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

AUDIT REPORT

OF

TOWN OF WINONA LAKE

KOSCIUSKO COUNTY, INDIANA

January 1, 2008 to December 31, 2009



FILED
08/10/2010

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Retha S. Hicks	01-01-08 to 12-31-11
President of the Town Council	Joy Lohse Terry Howie	01-01-08 to 12-31-08 01-01-09 to 12-31-10
Superintendent of Wastewater Utility	Severn Trent, Inc.	01-01-08 to 12-31-10



STATE OF INDIANA
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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 WINONA LAKE, KOSCIUSKO 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 Winona Lake (Town), as of and for the years ended December 31, 2008 and 2009, 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 2009, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated July 19, 2010, 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 integral part of 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 Town has not presented Management's Discussion and Analysis, Schedules of Funding Progress, Schedule of Contributions From the Employer and Other Contributing Entities, 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.

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

STATE BOARD OF ACCOUNTS

July 19, 2010



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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 WINONA LAKE, KOSCIUSKO 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 Winona Lake (Town), as of and for the years ended December 31, 2008 and 2009, which collectively comprise the Town's basic financial statements and have issued our report thereon dated July 19, 2010. 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial reporting that we considered to be significant deficiencies.

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. We consider the deficiencies described in item 2009-1 of the accompanying Schedule of Findings and Questioned Costs to be significant deficiencies in internal control over financial reporting.

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.

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)

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. However, of the significant deficiencies described above, we consider item 2009-1 to be a material weakness.

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 sections 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 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

July 19, 2010

TOWN OF WINONA LAKE
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	\$ 11,214	\$ 13,163	\$ -	\$ -	\$ 1,949	\$ -	\$ 1,949
Public safety	912,459	27,381	632,838	-	(252,240)	-	(252,240)
Highways and streets	1,129,134	421	561,559	38,162	(528,992)	-	(528,992)
Sanitation	231,922	96,945	-	-	(134,977)	-	(134,977)
Economic development	750	-	-	18,419	17,669	-	17,669
Culture and recreation	515,398	55,457	-	-	(459,941)	-	(459,941)
Urban redevelopment and housing	16,861	-	-	-	(16,861)	-	(16,861)
Principal and interest on indebtedness	28,425	-	-	-	(28,425)	-	(28,425)
Total governmental activities	2,846,163	193,367	1,194,397	56,581	(1,401,818)	-	(1,401,818)
Business-type activities:							
Wastewater Utility	980,371	991,593	-	-	-	11,222	11,222
Total primary government	\$ 3,826,534	\$ 1,184,960	\$ 1,194,397	\$ 56,581	(1,401,818)	11,222	(1,390,596)
General receipts:							
Property taxes					594,910	-	594,910
Intergovernmental					762,901	-	762,901
Other local sources					93,888	-	93,888
Investment earnings					150,506	81,855	232,361
Total general receipts					1,602,205	81,855	1,684,060
Change in net assets					200,387	93,077	293,464
Net assets - beginning					3,541,732	1,754,075	5,295,807
Net assets - ending					\$ 3,742,119	\$ 1,847,152	\$ 5,589,271
Assets							
Cash and investments					\$ 1,222,345	\$ 1,450,652	\$ 2,672,997
Restricted assets:							
Cash and investments					2,519,774	396,500	2,916,274
Total assets					\$ 3,742,119	\$ 1,847,152	\$ 5,589,271
Net Assets							
Restricted for:							
Public safety					\$ 135,776	\$ -	\$ 135,776
Highways and streets					457,525	-	457,525
Culture and recreation					79,709	-	79,709
Urban redevelopment and housing					136,306	-	136,306
Debt service					338,780	-	338,780
Capital outlay					1,371,678	-	1,371,678
Other purposes					-	396,500	396,500
Unrestricted					1,222,345	1,450,652	2,672,997
Total net assets					\$ 3,742,119	\$ 1,847,152	\$ 5,589,271

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

TOWN OF WINONA LAKE
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	Motor Vehicle Highway	INDOT Grant 250E	Economic Development Income Tax	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 237,011	\$ 256,995	\$ -	\$ -	\$ 100,904	\$ 594,910
Licenses and permits	3,287	425	-	-	-	3,712
Intergovernmental	410,595	133,571	450,620	259,121	759,972	2,013,879
Charges for services	139,222	-	-	-	36,383	175,605
Fines and forfeits	1,513	-	-	-	1,741	3,254
Other	145,941	44,240	-	19,044	45,965	255,190
Total receipts	937,569	435,231	450,620	278,165	944,965	3,046,550
Disbursements:						
General government	-	-	-	-	11,214	11,214
Public safety	285,354	-	-	-	582,878	868,232
Highways and streets	-	632,529	471,870	-	9,917	1,114,316
Sanitation	231,922	-	-	-	-	231,922
Economic development	750	-	-	-	-	750
Culture and recreation	480,810	-	-	-	24,297	505,107
Urban redevelopment and housing	-	-	-	-	16,861	16,861
Debt service:						
Principal	-	-	-	-	10,000	10,000
Interest	12,550	-	-	-	5,875	18,425
Capital outlay:						
Public safety	44,227	-	-	-	-	44,227
Highways and streets	-	14,818	-	-	-	14,818
Culture and recreation	10,291	-	-	-	-	10,291
Total disbursements	1,065,904	647,347	471,870	-	661,042	2,846,163
Excess (deficiency) of receipts over disbursements	(128,335)	(212,116)	(21,250)	278,165	283,923	200,387
Other financing sources (uses):						
Transfers in	-	-	167,025	-	80,000	247,025
Transfers out	(80,000)	-	-	-	(167,025)	(247,025)
Total other financing sources (uses)	(80,000)	-	167,025	-	(87,025)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(208,335)	(212,116)	145,775	278,165	196,898	200,387
Cash and investment fund balance - beginning	964,182	367,944	-	555,311	1,654,295	3,541,732
Cash and investment fund balance - ending	<u>\$ 755,847</u>	<u>\$ 155,828</u>	<u>\$ 145,775</u>	<u>\$ 833,476</u>	<u>\$ 1,851,193</u>	<u>\$ 3,742,119</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ 755,847	\$ -	\$ -	\$ -	\$ 466,498	\$ 1,222,345
Restricted assets:						
Cash and investments	-	155,828	145,775	833,476	1,384,695	2,519,774
Total cash and investment assets - ending	<u>\$ 755,847</u>	<u>\$ 155,828</u>	<u>\$ 145,775</u>	<u>\$ 833,476</u>	<u>\$ 1,851,193</u>	<u>\$ 3,742,119</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 135,776	\$ 135,776
Highways and streets	-	155,828	145,775	-	155,922	457,525
Culture and recreation	-	-	-	-	79,709	79,709
Urban redevelopment and housing	-	-	-	-	136,306	136,306
Debt service	-	-	-	-	338,780	338,780
Capital outlay	-	-	-	833,476	538,202	1,371,678
Unrestricted	755,847	-	-	-	466,498	1,222,345
Total cash and investment fund balance - ending	<u>\$ 755,847</u>	<u>\$ 155,828</u>	<u>\$ 145,775</u>	<u>\$ 833,476</u>	<u>\$ 1,851,193</u>	<u>\$ 3,742,119</u>

