

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

CITY OF WINCHESTER

RANDOLPH COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
09/06/2012



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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Vicki Haney	01-01-08 to 12-31-15
Mayor	Steven D. Croyle	01-01-08 to 12-31-15
President of the Board of Public Works	Steven D. Croyle	01-01-11 to 12-31-12
President of the Common Council	Todd Schroeder	01-01-11 to 12-31-12
Superintendent of Wastewater Utility	Chris Martin	01-01-11 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE CITY OF WINCHESTER, RANDOLPH COUNTY, INDIANA

We have examined the financial statement of the City of Winchester (City), for the period of January 1, 2011 to December 31, 2011. The City's management is responsible for the financial statement. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statement and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

As discussed in Note 1, the City prepares its financial statement 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 noted above is a different basis than that used in the prior year.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the City for the year ended December 31, 2011, on the basis of accounting described in Note 1.

The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the examination procedures applied to the financial statement and, accordingly, we express no opinion on them.

The City's response to the Examination Results and Comments identified in our examination is described in the accompanying section of the report entitled Official Response. We did not examine the City's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the City's management, City Council, and others within the entity 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 3, 2012

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## FINANCIAL STATEMENT

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

CITY OF WINCHESTER  
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	\$ 1,460,846	\$ 2,350,176	\$ 2,407,265	\$ 1,403,757
Motor Vehicle Highway	143,290	635,486	636,919	141,857
Local Road And Street	40,495	20,397	3,883	57,009
Law Enforcement Continuing Ed	878	3,638	3,704	812
Clerk's Records Perpetuation	5,718	2,040	4,953	2,805
Parks And Recreation	53,941	166,431	186,921	33,451
User Fee	17,368	13,152	13,371	17,149
Rainy Day	275,378	-	-	275,378
Donation K-9	8	-	8	-
County Economic Dev Income Tax	255,219	163,464	7,450	411,233
Cumulative Capital Development	298,936	45,779	10,978	333,737
Cumulative Capital Improvement	87,358	14,465	23,125	78,698
Fire Pension	88,841	67,142	47,589	108,394
Rural Demonstration Project 2011	-	1,818	1,818	-
Downtown Facade Planning Grant	-	401,013	294,607	106,406
DOJ- BVP Grant	-	3,422	3,422	-
E. P. Miller	15,013	50	50	15,013
Red. Authority Refunded Bonds Series E	23,006	220,001	209,753	33,254
Red. Authority Refunded Bonds Series E	5,223	2,000	2,000	5,223
Red. Authority Refunded Bonds Series E	178,351	4	-	178,355
Red. Authority Refunded Bonds Series E	-	209,753	209,753	-
City Court	15,204	173,225	171,975	16,454
Law Enforcement Aid Fund	2,255	73	785	1,543
Lights	64,003	35,632	50,215	49,420
Recycling	5,206	7,489	5,982	6,713
Indiana University Car Seats	616	501	593	524
Ambulance Non-Reverting	104,539	44,302	6,272	142,569
Sart-Forensic	1,765	-	254	1,511
Project Love	22	-	-	22
Fire Dept Non Reverting	17,755	8,057	3,067	22,745
Dare Donation	786	6,240	7,016	10
Operation Pullover	738	12,774	13,487	25
Tomasco Capitalized Interest	589	-	-	589
East Us 27 TIF	205,591	173,492	101,502	277,581
Court Cash Due County	-	14,280	14,280	-
Beeson Park	14,787	19,200	22,976	11,011
Weed Assessment	9,339	7,543	1,833	15,049
Animal Control	-	11,736	2,491	9,245
Fire Dept Special CEDIT	11,613	-	-	11,613
Police Department Donation Walmart	410	-	371	39
Winchester Pd Prof Dev	40	1,134	866	308
Winchester Fire Dept Prof Dev	390	60	321	129
Park Events Donation	82	2,827	2,153	756
Economic Dev Non-Reverting	1,006	-	-	1,006
Animal Control Donation	-	984	857	127
Employee Welfare Benefit Cash	295,115	665,760	611,902	348,973
Beeson Farm	216,226	44,402	21,389	239,239
Goodrich Park Cumulative Repair	60,526	158,555	115,246	103,835
Fire Dept Donation (Wal-Mart)	1,775	-	-	1,775
Neighborhood Revitalization	947	9,117	10,064	-
Willow Ridge TIF	64,403	826,341	828,301	62,443
East Us 27 TIF	340	-	-	340
Vision Park TIF	347,329	52,687	231,725	168,291
Tomasco Project TIF	688,701	36,036	157,701	567,036
Sidewalk Rehabilitation	32,307	31,522	23,101	40,728
Payroll	1,655	1,110,255	1,110,836	1,074
Sewage Works Rev Bonds 2003 Sinking	14,498	247,850	251,900	10,448
Wastewater Utility Operating	192,690	1,479,470	1,472,160	200,000
Wastewater Utility Bond And Interest	7,019	296,400	294,076	9,343
Wastewater Utility Deprec/Improve	1,305,378	107,790	502	1,412,666
Wastewater Utility-Other #1	150	-	-	150
Wastewater Utility Debt Reserve	401,000	-	-	401,000
<b>Totals</b>	<b>\$ 7,036,664</b>	<b>\$ 9,905,965</b>	<b>\$ 9,603,768</b>	<b>\$ 7,338,861</b>

