

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

FINANCIAL STATEMENTS AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF WINDFALL
TIPTON COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
09/06/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Joni Pearson	01-01-10 to 07-29-11
	Carol Short	08-08-11 to 12-31-11
	Kay Clark	01-01-12 to 12-31-15
President of the Town Council	Jack Baugher	01-01-10 to 12-31-11
	Lonny Kinder	01-01-12 to 12-31-12
Superintendent of Utilities	Terry Cooper	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WINDFALL, TIPTON COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of Windfall (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over reporting. Accordingly, we express no such opinion. 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 opinion.

As discussed in Note 1, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting noted above is a different basis than that used in the prior year.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 9, 2012, 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
(Continued)

Our audit was conducted for the purpose of forming an opinion on the Town's 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 financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other reports used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, and Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the auditing procedures applied by us in the audit of the financial statements and, accordingly, we express no opinion on them.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

August 9, 2012



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

TO: THE OFFICIALS OF THE TOWN OF WINDFALL, TIPTON COUNTY, INDIANA

We have audited the financial statements of the Town of Windfall (Town), for the years ended December 31, 2010 and 2011, and have issued our report thereon dated August 9, 2012. 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

Management of the Town is responsible for establishing and maintaining effective 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 opinion 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 was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified certain deficiencies in internal control over financial reporting that we consider to be material weaknesses.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. We consider the deficiencies described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be a material weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statements amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under Government Auditing Standards.

The Town's response to the findings identified in our audit is described in the accompanying section of the report entitled 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, Town Council, others within the entity, 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

August 9, 2012

FINANCIAL STATEMENTS

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

TOWN OF WINDFALL
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 95,317	\$ 209,382	\$ 191,372	\$ 113,327
Motor Vehicle Highway	42,291	27,244	40,426	29,109
Local Road And Street	33,057	3,208	617	35,648
Law Enforcement Continuing Ed	2,701	430	3,178	(47)
Riverboat	21,374	4,456	-	25,830
Rainy Day	2,065	3,579	-	5,644
House-Doggett	-	-	-	-
Debt Service Town Hall	6,333	16,857	27,000	(3,810)
Cumulative Capital Development	-	-	-	-
Co Economic Development Income Tax	46,430	57,568	38,012	65,986
Cumulative Capital Improvement	9,989	2,085	-	12,074
Payroll	(179,599)	122,153	179,767	(237,213)
Excess Levy	-	481	-	481
Windfall Park Donation	2,708	-	-	2,708
Community Center Donation	28,059	25	-	28,084
Community Service	-	-	-	-
Elston Insurance	-	-	-	-
Christmas Fund	-	-	-	-
Ordinance Violations	744	-	-	744
Trash Utility-Operating	(13,715)	27,794	39,011	(24,932)
Wastewater Utility-Operating	42,324	99,892	119,542	22,674
Wastewater Construction	-	277,822	46,245	231,577
Wastewater Construction Grant	-	54,000	54,000	-
Water Utility-Operating	256,574	281,788	449,191	89,171
Water Utility-Bond And Interest	-	165,421	70,183	95,238
Water Utility-Customer Deposit	34,429	2,950	49	37,330
Water Utility-Construction	11,442	-	-	11,442
Community Center Rent	5,142	2,672	72	7,742
Totals	<u>\$ 447,665</u>	<u>\$ 1,359,807</u>	<u>\$ 1,258,665</u>	<u>\$ 548,807</u>

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

TOWN OF WINDFALL
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General	\$ 113,327	\$ 216,991	\$ 191,957	\$ 138,361
Motor Vehicle Highway	29,109	25,933	37,653	17,389
Local Road And Street	35,648	3,093	2,262	36,479
Law Enforcement Continuing Ed	(47)	298	-	251
Riverboat	25,830	4,456	-	30,286
Rainy Day	5,644	-	-	5,644
Excess Levy	481	-	481	-
Co Economic Development Income Tax	65,986	18,527	-	84,513
Cumulative Capital Improvement	12,074	2,045	-	14,119
Debt Service Town Hall	(3,810)	26,083	26,500	(4,227)
Payroll	(237,213)	141,205	165,439	(261,447)
Windfall Park Donation	2,708	-	-	2,708
Community Center Donation	28,084	-	-	28,084
Ordinance Violations	744	-	-	744
Trash Utility-Operating	(24,932)	29,176	65,798	(61,554)
Wastewater Utility-Operating	22,674	121,932	75,926	68,680
Wastewater Construction	231,577	25,868	254,099	3,346
Wastewater Construction Grant	-	536,000	536,000	-
Water Utility-Operating	89,171	276,466	363,134	2,503
Water Utility-Bond And Interest	95,238	190,353	175,322	110,269
Water Utility-Customer Deposit	37,330	2,695	-	40,025
Water Utility-Construction	11,442	-	100	11,342
Community Center Rent	7,742	9,968	180	17,530
Totals	<u>\$ 548,807</u>	<u>\$ 1,631,089</u>	<u>\$ 1,894,851</u>	<u>\$ 285,045</u>

