intangibles, while prices apply to goods and other tangibles.

Thank you for allowing us to comment on the results of the audit.

Sincerely,



David F. Shafer, IAMC, CMC
Clerk-Treasurer, Town of Munster

cc: Ms. Patricia L. Abbott, IAMC, CMC, Accounting Supervisor
Hon. Michael Mellon, Town Council President
Mr. Thomas F. DeGiulio, Town Manager
Mr. Eugene M. Feingold, Town Attorney
Mr. Robert M. O'Shaughnessy, Director—Parks and Recreation
Ms. Mary Jo Small, CPA, State Board of Accounts Field Supervisor