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

TOWN OF WINONA LAKE
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

	<u>Wastewater Utility</u>
Operating receipts:	
Unmetered/flat rate	\$ 931,055
Fees	1,105
Penalties	10,725
Miscellaneous	<u>48,708</u>
Total operating receipts	<u>991,593</u>
Operating disbursements:	
Salaries and wages	90,232
Employee pensions and benefits	29,613
Purchased wastewater treatment	513,396
Material and supplies	6,730
Contractual services	133,108
Rents	60,513
Transportation	3,857
Insurance claims and expense	41,535
Equipment and capital improvements	10,521
Miscellaneous	<u>11,558</u>
Total operating disbursements	<u>901,063</u>
Excess of operating receipts over operating disbursements	<u>90,530</u>
Nonoperating receipts (disbursements):	
Investment income	81,855
Debt service of principal	(65,428)
Interest disbursements	<u>(13,880)</u>
Total nonoperating receipts (disbursements)	<u>2,547</u>
Excess of receipts over disbursements and nonoperating receipts (disbursements)	93,077
Cash and investment fund balance - beginning	<u>1,754,075</u>
Cash and investment fund balance - ending	<u><u>\$ 1,847,152</u></u>
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	\$ 1,450,652
Restricted assets:	
Cash and investments	<u>396,500</u>
Total cash and investment assets - December 31	<u><u>\$ 1,847,152</u></u>
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	\$ 396,500
Unrestricted	<u>1,450,652</u>
Total cash and investment fund balance - December 31	<u><u>\$ 1,847,152</u></u>

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

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

	<u>Agency Funds</u>
Cash and investment fund balance - ending	<u>\$ 4,477</u>

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

TOWN OF WINONA LAKE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2009

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	\$ 136,209	\$ 35,312	\$ -	\$ -	\$ (100,897)	\$ -	\$ (100,897)
Public safety	621,125	61,918	572,047	-	12,840	-	12,840
Highways and streets	426,260	370	108,828	36,206	(280,856)	-	(280,856)
Sanitation	-	97,101	-	-	97,101	-	97,101
Health and welfare	-	-	-	-	-	-	-
Economic development	107,814	-	-	-	(107,814)	-	(107,814)
Culture and recreation	1,193,800	20,378	-	-	(1,173,422)	-	(1,173,422)
Urban redevelopment and housing	21,300	-	-	-	(21,300)	-	(21,300)
Principal and interest on indebtedness	417,514	-	-	-	(417,514)	-	(417,514)
Total governmental activities	2,924,022	215,079	680,875	36,206	(1,991,862)	-	(1,991,862)
Business-type activities:							
Wastewater	1,131,736	1,001,885	-	-	-	(129,851)	(129,851)
Total primary government	\$ 4,055,758	\$ 1,216,964	\$ 680,875	\$ 36,206	(1,991,862)	(129,851)	(2,121,713)
General receipts:							
Property taxes					1,407,320	-	1,407,320
Intergovernmental					964,448	-	964,448
Other local sources					148,989	-	148,989
Grants and contributions not restricted to specific programs					3,346	-	3,346
Investment earnings					94,741	44,524	139,265
Total general receipts					2,618,844	44,524	2,663,368
Change in net assets					626,982	(85,327)	541,655
Net assets - beginning					3,742,119	1,847,152	5,589,271
Net assets - ending					\$ 4,369,101	\$ 1,761,825	\$ 6,130,926
Assets							
Cash and investments					\$ 1,551,873	\$ 1,365,325	\$ 2,917,198
Restricted assets:							
Cash and investments					2,817,228	396,500	3,213,728
Total assets					\$ 4,369,101	\$ 1,761,825	\$ 6,130,926
Net Assets							
Restricted for:							
Public safety					\$ 99,852	\$ -	\$ 99,852
Highways and streets					685,177	-	685,177
Economic development					951,643	-	951,643
Culture and recreation					90,476	-	90,476
Capital outlay					990,080	-	990,080
Other purposes					-	396,500	396,500
Unrestricted					1,551,873	1,365,325	2,917,198
Total net assets					\$ 4,369,101	\$ 1,761,825	\$ 6,130,926

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

TOWN OF WINONA LAKE
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, 2009

	General	Motor Vehicle Highway	INDOT Grant 250 E	Economic Development Income Tax	Other Governmental Funds	Totals
Receipts:						
Taxes	\$ 628,848	\$ 528,694	\$ -	\$ -	\$ 251,904	\$ 1,409,446
Licenses and permits	4,227	-	-	-	-	4,227
Intergovernmental	507,829	174,057	13,085	338,514	661,129	1,694,614
Charges for services	154,950	-	-	-	30,378	185,328
Fines and forfeits	1,867	-	-	-	-	1,867
Other	156,736	530	-	-	80,742	238,008
Total receipts	1,454,457	703,281	13,085	338,514	1,024,153	3,533,490
Disbursements:						
General government	-	-	-	-	27,549	27,549
Public safety	-	-	-	-	621,125	621,125
Highways and streets	-	341,113	-	-	-	341,113
Economic development	-	-	-	63,225	44,589	107,814
Culture and recreation	1,090,374	-	-	-	24,452	1,114,826
Urban redevelopment and housing	-	-	-	-	21,300	21,300
Debt service:						
Principal	5,850	-	-	173,151	227,388	406,389
Interest	-	-	-	-	11,125	11,125
Capital outlay:						
General government	-	-	-	-	10,000	10,000
Highways and streets	-	85,147	98,660	-	-	183,807
Culture and recreation	73,947	-	-	-	5,027	78,974
Total disbursements	1,170,171	426,260	98,660	236,376	992,555	2,924,022
Excess (deficiency) of receipts over disbursements	284,286	277,021	(85,575)	102,138	31,598	609,468
Other financing sources (uses):						
Other receipts	1,045	-	-	-	16,469	17,514
Total other financing sources (uses)	1,045	-	-	-	16,469	17,514
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	285,331	277,021	(85,575)	102,138	48,067	626,982
Cash and investment fund balance - beginning	755,847	155,828	145,775	833,476	1,851,193	3,742,119
Cash and investment fund balance - ending	\$ 1,041,178	\$ 432,849	\$ 60,200	\$ 935,614	\$ 1,899,260	\$ 4,369,101
Cash and Investment Assets - Ending						
Cash and investments	\$ 1,041,178	\$ -	\$ -	\$ -	\$ 510,695	\$ 1,551,873
Restricted assets:						
Cash and investments	-	432,849	60,200	935,614	1,388,565	2,817,228
Total cash and investment assets - ending	\$ 1,041,178	\$ 432,849	\$ 60,200	\$ 935,614	\$ 1,899,260	\$ 4,369,101
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 99,852	\$ 99,852
Highways and streets	-	432,849	60,200	-	192,128	685,177
Economic development	-	-	-	935,614	16,029	951,643
Culture and recreation	-	-	-	-	90,476	90,476
Capital outlay	-	-	-	-	990,080	990,080
Unrestricted	1,041,178	-	-	-	510,695	1,551,873
Total cash and investment fund balance - ending	\$ 1,041,178	\$ 432,849	\$ 60,200	\$ 935,614	\$ 1,899,260	\$ 4,369,101