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

TOWN OF WINDFALL
NOTES TO FINANCIAL STATEMENTS

Note 1. 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 some or all of the following services: public safety (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

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

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

Licenses and permits which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state,

TOWN OF WINDFALL
NOTES TO FINANCIAL STATEMENTS
(Continued)

local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, major moves distributions received from the state, and riverboat receipts received from the county.

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Other receipts which include amounts received from various sources which can include, but are not limited to the following: net proceeds from borrowings; interfund loan activity; transfers authorized by statute, ordinance, resolution or court order; internal service receipts; and fiduciary receipts.

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

Debt service principal and interest which include fixed obligations resulting from financial transactions previously entered into by the Town. It includes all expenditures for the reduction of the principal and interest of the Town's general obligation indebtedness.

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

TOWN OF WINDFALL
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

Note 4. Deposits and Investments

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

TOWN OF WINDFALL
NOTES TO FINANCIAL STATEMENTS
(Continued)

State statutes authorize the Town to invest in securities including, but not limited to, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

Note 5. Risk Management

The Town may be exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; medical benefits to employees, retirees, and dependents; and natural disasters.

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement any replacement items purchased.

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

The Indiana Public Employees' Retirement Fund (PERF) is 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 this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the 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 members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

Indiana Public Retirement System
1 North Capital Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy and Annual Pension Cost

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

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statements contained in this report and the financial information presented in the Annual Reports of the Town which are referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statements audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Riverboat	Rainy Day
Cash and investments - beginning	\$ 95,317	\$ 42,291	\$ 33,057	\$ 2,701	\$ 21,374	\$ 2,065
Receipts:						
Taxes	119,376	-	-	-	-	-
Licenses and permits	99	-	-	-	-	-
Intergovernmental	79,072	27,194	3,208	-	4,456	3,579
Fines and forfeits	9,238	-	-	430	-	-
Utility fees	-	-	-	-	-	-
Other receipts	1,597	50	-	-	-	-
Total receipts	<u>209,382</u>	<u>27,244</u>	<u>3,208</u>	<u>430</u>	<u>4,456</u>	<u>3,579</u>
Disbursements:						
Personal services	100,635	38,065	-	-	-	-
Supplies	10,700	2,361	617	-	-	-
Other services and charges	73,698	-	-	3,178	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	6,339	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>191,372</u>	<u>40,426</u>	<u>617</u>	<u>3,178</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>18,010</u>	<u>(13,182)</u>	<u>2,591</u>	<u>(2,748)</u>	<u>4,456</u>	<u>3,579</u>
Cash and investments - ending	<u>\$ 113,327</u>	<u>\$ 29,109</u>	<u>\$ 35,648</u>	<u>\$ (47)</u>	<u>\$ 25,830</u>	<u>\$ 5,644</u>

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	House-Doggett	Debt Service Town Hall	Cumulative Capital Development	Co Economic Development Income Tax	Cumulative Capital Improvement	Payroll
Cash and investments - beginning	\$ -	\$ 6,333	\$ -	\$ 46,430	\$ 9,989	\$ (179,599)
Receipts:						
Taxes	-	14,991	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	1,866	-	19,556	2,085	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	38,012	-	122,153
Total receipts	-	16,857	-	57,568	2,085	122,153
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	27,000	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	38,012	-	179,767
Total disbursements	-	27,000	-	38,012	-	179,767
Excess (deficiency) of receipts over disbursements	-	(10,143)	-	19,556	2,085	(57,614)
Cash and investments - ending	<u>\$ -</u>	<u>\$ (3,810)</u>	<u>\$ -</u>	<u>\$ 65,986</u>	<u>\$ 12,074</u>	<u>\$ (237,213)</u>

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Excess Levy	Windfall Park Donation	Community Center Donation	Community Service	Elston Insurance	Christmas Fund
Cash and investments - beginning	\$ -	\$ 2,708	\$ 28,059	\$ -	\$ -	\$ -
Receipts:						
Taxes	481	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	25	-	-	-
Total receipts	481	-	25	-	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	-
Excess (deficiency) of receipts over disbursements	481	-	25	-	-	-
Cash and investments - ending	\$ 481	\$ 2,708	\$ 28,084	\$ -	\$ -	\$ -