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

CITY OF WINCHESTER  
NOTES TO FINANCIAL STATEMENT

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

*A. Reporting Entity*

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

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

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the 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 statement. The aggregate receipts may 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 City.

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, local road and street distribution received from the state, financial institution tax received

CITY OF WINCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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.

Penalties which include fees received for late payments.

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 statement. The aggregate disbursements may 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 City. It includes all expenditures for the reduction of the principal and interest of the City'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.

CITY OF WINCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

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 City 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 City. 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 City. 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 City in a trustee capacity as an agent of individuals, private organizations, other funds, or other governmental units and therefore the funds cannot be used for any expenditures of the unit itself.

**Note 2. Budgets**

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

**Note 3. Property Taxes**

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the City in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon 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.

CITY OF WINCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**Note 4. Deposits and Investments**

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

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

**Note 5. Risk Management**

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

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

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is 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 City authority to contribute to the plan. The PERF retirement benefit consists of the pension provided by employer contributions plus an annuity provided by the member's annuity savings account. The annuity savings account consists of members' contributions, set by state statute at 3 percent of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

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

CITY OF WINCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy and Annual Pension Cost*

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

*B. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

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

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

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

CITY OF WINCHESTER  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*Funding Policy*

The contribution requirements of plan members and the City are established by the Board of Trustees of INPRS.

#### SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City'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 statement contained in this report and the financial information presented in the Annual Report of the City which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

CITY OF WINCHESTER  
 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	Clerk's Records Perpetuation	Parks And Recreation	User Fee
Cash and investments - beginning	\$ 1,460,846	\$ 143,290	\$ 40,495	\$ 878	\$ 5,718	\$ 53,941	\$ 17,368
Receipts:							
Taxes	1,548,660	341,035	-	-	-	137,233	-
Licenses and permits	2,386	1,350	-	1,590	-	-	-
Intergovernmental	448,911	292,471	17,157	-	-	5,657	-
Charges for services	247,054	630	-	1,456	-	22,694	-
Fines and forfeits	80,959	-	-	592	2,040	-	13,152
Utility fees	-	-	-	-	-	-	-
Other receipts	22,206	-	3,240	-	-	847	-
Total receipts	<u>2,350,176</u>	<u>635,486</u>	<u>20,397</u>	<u>3,638</u>	<u>2,040</u>	<u>166,431</u>	<u>13,152</u>
Disbursements:							
Personal services	1,495,761	305,550	-	-	-	93,993	-
Supplies	104,006	115,425	3,583	2,744	646	44,117	-
Other services and charges	574,806	33,704	300	960	4,307	42,510	-
Debt service - principal and interest	54,778	-	-	-	-	-	-
Capital outlay	167,978	180,662	-	-	-	4,410	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	9,936	1,578	-	-	-	1,891	13,371
Total disbursements	<u>2,407,265</u>	<u>636,919</u>	<u>3,883</u>	<u>3,704</u>	<u>4,953</u>	<u>186,921</u>	<u>13,371</u>
Excess (deficiency) of receipts over disbursements	<u>(57,089)</u>	<u>(1,433)</u>	<u>16,514</u>	<u>(66)</u>	<u>(2,913)</u>	<u>(20,490)</u>	<u>(219)</u>
Cash and investments - ending	<u>\$ 1,403,757</u>	<u>\$ 141,857</u>	<u>\$ 57,009</u>	<u>\$ 812</u>	<u>\$ 2,805</u>	<u>\$ 33,451</u>	<u>\$ 17,149</u>