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

TOWN OF WINONA LAKE
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, 2009

	<u>Wastewater</u>
Operating receipts:	
Unmetered/flat rate	\$ 946,723
Fees	1,600
Penalties	8,650
Miscellaneous	44,912
Total operating receipts	1,001,885
Operating disbursements:	
Salaries and wages	87,678
Employee pensions and benefits	31,672
Purchased wastewater treatment	483,618
Purchased power	5,746
Material and supplies	3,938
Contractual services	296,639
Rents	71,099
Transportation	3,719
Insurance claims and expense	3,999
Equipment and capital improvements	1,673
Miscellaneous	32
Total operating disbursements	989,813
Excess (deficiency) of operating receipts over operating disbursements	12,072
Nonoperating receipts (disbursements):	
Investment income	44,524
Debt service of principal	(130,551)
Interest disbursements	(11,372)
Total nonoperating receipts (disbursements)	(97,399)
Excess (deficiency) of receipts over disbursements and nonoperating receipts (disbursements)	(85,327)
Cash and investment fund balance - beginning	1,847,152
Cash and investment fund balance - ending	\$ 1,761,825
<u>Cash and Investment Assets - December 31</u>	
Cash and investments	\$ 1,365,325
Restricted assets:	
Cash and investments	396,500
Total cash and investment assets - December 31	\$ 1,761,825
<u>Cash and Investment Fund Balance - December 31</u>	
Restricted for:	
Other purposes	\$ 396,500
Unrestricted	1,365,325
Total cash and investment fund balance - December 31	\$ 1,761,825

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

TOWN OF WINONA LAKE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUNDS
For The Year Ended December 31, 2009

	<u>Agency Funds</u>
Cash and investment fund balance - ending	<u>\$ 12,266</u>

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

TOWN OF WINONA LAKE
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, wastewater, and urban redevelopment.

The Town's financial reporting entity is composed of the following:

Primary Government: Town of Winona Lake

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

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, 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 Motor Vehicle Highway Fund accounts for state and local monies collected for highway and street construction and improvements.

The INDOT Grant 250E Fund accounts for receipts and disbursements related to the 250E road reconstruction project.

The Economic Income Tax Fund accounts for the Town's use of economic development income tax revenues.

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The Town reports the following major enterprise fund:

The Wastewater Utility Fund accounts for the operation of the wastewater pumping stations and collection systems.

Additionally, the Town reports the following fund type:

Agency funds account for assets held by the Town as an agent for federal and state revenue agencies and serve as control of accounts for cash transactions during the time they are a liability to the Town.

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.

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. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the Town and its enterprise fund. 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. The Town does not have any internal service funds.

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

When both restricted and unrestricted resources are available for use, the Town's policy is to use restricted resources first, then unrestricted resources as they are needed.

D. Assets and Cash and Investment Balances

1. Restricted Assets

All restricted assets, as presented in the accompanying financial statements, are restricted due to enabling legislation.

2. 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.

3. Property Taxes

Normally, 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. 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 may become delinquent if not paid by May 10 and November 10, respectively. All property taxes collected by the County Treasurer and available for distribution were distributed to the Town on or prior to December 31 of the year collected.

4. 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.

5. Long-Term Debt

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

6. 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."

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

F. Internal and Interfund 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 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.
4. Interfund loans – Flow of assets from one fund to another where repayment is expected is reported as interfund loans.

Government-Wide Financial Statements

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

1. 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 loans and services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

2. Primary government and component unit activity – Resource flows between the primary government and the discretely-presented component unit(s) are reported as if they were external transactions and are classified separately from internal activities within the primary government.

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. Prior to November 1, 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 or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

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. IC 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, 2009, the Town had deposit balances in the amount of \$6,130,277.

The 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, 2009, the Town had the following investments:

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Investment Type	Primary Government Market Value
Corporate stock	\$ 12,765

Statutory Authorization for Investments

IC 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 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 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.

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The following investments held by the Town were exposed to custodial credit risks because they are uninsured and unregistered with securities held by the counterparty, or the counterparty's trust department or agent, either in the government's name or not in the government's name:

Primary Government:

Investment Type	2008 In the Government's Name	2009 In the Government's Name
Corporate stock	\$ 15,465	\$ 12,765

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.

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. The Town's investments consisted of donated corporate stock with a market value of \$12,765 at December 31, 2009.

Foreign Currency Risk

The Town does not have a formal policy in regards to foreign currency risk.

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2008 and 2009, were as follows:

Transfer From	Transfer To	2008	2009
General Fund	Rainy Day Fund	\$ 80,000	\$ -
Flowing Well Donation Fund	INDOT Grant 250E Fund	167,025	-
Totals		\$ 247,025	\$ -

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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, and dependents; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; medical benefits to employees, and dependents; and natural disasters are covered by commercial insurance from independent third parties.

Settled claims from risks covered by commercial insurance have not exceeded commercial insurance coverage for the past three years. There were no significant reductions in insurance by major category of risk.