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Ordinance Violations	Trash Utility-Operating	Wastewater Utility-Operating	Wastewater Construction	Wastewater Construction Grant	Water Utility-Operating
Cash and investments - beginning	\$ 744	\$ (13,715)	\$ 42,324	\$ -	\$ -	\$ 256,574
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	27,794	96,229	-	-	266,522
Other receipts	-	-	3,663	277,822	54,000	15,266
Total receipts	-	27,794	99,892	277,822	54,000	281,788
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	20,000	-	152,902
Capital outlay	-	-	-	26,245	54,000	-
Utility operating expenses	-	-	108,243	-	-	86,984
Other disbursements	-	39,011	11,299	-	-	209,305
Total disbursements	-	39,011	119,542	46,245	54,000	449,191
Excess (deficiency) of receipts over disbursements	-	(11,217)	(19,650)	231,577	-	(167,403)
Cash and investments - ending	\$ 744	\$ (24,932)	\$ 22,674	\$ 231,577	\$ -	\$ 89,171

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Water Utility-Bond And Interest	Water Utility-Customer Deposit	Water Utility-Construction	Community Center Rent	Totals
Cash and investments - beginning	\$ -	\$ 34,429	\$ 11,442	\$ 5,142	\$ 447,665
Receipts:					
Taxes	-	-	-	-	134,848
Licenses and permits	-	-	-	-	99
Intergovernmental	-	-	-	-	141,016
Fines and forfeits	-	-	-	-	9,668
Utility fees	-	-	-	2,672	393,217
Other receipts	165,421	2,950	-	-	680,959
Total receipts	<u>165,421</u>	<u>2,950</u>	<u>-</u>	<u>2,672</u>	<u>1,359,807</u>
Disbursements:					
Personal services	-	-	-	-	138,700
Supplies	-	-	-	-	13,678
Other services and charges	-	-	-	-	103,876
Debt service - principal and interest	70,183	-	-	-	243,085
Capital outlay	-	-	-	-	86,584
Utility operating expenses	-	49	-	-	195,276
Other disbursements	-	-	-	72	477,466
Total disbursements	<u>70,183</u>	<u>49</u>	<u>-</u>	<u>72</u>	<u>1,258,665</u>
Excess (deficiency) of receipts over disbursements	<u>95,238</u>	<u>2,901</u>	<u>-</u>	<u>2,600</u>	<u>101,142</u>
Cash and investments - ending	<u>\$ 95,238</u>	<u>\$ 37,330</u>	<u>\$ 11,442</u>	<u>\$ 7,742</u>	<u>\$ 548,807</u>

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011

	General	Motor Vehicle Highway	Local Road And Street	Law Enforcement Continuing Ed	Riverboat	Rainy Day
Cash and investments - beginning	\$ 113,327	\$ 29,109	\$ 35,648	\$ (47)	\$ 25,830	\$ 5,644
Receipts:						
Taxes	132,988	7,214	-	-	-	-
Licenses and permits	84	-	-	-	-	-
Intergovernmental	65,886	18,719	3,093	-	4,456	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	298	-	-
Utility fees	-	-	-	-	-	-
Other receipts	18,033	-	-	-	-	-
Total receipts	<u>216,991</u>	<u>25,933</u>	<u>3,093</u>	<u>298</u>	<u>4,456</u>	<u>-</u>
Disbursements:						
Personal services	95,983	37,487	-	-	-	-
Supplies	24,681	166	2,262	-	-	-
Other services and charges	70,694	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	599	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	<u>191,957</u>	<u>37,653</u>	<u>2,262</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>25,034</u>	<u>(11,720)</u>	<u>831</u>	<u>298</u>	<u>4,456</u>	<u>-</u>
Cash and investments - ending	<u>\$ 138,361</u>	<u>\$ 17,389</u>	<u>\$ 36,479</u>	<u>\$ 251</u>	<u>\$ 30,286</u>	<u>\$ 5,644</u>