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

	Rainy Day	Donation K-9	County Economic Dev Income Tax	Cumulative Capital Development	Cumulative Capital Improvement	Fire Pension	Rural Demonstration Project 2011
Cash and investments - beginning	\$ 275,378	\$ 8	\$ 255,219	\$ 298,936	\$ 87,358	\$ 88,841	\$ -
Receipts:							
Taxes	-	-	-	42,388	-	16,441	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	163,464	3,391	14,465	1,315	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	49,386	1,818
Total receipts	-	-	163,464	45,779	14,465	67,142	1,818
Disbursements:							
Personal services	-	-	-	-	-	-	1,818
Supplies	-	8	-	44	-	-	-
Other services and charges	-	-	7,450	10,500	1,065	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	434	22,060	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	47,589	-
Total disbursements	-	8	7,450	10,978	23,125	47,589	1,818
Excess (deficiency) of receipts over disbursements	-	(8)	156,014	34,801	(8,660)	19,553	-
Cash and investments - ending	\$ 275,378	\$ -	\$ 411,233	\$ 333,737	\$ 78,698	\$ 108,394	\$ -

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

	Downtown Facade Planning Grant	DOJ- BVP Grant	E. P. Miller	Red. Authority Refunded Bonds Series B Sinking	Red. Authority Refunded Bonds Series B O&R	Red. Authority Refunded Bonds Series B Reserve	Red. Authority Refunded Bonds Series B I&P
Cash and investments - beginning	\$ -	\$ -	\$ 15,013	\$ 23,006	\$ 5,223	\$ 178,351	\$ -
Receipts:							
Taxes	246,359	3,422	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	50,000	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>104,654</u>	<u>-</u>	<u>50</u>	<u>220,001</u>	<u>2,000</u>	<u>4</u>	<u>209,753</u>
Total receipts	<u>401,013</u>	<u>3,422</u>	<u>50</u>	<u>220,001</u>	<u>2,000</u>	<u>4</u>	<u>209,753</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	3,422	-	-	-	-	-
Other services and charges	294,607	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>-</u>	<u>-</u>	<u>50</u>	<u>209,753</u>	<u>2,000</u>	<u>-</u>	<u>209,753</u>
Total disbursements	<u>294,607</u>	<u>3,422</u>	<u>50</u>	<u>209,753</u>	<u>2,000</u>	<u>-</u>	<u>209,753</u>
Excess (deficiency) of receipts over disbursements	<u>106,406</u>	<u>-</u>	<u>-</u>	<u>10,248</u>	<u>-</u>	<u>4</u>	<u>-</u>
Cash and investments - ending	<u>\$ 106,406</u>	<u>\$ -</u>	<u>\$ 15,013</u>	<u>\$ 33,254</u>	<u>\$ 5,223</u>	<u>\$ 178,355</u>	<u>\$ -</u>

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

	City Court	Law Enforcement Aid Fund	Lights	Recycling	Indiana University Car Seats	Ambulance Non-Reverting	Sart-Forensic
Cash and investments - beginning	\$ 15,204	\$ 2,255	\$ 64,003	\$ 5,206	\$ 616	\$ 104,539	\$ 1,765
Receipts:							
Taxes	-	-	32,993	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	2,639	-	-	-	-
Charges for services	-	-	-	7,489	-	44,302	-
Fines and forfeits	173,225	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	73	-	-	501	-	-
<b>Total receipts</b>	<b>173,225</b>	<b>73</b>	<b>35,632</b>	<b>7,489</b>	<b>501</b>	<b>44,302</b>	<b>-</b>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	2,562	593	2,124	254
Other services and charges	-	-	50,215	3,420	-	4,148	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	171,975	785	-	-	-	-	-
<b>Total disbursements</b>	<b>171,975</b>	<b>785</b>	<b>50,215</b>	<b>5,982</b>	<b>593</b>	<b>6,272</b>	<b>254</b>
Excess (deficiency) of receipts over disbursements	1,250	(712)	(14,583)	1,507	(92)	38,030	(254)
Cash and investments - ending	<u>\$ 16,454</u>	<u>\$ 1,543</u>	<u>\$ 49,420</u>	<u>\$ 6,713</u>	<u>\$ 524</u>	<u>\$ 142,569</u>	<u>\$ 1,511</u>