During 1995, the Town joined with other governmental entities in the Indiana Public Employers' Plan, a public entity risk pool currently operating as a common risk management and insurance program for over 700 member governmental entities. This risk pool was formed in the 1989. The purpose of the risk pool is to provide a medium for the funding and administration of job related illnesses or injuries to employees. The Town pays an annual premium to the risk pool for its job related illnesses or injuries to employees coverage. The risk pool is considered a self-sustaining risk pool that will provide coverage for its members for up to \$1,000,000 per insured event.

B. Conduit Debt Obligation

The Town has issued conduit debt (no commitment debt) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the Town, the State, nor any political subdivision thereof is obligated in any manner for the repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying notes to the financial statements.

As of December 31, 2009, the aggregate principal amount payable was not available.

C. Rate Structure – Enterprise Funds

Wastewater Utility

The current rate structure was approved by the Town Council on January 12, 2010.

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Pension Plan

Agent Multiple-Employer Defined Benefit Pension Plan

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

Funding Policy

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The total contributions made to PERF by the Town during the period were \$44,851.

TOWN OF WINONA LAKE
 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

	Local Road And Street	Parks and Recreation	Riverboat	Rainy Day	Fire Donation	LEL Grant John Mull
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	38,162	-	25,011	76,552	-	69,236
Charges for services	-	34,126	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	38,162	34,126	25,011	76,552	-	69,236
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	65,000
Highways and streets	9,917	-	-	-	-	-
Culture and recreation	-	24,297	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	9,917	24,297	-	-	-	65,000
Excess (deficiency) of receipts over disbursements	28,245	9,829	25,011	76,552	-	4,236
Other financing sources (uses):						
Transfers in	-	-	-	80,000	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	80,000	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	28,245	9,829	25,011	156,552	-	4,236
Cash and investment fund balance - beginning	127,677	69,880	125,724	110,616	3,400	7,500
Cash and investment fund balance - ending	<u>\$ 155,922</u>	<u>\$ 79,709</u>	<u>\$ 150,735</u>	<u>\$ 267,168</u>	<u>\$ 3,400</u>	<u>\$ 11,736</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 150,735	\$ 267,168	\$ -	\$ -
Restricted assets:						
Cash and investments	155,922	79,709	-	-	3,400	11,736
Total cash and investment assets - ending	<u>\$ 155,922</u>	<u>\$ 79,709</u>	<u>\$ 150,735</u>	<u>\$ 267,168</u>	<u>\$ 3,400</u>	<u>\$ 11,736</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 3,400	\$ 11,736
Highways and streets	155,922	-	-	-	-	-
Culture and recreation	-	79,709	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	150,735	267,168	-	-
Total cash and investment fund balance - ending	<u>\$ 155,922</u>	<u>\$ 79,709</u>	<u>\$ 150,735</u>	<u>\$ 267,168</u>	<u>\$ 3,400</u>	<u>\$ 11,736</u>

TOWN OF WINONA LAKE
 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)

	LEL Grant Andrea Olson	LEL Grant Jeanette Bennett	DUI Grant Winona Lake	LEL Grant Lance Grubbs	LEL Grant Phil Oliver	LEL Grant Chris Mally
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,236	69,236	4,405	69,236	69,236	69,236
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	69,236	69,236	4,405	69,236	69,236	69,236
Disbursements:						
General government	-	-	-	-	-	-
Public safety	66,535	64,918	4,405	69,359	66,541	65,832
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	66,535	64,918	4,405	69,359	66,541	65,832
Excess (deficiency) of receipts over disbursements	2,701	4,318	-	(123)	2,695	3,404
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,701	4,318	-	(123)	2,695	3,404
Cash and investment fund balance - beginning	10,997	9,691	-	10,815	10,834	10,762
Cash and investment fund balance - ending	<u>\$ 13,698</u>	<u>\$ 14,009</u>	<u>\$ -</u>	<u>\$ 10,692</u>	<u>\$ 13,529</u>	<u>\$ 14,166</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	13,698	14,009	-	10,692	13,529	14,166
Total cash and investment assets - ending	<u>\$ 13,698</u>	<u>\$ 14,009</u>	<u>\$ -</u>	<u>\$ 10,692</u>	<u>\$ 13,529</u>	<u>\$ 14,166</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 13,698	\$ 14,009	\$ -	\$ 10,692	\$ 13,529	\$ 14,166
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 13,698</u>	<u>\$ 14,009</u>	<u>\$ -</u>	<u>\$ 10,692</u>	<u>\$ 13,529</u>	<u>\$ 14,166</u>

TOWN OF WINONA LAKE
 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)

	LEL Grant Larry Woods	Operation Pullover Grant	DUI Grant	Law Enforcement Continuing Education	Police Vending Machine	LLE Block Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	69,236	5,703	21,750	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	1,741	-	-
Other	-	-	-	-	278	-
Total receipts	69,236	5,703	21,750	1,741	278	-
Disbursements:						
General government	-	-	-	-	376	-
Public safety	66,057	5,703	27,200	3,329	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	66,057	5,703	27,200	3,329	376	-
Excess (deficiency) of receipts over disbursements	3,179	-	(5,450)	(1,588)	(98)	-
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	3,179	-	(5,450)	(1,588)	(98)	-
Cash and investment fund balance - beginning	10,796	-	10,489	6,210	1,583	15
Cash and investment fund balance - ending	<u>\$ 13,975</u>	<u>\$ -</u>	<u>\$ 5,039</u>	<u>\$ 4,622</u>	<u>\$ 1,485</u>	<u>\$ 15</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 1,485	\$ -
Restricted assets:						
Cash and investments	13,975	-	5,039	4,622	-	15
Total cash and investment assets - ending	\$ 13,975	\$ -	\$ 5,039	\$ 4,622	\$ 1,485	\$ 15
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 13,975	\$ -	\$ 5,039	\$ 4,622	\$ -	\$ 15
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	1,485	-
Total cash and investment fund balance - ending	\$ 13,975	\$ -	\$ 5,039	\$ 4,622	\$ 1,485	\$ 15

TOWN OF WINONA LAKE
 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)