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Excess Levy	Co Economic Development Income Tax	Cumulative Capital Improvement	Debt Service Town Hall	Payroll	Windfall Park Donation
Cash and investments - beginning	\$ 481	\$ 65,986	\$ 12,074	\$ (3,810)	\$ (237,213)	\$ 2,708
Receipts:						
Taxes	-	-	-	24,359	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	18,527	2,045	1,724	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	141,205	-
Total receipts	-	18,527	2,045	26,083	141,205	-
Disbursements:						
Personal services	-	-	-	-	165,439	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	26,500	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	481	-	-	-	-	-
Total disbursements	481	-	-	26,500	165,439	-
Excess (deficiency) of receipts over disbursements	(481)	18,527	2,045	(417)	(24,234)	-
Cash and investments - ending	\$ -	\$ 84,513	\$ 14,119	\$ (4,227)	\$ (261,447)	\$ 2,708

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Community Center Donation	Ordinance Violations	Trash Utility-Operating	Wastewater Utility-Operating	Wastewater Construction	Wastewater Construction Grant
Cash and investments - beginning	\$ 28,084	\$ 744	\$ (24,932)	\$ 22,674	\$ 231,577	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	29,176	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	114,368	-	-
Other receipts	-	-	-	7,564	25,868	536,000
Total receipts	-	-	29,176	121,932	25,868	536,000
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	254,099	536,000
Utility operating expenses	-	-	-	40,168	-	-
Other disbursements	-	-	65,798	35,758	-	-
Total disbursements	-	-	65,798	75,926	254,099	536,000
Excess (deficiency) of receipts over disbursements	-	-	(36,622)	46,006	(228,231)	-
Cash and investments - ending	\$ 28,084	\$ 744	\$ (61,554)	\$ 68,680	\$ 3,346	\$ -

TOWN OF WINDFALL
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2011
 (Continued)

	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Customer Deposit	Water Utility-Construction	Community Center Rent	Totals
Cash and investments - beginning	\$ 89,171	\$ 95,238	\$ 37,330	\$ 11,442	\$ 7,742	\$ 548,807
Receipts:						
Taxes	-	-	-	-	-	164,561
Licenses and permits	-	-	-	-	-	84
Intergovernmental	-	-	-	-	-	114,450
Charges for services	-	-	-	-	2,055	31,231
Fines and forfeits	-	-	-	-	-	298
Utility fees	253,617	-	-	-	-	367,985
Other receipts	22,849	190,353	2,695	-	7,913	952,480
Total receipts	276,466	190,353	2,695	-	9,968	1,631,089
Disbursements:						
Personal services	-	-	-	-	-	298,909
Supplies	-	-	-	-	-	27,109
Other services and charges	-	-	-	-	-	70,694
Debt service - principal and interest	-	175,322	-	-	-	201,822
Capital outlay	-	-	-	-	-	790,698
Utility operating expenses	198,633	-	-	100	-	238,901
Other disbursements	164,501	-	-	-	180	266,718
Total disbursements	363,134	175,322	-	100	180	1,894,851
Excess (deficiency) of receipts over disbursements	(86,668)	15,031	2,695	(100)	9,788	(263,762)
Cash and investments - ending	\$ 2,503	\$ 110,269	\$ 40,025	\$ 11,342	\$ 17,530	\$ 285,045

TOWN OF WINDFALL
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Governmental activities	\$ -	\$ -
Trash Collection	-	27,868
Wastewater	149,743	450,137
Water	99,094	358,347
Windfall Town Hall	-	-
Totals	<u>\$ 248,837</u>	<u>\$ 836,352</u>

TOWN OF WINDFALL
 SCHEDULE OF LEASES AND DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Water:			
Revenue bonds	WATER SYSTEM UPDATE	\$ 3,270,506	\$ 179,002
Totals		<u>\$ 3,270,506</u>	<u>\$ 179,002</u>

TOWN OF WINDFALL
OTHER REPORT

The audit report presented herein was prepared in addition to other official report prepared for the individual Town office listed below:

Clerk-Treasurer

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

Telephone: (317) 232-2513
Fax: (317) 232-4711
Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF WINDFALL, TIPTON COUNTY, INDIANA

Compliance

We have audited Town of Windfall's (Town) compliance with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that could have a direct and material effect on its major federal program for the years ended December 31, 2010 and 2011. The Town's major federal program is 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 its major federal program 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 could have a direct and material effect on its major federal program for the years ended December 31, 2010 and 2011.

Internal Control Over Compliance

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 to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND ON
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

August 9, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

The Schedule of Expenditures of Federal Awards and accompanying note presented were prepared by management of the Town. The schedule and note are presented as intended by the Town.