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

	Project Love	Fire Dept Non Reverting	Dare Donation	Operation Pullover	Tomasco Capitalized Interest	East Us 27 TIF	Court Cash Due County
Cash and investments - beginning	\$ 22	\$ 17,755	\$ 786	\$ 738	\$ 589	\$ 205,591	\$ -
Receipts:							
Taxes	-	-	-	-	-	173,492	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	14,280
Utility fees	-	-	-	-	-	-	-
Other receipts	-	8,057	6,240	12,774	-	-	-
Total receipts	-	8,057	6,240	12,774	-	173,492	14,280
Disbursements:							
Personal services	-	-	-	13,430	-	-	-
Supplies	-	237	4,545	-	-	820	-
Other services and charges	-	2,830	2,471	-	-	9,369	14,280
Debt service - principal and interest	-	-	-	-	-	91,313	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	57	-	-	-
Total disbursements	-	3,067	7,016	13,487	-	101,502	14,280
Excess (deficiency) of receipts over disbursements	-	4,990	(776)	(713)	-	71,990	-
Cash and investments - ending	\$ 22	\$ 22,745	\$ 10	\$ 25	\$ 589	\$ 277,581	\$ -

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

	Beeson Park	Weed Assessment	Animal Control	Fire Dept Special CEDIT	Police Department Donation Walmart	Winchester Pd Prof Dev	Winchester Fire Dept Prof Dev
Cash and investments - beginning	\$ 14,787	\$ 9,339	\$ -	\$ 11,613	\$ 410	\$ 40	\$ 390
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	563	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	9,200	-	88	-	-	-	-
Fines and forfeits	-	7,264	710	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	10,000	279	10,375	-	-	1,134	60
Total receipts	19,200	7,543	11,736	-	-	1,134	60
Disbursements:							
Personal services	364	-	-	-	-	-	-
Supplies	1,456	1,003	2,491	-	162	866	321
Other services and charges	20,526	830	-	-	209	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	60	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	570	-	-	-	-	-	-
Total disbursements	22,976	1,833	2,491	-	371	866	321
Excess (deficiency) of receipts over disbursements	(3,776)	5,710	9,245	-	(371)	268	(261)
Cash and investments - ending	\$ 11,011	\$ 15,049	\$ 9,245	\$ 11,613	\$ 39	\$ 308	\$ 129

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

	Park Events Donation	Economic Dev Non-Reverting	Animal Control Donation	Employee Welfare Benefit Cash	Beeson Farm	Goodrich Park Cumulative Repair	Fire Dept Donation (Wal-Mart)
Cash and investments - beginning	\$ 82	\$ 1,006	\$ -	\$ 295,115	\$ 216,226	\$ 60,526	\$ 1,775
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	44,402	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,827	-	984	665,760	-	158,555	-
Total receipts	2,827	-	984	665,760	44,402	158,555	-
Disbursements:							
Personal services	-	-	-	466,884	855	-	-
Supplies	76	-	851	-	-	4,782	-
Other services and charges	2,077	-	6	145,018	10,534	46,135	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	64,329	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	10,000	-	-
Total disbursements	2,153	-	857	611,902	21,389	115,246	-
Excess (deficiency) of receipts over disbursements	674	-	127	53,858	23,013	43,309	-
Cash and investments - ending	\$ 756	\$ 1,006	\$ 127	\$ 348,973	\$ 239,239	\$ 103,835	\$ 1,775

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

	Neighborhood Revitalization	Willow Ridge TIF	East Us 27 TIF	Vision Park TIF	Tomasco Project TIF	Sidewalk Rehabilitation	Payroll
Cash and investments - beginning	\$ 947	\$ 64,403	\$ 340	\$ 347,329	\$ 688,701	\$ 32,307	\$ 1,655
Receipts:							
Taxes	-	84,196	-	52,687	36,036	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	31,522	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	9,117	742,145	-	-	-	-	1,110,255
Total receipts	<u>9,117</u>	<u>826,341</u>	<u>-</u>	<u>52,687</u>	<u>36,036</u>	<u>31,522</u>	<u>1,110,255</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	10,064	207,060	-	17,679	87,001	23,101	-
Debt service - principal and interest	-	36,540	-	209,753	70,700	-	-
Capital outlay	-	584,701	-	4,293	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	1,110,836
Total disbursements	<u>10,064</u>	<u>828,301</u>	<u>-</u>	<u>231,725</u>	<u>157,701</u>	<u>23,101</u>	<u>1,110,836</u>
Excess (deficiency) of receipts over disbursements	<u>(947)</u>	<u>(1,960)</u>	<u>-</u>	<u>(179,038)</u>	<u>(121,665)</u>	<u>8,421</u>	<u>(581)</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ 62,443</u>	<u>\$ 340</u>	<u>\$ 168,291</u>	<u>\$ 567,036</u>	<u>\$ 40,728</u>	<u>\$ 1,074</u>