	Police Donation	Winona Lake Donations	Flowing Well Donations	Christmas Decoration	Senior Center	OPO Grant From State
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	48,523
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	9,965	16,524	-	21	172	-
Total receipts	9,965	16,524	-	21	172	48,523
Disbursements:						
General government	-	10,184	-	-	-	-
Public safety	2,967	-	-	-	-	48,241
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Total disbursements	2,967	10,184	-	-	-	48,241
Excess (deficiency) of receipts over disbursements	6,998	6,340	-	21	172	282
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	(167,025)	-	-	-
Total other financing sources (uses)	-	-	(167,025)	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	6,998	6,340	(167,025)	21	172	282
Cash and investment fund balance - beginning	435	39,489	167,025	902	186	13,966
Cash and investment fund balance - ending	\$ 7,433	\$ 45,829	\$ -	\$ 923	\$ 358	\$ 14,248
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 45,829	\$ -	\$ 923	\$ 358	\$ -
Restricted assets:						
Cash and investments	7,433	-	-	-	-	14,248
Total cash and investment assets - ending	\$ 7,433	\$ 45,829	\$ -	\$ 923	\$ 358	\$ 14,248
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 7,433	\$ -	\$ -	\$ -	\$ -	\$ 14,248
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	45,829	-	923	358	-
Total cash and investment fund balance - ending	\$ 7,433	\$ 45,829	\$ -	\$ 923	\$ 358	\$ 14,248

TOWN OF WINONA LAKE
 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)

	Aggressive Driving Grant	HUD	WLHA Rehabilitation	Housing Authority Reimbursement	Brownfield Grant	Redevelopment District Bond
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 73,839
Intergovernmental	22,798	-	3,547	14,872	-	905
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	22,798	-	3,547	14,872	-	74,744
Disbursements:						
General government	-	-	-	-	-	-
Public safety	26,791	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	35	21	16,805	-	-
Debt service:						
Principal	-	-	-	-	-	10,000
Interest	-	-	-	-	-	5,875
Total disbursements	26,791	35	21	16,805	-	15,875
Excess (deficiency) of receipts over disbursements	(3,993)	(35)	3,526	(1,933)	-	58,869
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(3,993)	(35)	3,526	(1,933)	-	58,869
Cash and investment fund balance - beginning	13,193	5,637	7,187	121,924	14	279,911
Cash and investment fund balance - ending	<u>\$ 9,200</u>	<u>\$ 5,602</u>	<u>\$ 10,713</u>	<u>\$ 119,991</u>	<u>\$ 14</u>	<u>\$ 338,780</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	9,200	5,602	10,713	119,991	14	338,780
Total cash and investment assets - ending	<u>\$ 9,200</u>	<u>\$ 5,602</u>	<u>\$ 10,713</u>	<u>\$ 119,991</u>	<u>\$ 14</u>	<u>\$ 338,780</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 9,200	\$ -	\$ -	\$ -	\$ 14	\$ -
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	5,602	10,713	119,991	-	-
Debt service	-	-	-	-	-	338,780
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 9,200</u>	<u>\$ 5,602</u>	<u>\$ 10,713</u>	<u>\$ 119,991</u>	<u>\$ 14</u>	<u>\$ 338,780</u>

TOWN OF WINONA LAKE
 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	Winona Lake Improvement Donation	Cumulative Capital Improvement	Canal Project	Totals
Receipts:					
Taxes	\$ 27,065	\$ -	\$ -	\$ -	\$ 100,904
Intergovernmental	126	-	12,966	-	759,972
Charges for services	2,257	-	-	-	36,383
Fines and forfeits	-	-	-	-	1,741
Other	-	-	-	19,005	45,965
	<u>29,448</u>	<u>-</u>	<u>12,966</u>	<u>19,005</u>	<u>944,965</u>
Total receipts					
	<u>29,448</u>	<u>-</u>	<u>12,966</u>	<u>19,005</u>	<u>944,965</u>
Disbursements:					
General government	49	-	-	605	11,214
Public safety	-	-	-	-	582,878
Highways and streets	-	-	-	-	9,917
Culture and recreation	-	-	-	-	24,297
Urban redevelopment and housing	-	-	-	-	16,861
Debt service:					
Principal	-	-	-	-	10,000
Interest	-	-	-	-	5,875
	<u>49</u>	<u>-</u>	<u>-</u>	<u>605</u>	<u>661,042</u>
Total disbursements					
	<u>49</u>	<u>-</u>	<u>-</u>	<u>605</u>	<u>661,042</u>
Excess (deficiency) of receipts over disbursements					
	<u>29,399</u>	<u>-</u>	<u>12,966</u>	<u>18,400</u>	<u>283,923</u>
Other financing sources (uses):					
Transfers in	-	-	-	-	80,000
Transfers out	-	-	-	-	(167,025)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,025)</u>
Total other financing sources (uses)					
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(87,025)</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses					
	<u>29,399</u>	<u>-</u>	<u>12,966</u>	<u>18,400</u>	<u>196,898</u>
Cash and investment fund balance - beginning					
	<u>291,203</u>	<u>10,795</u>	<u>161,552</u>	<u>13,887</u>	<u>1,654,295</u>
Cash and investment fund balance - ending					
	<u>\$ 320,602</u>	<u>\$ 10,795</u>	<u>\$ 174,518</u>	<u>\$ 32,287</u>	<u>\$ 1,851,193</u>
<u>Cash and Investment Assets - Ending</u>					
Cash and investments					
	\$ -	\$ -	\$ -	\$ -	\$ 466,498
Restricted assets:					
Cash and investments	320,602	10,795	174,518	32,287	1,384,695
	<u>320,602</u>	<u>10,795</u>	<u>174,518</u>	<u>32,287</u>	<u>1,384,695</u>
Total cash and investment assets - ending					
	<u>\$ 320,602</u>	<u>\$ 10,795</u>	<u>\$ 174,518</u>	<u>\$ 32,287</u>	<u>\$ 1,851,193</u>
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 135,776
Highways and streets	-	-	-	-	155,922
Culture and recreation	-	-	-	-	79,709
Urban redevelopment and housing	-	-	-	-	136,306
Debt service	-	-	-	-	338,780
Capital outlay	320,602	10,795	174,518	32,287	538,202
Unrestricted	-	-	-	-	466,498
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>466,498</u>
Total cash and investment fund balance - ending					
	<u>\$ 320,602</u>	<u>\$ 10,795</u>	<u>\$ 174,518</u>	<u>\$ 32,287</u>	<u>\$ 1,851,193</u>

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

	Payroll
Additions:	
Agency fund additions	\$ 825,872
Deductions:	
Agency fund deductions	827,535
Excess (deficiency) of total additions over total deductions	(1,663)
Cash and investment fund balance - beginning	6,140
Cash and investment fund balance - ending	\$ 4,477