TOWN OF WINDFALL
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended December 31, 2010 and 2011

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 12-31-10	Total Federal Awards Expended 12-31-11
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>				
Pass-Through Indiana Office of Community and Rural Affairs CDBG - State-Administered CDBG Cluster Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	14.228	CF-09-222	\$ 54,000	\$ 536,000
Total federal awards expended			<u>\$ 54,000</u>	<u>\$ 536,000</u>

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

TOWN OF WINDFALL
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Windfall 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 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.

TOWN OF WINDFALL
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 deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major program:	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 Program:

_____ Name of Federal Program or Cluster _____

CDBG – State – Administered CDBG Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

FINDING 2011-1 - INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

We noted several deficiencies in the internal control system of the Town related to financial transactions and reporting. We believe the following deficiencies constitute material weaknesses:

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

1. Lack of Segregation of Duties: Control activities should be selected and developed at various levels of the Town to reduce risks to the 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 go undetected.
2. Preparing Financial Statements: Effective internal control over financial reporting involves the identification and analysis of the risks of material misstatement to the Town's audited financial statements and then determining how those identified risks should be managed. The Town has not identified risks to the preparation of reliable financial statements and as a result has failed to design effective controls over the preparation of the financial statements to prevent or detect material misstatements, including notes to the financial statements.
3. Monitoring of Controls: Effective internal control over financial reporting requires the Town Board to monitor and assess the quality of the Town's system of internal control. The Town Board has not performed either an ongoing or separate evaluation of their system of internal controls. The failure to exercise their oversight responsibility places the Town at risk that controls may not be designed or operating effectively to provide reasonable assurance that controls will prevent or detect material misstatements in a timely manner. Additionally, the Town has no process to identify or communicate corrective actions to improve controls.

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.

THE CIVIL TOWN OF
WINDFALL CITY
WINDFALL, INDIANA 46076

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

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

Auditee Contact Person: Kay Clark
Contact Person Title: Clerk-Treasurer, Town of Windfall
Contact Phone Number: (765) 945-8381

The purpose of this communication is to provide an update regarding the ongoing corrective action plan for the Town of Windfall's lack of segregation of duties. The Town assesses their procedures and attempts to institute processes that would involve, at least on a sample basis, reviews of the duties being performed by the Clerk-Treasurer, including, but not limited to preparing financial statements. The Town will also monitor the system of internal control in the future to determine the effectiveness and efficiency of the systems in place.

The Town is a very small governmental unit and management has determined that the cost associated with the employing additional staff necessary to properly segregate the duties would outweigh the benefits of additional internal control structure. Management acknowledges and assumes the risk inherent with the current design of the Clerk-Treasurer's office.

FINDING 2009-2, EQUIPMENT AND REAL PROPERTY MANAGEMENT

Federal Agency: U.S. Department of Agriculture
Federal Program: Water and Wastewater Disposal Systems for Rural Communities
CFDA Number: 10.760
Pass-Through Entity: N/A
Auditee Contact Person: Kay Clark
Contact Person Title: Clerk-Treasurer, Town of Windfall
Contact Phone Number: (765) 945-8381

The Town of Windfall, for purposes of the federal grant, has not spent any additional money without properly performing an inventory of assets and maintaining adequate accounting records. The Town will also monitor the procedures in the future to determine the effectiveness and efficiency of the systems in place.



Kay Clark
Clerk-Treasurer
Town of Windfall

THE CIVIL TOWN OF
WINDFALL CITY
WINDFALL, INDIANA 46076

CORRECTIVE ACTION PLAN

FINDING 2011-1, INTERNAL CONTROLS OVER FINANCIAL TRANSACTIONS AND REPORTING

Auditee Contact Person: Kay Clark
Contact Person Title: Clerk-Treasurer, Town of Windfall
Contact Phone Number: (765) 945-8381

The Town of Windfall will assess their procedures and attempt to institute processes that would involve, at least on a sample basis, reviews of the duties being performed by the Clerk-Treasurer, including, but not limited to preparing financial statements. The Town will also monitor the system of internal control in the future to determine the effectiveness and efficiency of the systems in place.

The Town is a very small governmental unit and management has determined that the cost associated with the employing additional staff necessary to properly segregate the duties would outweigh the benefits of additional internal control structure. Management acknowledges and assumes the risk inherent with the current design of the Clerk-Treasurer's office.



Kay Clark
Clerk-Treasurer
Town of Windfall

TOWN OF WINDFALL
EXIT CONFERENCE

The contents of this report were discussed on August 9, 2012, with Kay Clark, Clerk-Treasurer; Lonny Kinder, President of the Town Council; Kevin Richards, Council member; and Terry Cooper, Superintendent of Utilities.