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

	Sewage Works Rev Bonds 2003 Sinking Fund	Wastewater Utility Operating	Wastewater Utility Bond And Interest	Wastewater Utility Deprec/Improve	Wastewater Utility-Other #1	Wastewater Utility Debt Reserve	Totals
Cash and investments - beginning	\$ 14,498	\$ 192,690	\$ 7,019	\$ 1,305,378	\$ 150	\$ 401,000	\$ 7,036,664
Receipts:							
Taxes	-	-	-	-	-	-	2,714,942
Licenses and permits	-	-	-	-	-	-	5,889
Intergovernmental	-	-	-	-	-	-	1,030,992
Charges for services	-	-	-	-	-	-	377,315
Fines and forfeits	-	-	-	-	-	-	292,222
Utility fees	-	1,459,458	-	-	-	-	1,459,458
Other receipts	247,850	20,012	296,400	107,790	-	-	4,025,147
Total receipts	247,850	1,479,470	296,400	107,790	-	-	9,905,965
Disbursements:							
Personal services	-	-	-	-	-	-	2,378,655
Supplies	-	-	-	-	-	-	297,138
Other services and charges	-	-	-	-	-	-	1,627,182
Debt service - principal and interest	-	-	293,256	-	-	-	756,340
Capital outlay	-	108,247	-	502	-	-	1,137,676
Utility operating expenses	-	958,343	820	-	-	-	959,163
Other disbursements	251,900	405,570	-	-	-	-	2,447,614
Total disbursements	251,900	1,472,160	294,076	502	-	-	9,603,768
Excess (deficiency) of receipts over disbursements	(4,050)	7,310	2,324	107,288	-	-	302,197
Cash and investments - ending	\$ 10,448	\$ 200,000	\$ 9,343	\$ 1,412,666	\$ 150	\$ 401,000	\$ 7,338,861

CITY OF WINCHESTER  
SCHEDULE OF PAYABLES AND RECEIVABLES  
December 31, 2011

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ -	\$ 234,945
Totals	<u>\$ -</u>	<u>\$ 234,945</u>

CITY OF WINCHESTER  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Crossroads Bank	Sanitation Vehicles	\$ 109,555	04-01-11	07-01-16
First Capital Equipment Leasing	Police Vehicles	33,520	02-01-11	02-01-13
PNC Equipment Finance	Total Patcher Equipemtn	<u>10,673</u>	08-23-07	08-23-12
Total governmental activities		<u>153,748</u>		
Wastewater:				
PNC Equipment Finance	Utility Energy System	<u>99,185</u>	07-15-06	01-15-16
Total of annual lease payments		<u>\$ 252,933</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Revenue bonds	Economic Development Spec Building	\$ 860,000	\$ 220,000
Revenue bonds	Equipment & Economic Development	1,400,000	70,700
Revenue bonds	Streets and Sidewalks	711,489	74,763
Revenue bonds	Streets and Infrastructure	<u>950,000</u>	<u>92,063</u>
Total governmental activities		<u>3,921,489</u>	<u>457,526</u>
Wastewater:			
Revenue bonds	Wastewater Utility Improvements	470,000	258,200
Revenue bonds	Wastewater Utility Improvements	<u>910,000</u>	<u>45,338</u>
Total Wastewater		<u>1,380,000</u>	<u>303,538</u>
Totals		<u>\$ 5,301,489</u>	<u>\$ 761,064</u>

CITY OF WINCHESTER  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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

	Ending Balance
Governmental activities:	
Land	\$ 10,750
Infrastructure	783,565
Buildings	1,293,625
Improvements other than buildings	783,324
Machinery, equipment and vehicles	3,848,857
Construction in progress	1,124,227
Total governmental activities	7,844,348
Wastewater:	
Land	117,149
Infrastructure	3,888,222
Buildings	8,348,084
Improvements other than buildings	57,585
Machinery, equipment and vehicles	1,817,474
Construction in progress	148,250
Total Wastewater	14,376,764
Total capital assets	\$ 22,221,112

CITY OF WINCHESTER  
OTHER REPORT

The report presented herein was prepared in addition to another official report prepared for the individual City office listed below:

Park Department Rentals

CITY OF WINCHESTER  
EXAMINATION RESULTS AND COMMENTS

**CONDITION OF RECORDS**

Receipts for the Animal Control Department had not been properly maintained and safeguarded. In July 2011 the office suffered water damage and the receipts written from the end of April through July were not presented for examination. The Animal Control Officer reported that the receipts had been destroyed, but no evidence of the damage to the receipts was given to the field examiner, nor had the Officer's supervisor been notified of the damage to the records.