TOWN OF WINONA LAKE
 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, 2009

	Local Road And Street	Parks and Recreation	Riverboat	Rainy Day	Fire Donation	LEL Grant Mark Hartman
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	36,206	-	24,951	6,230	-	40,175
Charges for services	-	30,378	-	-	-	-
Other	-	3,000	-	-	-	-
Total receipts	36,206	33,378	24,951	6,230	-	40,175
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	30,169
Economic development	-	-	-	-	-	-
Culture and recreation	-	24,334	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Culture and recreation	-	5,027	-	-	-	-
Total disbursements	-	29,361	-	-	-	30,169
Excess (deficiency) of receipts over disbursements	36,206	4,017	24,951	6,230	-	10,006
Other financing sources (uses):						
Other receipts	-	6,750	-	-	-	-
Total other financing sources (uses)	-	6,750	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	36,206	10,767	24,951	6,230	-	10,006
Cash and investment fund balance - beginning	155,922	79,709	150,735	267,168	3,400	-
Cash and investment fund balance - ending	<u>\$ 192,128</u>	<u>\$ 90,476</u>	<u>\$ 175,686</u>	<u>\$ 273,398</u>	<u>\$ 3,400</u>	<u>\$ 10,006</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 175,686	\$ 273,398	\$ -	\$ -
Restricted assets:						
Cash and investments	192,128	90,476	-	-	3,400	10,006
Total cash and investment assets - ending	<u>\$ 192,128</u>	<u>\$ 90,476</u>	<u>\$ 175,686</u>	<u>\$ 273,398</u>	<u>\$ 3,400</u>	<u>\$ 10,006</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ 3,400	\$ 10,006
Highways and streets	192,128	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	90,476	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	175,686	273,398	-	-
Total cash and investment fund balance - ending	<u>\$ 192,128</u>	<u>\$ 90,476</u>	<u>\$ 175,686</u>	<u>\$ 273,398</u>	<u>\$ 3,400</u>	<u>\$ 10,006</u>

TOWN OF WINONA LAKE
 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, 2009
 (Continued)

	LEL Grant John Mull	LEL Grant Andrea Olson	LEL Grant Jeanette Bennett	DUI Grant Winona Lake	LEL Grant Lance Grubbs	LEL Grant Phil Oliver
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	63,168	23,075	63,250	5,707	65,250	63,250
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	-	-
Total receipts	63,168	23,075	63,250	5,707	65,250	63,250
Disbursements:						
General government	-	-	-	-	-	-
Public safety	65,308	36,773	68,119	5,707	68,420	67,187
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	65,308	36,773	68,119	5,707	68,420	67,187
Excess (deficiency) of receipts over disbursements	(2,140)	(13,698)	(4,869)	-	(3,170)	(3,937)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,140)	(13,698)	(4,869)	-	(3,170)	(3,937)
Cash and investment fund balance - beginning	11,736	13,698	14,009	-	10,692	13,529
Cash and investment fund balance - ending	\$ 9,596	\$ -	\$ 9,140	\$ -	\$ 7,522	\$ 9,592
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	9,596	-	9,140	-	7,522	9,592
Total cash and investment assets - ending	\$ 9,596	\$ -	\$ 9,140	\$ -	\$ 7,522	\$ 9,592
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 9,596	\$ -	\$ 9,140	\$ -	\$ 7,522	\$ 9,592
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	\$ 9,596	\$ -	\$ 9,140	\$ -	\$ 7,522	\$ 9,592

TOWN OF WINONA LAKE
 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, 2009
 (Continued)

	LEL Grant Chris Mally	LEL Grant Larry Woods	Operation Pullover Grant	DUI Grant	Law Enforcement Continuing Education	Police Vending Machine
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	63,250	63,250	5,123	28,025	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	-	2,507	57
Total receipts	63,250	63,250	5,123	28,025	2,507	57
Disbursements:						
General government	-	-	-	-	-	708
Public safety	66,038	67,977	5,123	27,185	6,472	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	66,038	67,977	5,123	27,185	6,472	708
Excess (deficiency) of receipts over disbursements	(2,788)	(4,727)	-	840	(3,965)	(651)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(2,788)	(4,727)	-	840	(3,965)	(651)
Cash and investment fund balance - beginning	14,166	13,975	-	5,039	4,622	1,485
Cash and investment fund balance - ending	<u>\$ 11,378</u>	<u>\$ 9,248</u>	<u>\$ -</u>	<u>\$ 5,879</u>	<u>\$ 657</u>	<u>\$ 834</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 834
Restricted assets:						
Cash and investments	11,378	9,248	-	5,879	657	-
Total cash and investment assets - ending	\$ 11,378	\$ 9,248	\$ -	\$ 5,879	\$ 657	\$ 834
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 11,378	\$ 9,248	\$ -	\$ 5,879	\$ 657	\$ -
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	-	-	-	834
Total cash and investment fund balance - ending	\$ 11,378	\$ 9,248	\$ -	\$ 5,879	\$ 657	\$ 834

TOWN OF WINONA LAKE
 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, 2009
 (Continued)

	LLE Block Grant	Police Donation	Winona Lake Donations	Christmas Decoration	Senior Center	OPO Grant From State
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	2,000	-	-	-	50,220
Charges for services	-	-	-	-	-	-
Other	-	10,647	40,280	1	345	-
Total receipts	-	12,647	40,280	1	345	50,220
Disbursements:						
General government	-	-	26,841	-	-	-
Public safety	-	14,304	-	-	-	55,146
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	118	-
Urban redevelopment and housing	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	14,304	26,841	-	118	55,146
Excess (deficiency) of receipts over disbursements	-	(1,657)	13,439	1	227	(4,926)
Other financing sources (uses):						
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(1,657)	13,439	1	227	(4,926)
Cash and investment fund balance - beginning	15	7,433	45,829	923	358	14,248
Cash and investment fund balance - ending	<u>\$ 15</u>	<u>\$ 5,776</u>	<u>\$ 59,268</u>	<u>\$ 924</u>	<u>\$ 585</u>	<u>\$ 9,322</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ 59,268	\$ 924	\$ 585	\$ -
Restricted assets:						
Cash and investments	15	5,776	-	-	-	9,322
Total cash and investment assets - ending	<u>\$ 15</u>	<u>\$ 5,776</u>	<u>\$ 59,268</u>	<u>\$ 924</u>	<u>\$ 585</u>	<u>\$ 9,322</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 15	\$ 5,776	\$ -	\$ -	\$ -	\$ 9,322
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	-	59,268	924	585	-
Total cash and investment fund balance - ending	<u>\$ 15</u>	<u>\$ 5,776</u>	<u>\$ 59,268</u>	<u>\$ 924</u>	<u>\$ 585</u>	<u>\$ 9,322</u>

TOWN OF WINONA LAKE
 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, 2009
 (Continued)

	Aggressive Driving Grant	Winona Lake Aggressive Driving Grant	HUD	WLHA Rehabilitation	Housing Authority Reimbursement	Brownfield Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	32,542	3,762	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	6,369	-	-
Total receipts	32,542	3,762	-	6,369	-	-
Disbursements:						
General government	-	-	-	-	-	-
Public safety	33,435	3,762	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Urban redevelopment and housing	-	-	103	2,361	18,836	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	33,435	3,762	103	2,361	18,836	-
Excess (deficiency) of receipts over disbursements	(893)	-	(103)	4,008	(18,836)	-
Other financing sources (uses):						
Other receipts	-	-	-	-	9,719	-
Total other financing sources (uses)	-	-	-	-	9,719	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(893)	-	(103)	4,008	(9,117)	-
Cash and investment fund balance - beginning	9,200	-	5,602	10,713	119,991	14
Cash and investment fund balance - ending	<u>\$ 8,307</u>	<u>\$ -</u>	<u>\$ 5,499</u>	<u>\$ 14,721</u>	<u>\$ 110,874</u>	<u>\$ 14</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Restricted assets:						
Cash and investments	8,307	-	5,499	14,721	110,874	14
Total cash and investment assets - ending	<u>\$ 8,307</u>	<u>\$ -</u>	<u>\$ 5,499</u>	<u>\$ 14,721</u>	<u>\$ 110,874</u>	<u>\$ 14</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ 8,307	\$ -	\$ -	\$ -	\$ -	\$ 14
Highways and streets	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Capital outlay	-	-	5,499	14,721	110,874	-
Unrestricted	-	-	-	-	-	-
Total cash and investment fund balance - ending	<u>\$ 8,307</u>	<u>\$ -</u>	<u>\$ 5,499</u>	<u>\$ 14,721</u>	<u>\$ 110,874</u>	<u>\$ 14</u>

TOWN OF WINONA LAKE
 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, 2009
 (Continued)

	Redevelopment District Bond	Cumulative Capital Development	Winona Lake Improvement Donation	Cumulative Capital Improvement	Canal Project	Totals
Receipts:						
Taxes	\$ 200,102	\$ 51,802	\$ -	\$ -	\$ -	\$ 251,904
Intergovernmental	2,995	6,475	-	12,225	-	661,129
Charges for services	-	-	-	-	-	30,378
Other	-	-	-	-	17,536	80,742
Total receipts	203,097	58,277	-	12,225	17,536	1,024,153
Disbursements:						
General government	-	-	-	-	-	27,549
Public safety	-	-	-	-	-	621,125
Economic development	-	-	-	-	44,589	44,589
Culture and recreation	-	-	-	-	-	24,452
Urban redevelopment and housing	-	-	-	-	-	21,300
Debt service:						
Principal	227,388	-	-	-	-	227,388
Interest	11,125	-	-	-	-	11,125
Capital outlay:						
General government	-	10,000	-	-	-	10,000
Culture and recreation	-	-	-	-	-	5,027
Total disbursements	238,513	10,000	-	-	44,589	992,555
Excess (deficiency) of receipts over disbursements	(35,416)	48,277	-	12,225	(27,053)	31,598
Other financing sources (uses):						
Other receipts	-	-	-	-	-	16,469
Total other financing sources (uses)	-	-	-	-	-	16,469
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(35,416)	48,277	-	12,225	(27,053)	48,067
Cash and investment fund balance - beginning	338,780	320,602	10,795	174,518	32,287	1,851,193
Cash and investment fund balance - ending	\$ 303,364	\$ 368,879	\$ 10,795	\$ 186,743	\$ 5,234	\$ 1,899,260
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 510,695
Restricted assets:						
Cash and investments	303,364	368,879	10,795	186,743	5,234	1,388,565
Total cash and investment assets - ending	\$ 303,364	\$ 368,879	\$ 10,795	\$ 186,743	\$ 5,234	\$ 1,899,260
Cash and Investment Fund Balance - Ending						
Restricted for:						
Public safety	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 99,852
Highways and streets	-	-	-	-	-	192,128
Economic development	-	-	10,795	-	5,234	16,029
Culture and recreation	-	-	-	-	-	90,476
Capital outlay	303,364	368,879	-	186,743	-	990,080
Unrestricted	-	-	-	-	-	510,695
Total cash and investment fund balance - ending	\$ 303,364	\$ 368,879	\$ 10,795	\$ 186,743	\$ 5,234	\$ 1,899,260

TOWN OF WINONA LAKE
 COMBINING SCHEDULE OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 AGENCY FUNDS
 For The Year Ended December 31, 2009

	Payroll
Additions:	
Agency fund additions	\$ 836,949
Deductions:	
Agency fund deductions	829,160
Excess (deficiency) of total additions over total deductions	7,789
Cash and investment fund balance - beginning	4,477
Cash and investment fund balance - ending	\$ 12,266

TOWN OF WINONA LAKE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 For The Year Ended December 31, 2009

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 110,862
Infrastructure	2,947,140
Buildings	1,371,074
Machinery and equipment	<u>2,287,910</u>
Total governmental activities, capital assets not being depreciated	<u>\$ 6,716,986</u>
<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Wastewater Utility:	
Capital assets, not being depreciated:	
Buildings	\$ 218,989
Infrastructure	2,693,753
Machinery and equipment	<u>1,307,747</u>
Total business-type activities capital assets	<u>\$ 4,220,489</u>

TOWN OF WINONA LAKE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2009

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Wastewater Utility:		
Contract Payable:		
Wastewater Treatment Assurance	\$ 333,706	\$ 27,850
Total business-type activities debt	<u>\$ 333,706</u>	<u>\$ 27,850</u>

TOWN OF WINONA LAKE
AUDIT RESULTS AND COMMENTS

CONTRACTORS PAID THROUGH PAYROLL

The Town is the recipient of federal funding passed through the Indiana Criminal Justice Institute (ICJI), a state agency, for the Law Enforcement Liaison program. There are seven Law Enforcement Liaisons (LELs) paid by the Town as fiscal agent for the ICJI. Each LEL is assigned to one of seven districts in the state. The LEL's do not directly provide services to the Town, do not report directly to Town management, and are not under the supervision of Town management. Two of the LELs are paid as contractors and the other five are paid as employees, even though the prescribed duties of the LELs within their assigned districts are the same. Whether or not an individual is paid as an employee or an independent contractor is not at the option of either the Town or the individuals providing services. It is determined by applying IRS guidelines to the facts of the relationship. Under these IRS guidelines, the LELs are considered independent contractors, and should not be paid through payroll as Town employees. IRS guidelines are contained in IRS Publication 15-A, *Employer's Supplemental Tax Guide*.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted the following deficiency in the internal control system of the Town related to financial transactions and reporting. We believe the deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Town to reduce risks to achievement of financial reporting objectives. The Town has not separated incompatible activities related to receipts, (utility billings and collections,) disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to occur and not be detected.