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

**DEPOSITS**

As stated in the prior report receipts for the Animal Control Officer were not remitted timely to the Clerk's office. Nine of the ten receipt series tested had not been remitted to the Clerk's office in a timely manner. Remittances took from two weeks to over one month from the date of receipt to the date the receipts were remitted to the Clerk for deposit and one deposit was \$7.00 less than the receipts collected. In addition, receipts for the Animal Control Officer were not always remitted intact. For two of the receipts tested, the breakdown of cash and checks from the receipts did not agree with the cash and checks listed on the deposit slip. Not all receipts issued by the Animal Control Officer were marked as either cash or check, and three deposits were for more than the total of the receipts issued during the period covered by the deposit.

Receipts for the Street Department were also not being remitted on a timely basis to the Clerk's office for Deposit. Thirteen of the twenty-eight receipts tested were not remitted timely to the Clerk's office. Some collections took up to twenty-two days from the date of receipt until the date the money was received by the Clerk's office.

Indiana Code 5-13-6-1(d) states:

"A city (other than a consolidated city) or a town shall deposit funds not later than the next business day following the receipt of the funds in depositories (1) selected by the city or town as provided in an ordinance adopted by the city or the town; and (2) approved as depositories of state funds."

Public funds shall be deposited in the same form in which they were received. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

**RECEIPT ISSUANCE**

The receipt book the Animal Control Officer was using was damaged by water damage to the office in July of 2011. A new receipt book was not obtained until January 2012. Receipts were not written for monies received from July 2011 to December 2011. In addition, 2 of the 10 remittances tested from the period January to April 2011 had money that had been received and no receipt could be found. Receipts for the period April to July were reported at the time of audit as destroyed by water. However, this had not been mentioned to the Officer's supervisor prior to the examination.

CITY OF WINCHESTER  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

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

***ORDINANCES AND RESOLUTIONS***

The City has an ordinance concerning wastewater fees. When the rates were raised effective January 1, 2007, some rates were not correctly input into the computer system. As a result some industrial and commercial customers were overbilled by minimal amounts. Industrial customers with a 1" meter were overbilled by \$0.02 per month; commercial customers with a 5/8" meter were overbilled by \$0.11 per month; and commercial customers with a 3/4" meter were overbilled by \$0.08 per month. The overcharges only affected bills for metered customers. The maximum overcharge for a single customer amounts to around \$6.00 for the period from January 1, 2007, to the present bills.

Each governmental unit is responsible for complying with the ordinances, resolutions, and policies it adopts. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***INTERNAL CONTROLS***

Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient with the Animal Control Officer. There were unexplained drop in revenues from 2010 to 2011, records were missing or damaged without notice being given to the direct supervisor and no controls were in place to recover data for the damaged records.

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)

***ACCOUNTABLE ITEMS***

The City of Winchester instituted a registration fee for all dogs and cats. When the registration fee is paid, the animal owner receives a tag as proof of registration. For 2011 and 2012 there were 24 and 3 registration tags that were not properly accounted for. In 2011, 300 tags were issued and 191 tags were still on hand. This leaves a difference of 109 animal registrations. A review of receipts only showed 85 animal registrations. For 2012, 200 tags were ordered and 88 tags were still on hand. A review of receipts shows only 109 animal registrations instead of the 112 tags that should have been sold.

Tickets, goods for sale, billings, and other collections are considered accountable items for which a corresponding deposit must be made in the bank accounts of the governmental unit.

The deposit ticket or attached documentation must provide a detailed listing of the deposit, which includes at a minimum, check numbers and corresponding names of the payors. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

CITY OF WINCHESTER  
EXAMINATION RESULTS AND COMMENTS  
(Continued)

***PRESCRIBED FORMS***

The timesheet being used by the fire department to account for the on call hours was not completed properly. Actual hours worked were not put on the timesheet. Verification of pay for on call firefighters could not be determined to be correct.