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)

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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 WINONA LAKE, KOSCIUSKO COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Winona Lake (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 years ended December 31, 2008 and 2009. 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 years ended December 31, 2008 and 2009.

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.

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.

Our consideration of the internal control over compliance 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 compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

The Town's response to the findings identified in our audit is described in the accompanying 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

July 19, 2010

TOWN OF WINONA LAKE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2008 and 2009

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 12-31-08	Total Federal Awards Expended 12-31-09
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>				
Pass-Through Indiana Criminal Justice Institute				
Highway Safety Cluster				
State and Community Highway Safety	20.600			
Law Enforcement Liaison		PT-08-05-01-01	\$ 315,000	\$ -
Law Enforcement Liaison		PT-09-04-01-51	210,800	279,200
Big City/Big County		PT-09-04-01-23	332	53,668
Aggressive Driving Enforcement Program		154HE-2008-08-01-12	27,086	1,200
Total for program			<u>553,218</u>	<u>334,068</u>
Alcohol Impaired Driving Countermeasures Incentive Grants I				
DUI Task Force	20.601	K8-2008-02-03-14	25,040	-
DUI Task Force		K8-2009-03-03-16	2,461	27,539
DUI Task Force		K8-2010-03-03-16	-	1,121
Big City/Big County		PT-08-04-01-21	49,615	-
Big City/Big County		PT-10-04-04-19	-	4,177
Aggressive Driving Enforcement Program		K4-2009-08-01-09	-	32,000
Dangerous Driving Enforcement Program		K4-2010-08-01-10	-	677
Law Enforcement Liaison		PT-10-04-01-51	-	194,400
Total for program			<u>77,116</u>	<u>259,914</u>
Total for federal grantor agency			<u>630,334</u>	<u>593,982</u>
<u>US DEPARTMENT OF HOMELAND SECURITY</u>				
Pass-Through Indiana Department of Homeland Security				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)				
Flood Relief	97.036	Disaster #1740	40,999	7,158
Total federal awards expended			<u>\$ 671,333</u>	<u>\$ 601,140</u>

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

TOWN OF WINONA LAKE
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Winona Lake (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statements. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (IC 5-11-1 et seq.), audits of towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

II. Subrecipients

Of the federal expenditures presented in the schedule, the Town provided federal awards to sub-recipients as follows for the years ended December 31, 2008 and 2009:

Program Title	Federal CFDA Number	2008	2009
State and Community Highway Safety Alcohol Impaired Driving Countermeasures Incentive Grants I	20.600	\$ 25,886	\$ 45,454
	20.601	61,475	49,259

TOWN OF WINONA LAKE
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?	yes
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?	none reported

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?	no
--	----

Identification of Major Programs:

Name of Federal Program or Cluster

Highway Safety Cluster

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

Auditee qualified as low-risk auditee?	no
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TOWN OF WINONA LAKE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section II – Financial Statement Findings

FEDERAL FINDING 2009-1, INTERNAL CONTROLS OVER
FINANCIAL TRANSACTIONS AND REPORTING

We noted the following deficiency in the internal control system of the Town of Winona Lake related to financial transactions and reporting. We believe the following deficiency constitutes a material weakness:

Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Town to reduce risks to achievement of financial reporting objectives. The Town has not separated incompatible activities related to receipts, (utility billings and collections,) disbursements, payroll and related liabilities, and cash and investment balances. The failure to establish these controls could enable material misstatements or irregularities to occur and not be detected.

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

Controls over the receipting, disbursing, recording and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF WINONA LAKE

P.O. Box 338 Winona Lake IN, 46590

574.267.5783

Fax 574.267.4793

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2007-1, Cash Management

Original SBA Audit Report Number: B32787

Fiscal Year: 2006-2007

Auditee Contact Person: Retha S. Hicks

Title of Contact Person: Clerk-Treasurer

Phone Number: 574.267.5783

Status of Finding:

The grant administrator, Craig Allebach and I have attempted to comply by shortening the time between requests for draw downs which did lower the amount of money on hand.

Signature: _____

Retha S. Hicks

Retha S. Hicks, Winona Lake Clerk-Treasurer

Date: _____

6/22/10



TOWN OF WINONA LAKE

P.O. Box 338 Winona Lake IN, 46590

574.267.5783

Fax 574.267.4793

July 2, 2010

FEDERAL FINDING 2009-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

The management of the Town of Winona Lake has reviewed the Financial Statement Findings related to their audit for the years 2008 and 2009 and we offer the following corrective actions:

Lack of Segregation of Duties – The Clerk Treasurer’s Office will review their office procedures and attempt to assign duties such that there will be as much segregation of incompatible activities as is practical. In addition, the employees will cross perform certain duties particularly when an employee is on vacation. However, the town is a very small governmental unit and management has determined the cost associated with employing the additional staff necessary to properly segregate the duties in the business office would outweigh the benefits of a stronger internal control structure. Management acknowledges and assumes the risks inherent with the current design of their business office.

Sincerely,



Retha S. Hicks
Clerk-Treasurer



TOWN OF WINONA LAKE
EXIT CONFERENCE

The contents of this report were discussed on July 19, 2010, with Retha S. Hicks, Clerk-Treasurer, and Terry Howie, President of the Town Council. The official response has been made a part of this report and may be found on page 51.

TOWN OF WINONA LAKE

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Fax 574.267.4793

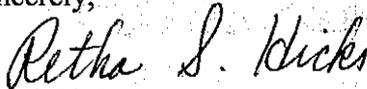
July 2, 2010

RE: Town of Winona Lake Audit Results and Comments 2008-2009

To Whom It May Concern:

State Board of Accounts prior Audit for 2006 – 2007 stated in an Audit Result and Comment, the Law Enforcement Liaisons need to be addressed in a salary ordinance, resolution or salary schedule adopted by the governing body unless otherwise authorized by statute. The Clerk-Treasurer was directed to include them in the salary ordinance. The town did not agree with the term “employees” because the town does not have any vested interest in the employment of the liaisons but the town complied with the directive. The town agrees with the present Audit result but disagrees with being arced for complying with the 2006-07 audit result. The town will make arrangements to pay the Law Enforcement Liaisons as contractors in compliance to the 2008-2009 Audit.

Sincerely,



Retha S. Hicks
Clerk-Treasurer