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

CITY OF WINCHESTER  
EXIT CONFERENCE

The contents of this report were discussed on July 3, 2012, with Vicki Haney, Clerk-Treasurer; Steven Croyle, Mayor; and Todd Schroeder, President of the Common Council. The Official Response has been made a part of this report and may be found on pages 31 through 33.

# City of Winchester

Vicki Haney, IAMC/CMC  
Clerk-Treasurer  
113 E Washington Street  
Winchester, Indiana 47394  
Phone - 765. 584.1351 ext. 2300  
Fax 765.584.6171

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July 11, 2012

Mr. Bruce Hartman, State Examiner  
Indiana State Board of Accounts  
302 West Washington Street 4th Floor, Room E418  
Indianapolis, IN 46204-2765

Dear Mr. Hartman:

The Indiana State Board of Accounts recently presented their audit results and comments for the City of Winchester, Indiana and I would like to take this opportunity to respond to their findings by outlining the course of action I will follow to resolve the issue raised by the examiners:

Condition of Records:

Ordinances and Resolutions:

Finding: The City has an ordinance concerning wastewater fees. When the rates were raised effective 01/1/2007 some rates were not correctly input into the computer system. As a result some customers were overbilled by minimal amounts. Industrial customers with a 1" meter were overbilled by \$0.02 per month; commercial customers with a 5/8 meter were overbilled by \$0.11 per month; and commercial customers with a 3/4" meter were overbilled by \$0.08 per month. The overcharges only affected bills for metered customers. The maximum overcharge for a single customer only amounts to around \$6.00 for the period from January 1, 2007 to the present bills.

Response: The Clerk-Treasurer realizes the importance of billing wastewater customers error-free. The software company incorrectly calculated the rates causing the billing errors. The software company corrected the errors. Customers will be credited for the billing errors. In the future, the Clerk-Treasurer will be more cognizant of the billing and will make sure that all rates are correct before billing industrial and commercial customers.

Respectfully,

  
Vicki Haney  
Clerk-Treasurer



# Winchester Police Department

Chief of Police Michael A. Burk

"Committed to Making Winchester Safer"

July 20, 2012

To: Mr. Bruce Hartman, State Examiner  
Indiana State Board of Accounts  
302 West Washington Street 4<sup>th</sup> Floor, Room E418  
Indianapolis, Indiana 46304-2765

From: Chief of Police Michael Burk  
Winchester Police Department  
113 East Washington Street  
Winchester, Indiana 47394

Re: City of Winchester Audit Results and Comments concerning Animal Control

Dear Mr. Hartman,

I would like to take an opportunity to respond to the Audit Results and Comments concerning Animal Control for the City of Winchester. The animal control officer is an appointed position by the Chief of Police from within its members of the department. The animal control officer is supervised by the Chief of Police or his/her designee. I would like to respond to the following:

**Condition of Records** – *Receipts for the Animal Control Department had not been properly maintained and safeguarded.*

RESPONSE - I spoke with the animal control officer about the necessity to notify her supervisor (in this case the Chief of Police) immediately when there is a problem that arises that hinders the proper documentation and recording of transactions between citizens and the animal control/shelter for services. i.e. dog registration, cat registration, and animal adoptions.

**Deposits** – *As stated in the prior Examination Report receipts for the Animal Control Officer were not remitted timely to the clerk's office.*

RESPONSE – The animal control officer has been informed of IC 5-13-6-1(d). The animal control officer has also been instructed not to accept any personal checks from this point forward. We will only accept cash or money orders.

113 E. Washington Street Winchester, Indiana 47394  
(765)584-6891 or 584-1301 Fax (765)584-3730 www.winchester-in.gov

**Receipt Issuance** – *The receipt book the Animal Control Officer was using was damaged by water damage to the office in July of 2011. A new receipt book was not obtained until January 2012. Receipts were not written for monies received from July 2011 to December 2011. In addition, two of the ten remittances tested from the period January to April 2011 had money that had been received and no receipt could be found. Receipts for the period April to July were reported at the time of audit as destroyed by water. However, this had not been mentioned to the Officer's supervisor prior to the examination.*

RESPONSE - As stated before, I spoke with the animal control officer about the necessity to notify her supervisor (in this case the Chief of Police) immediately when there is a problem that arises that hinders the proper documentation and recording of transactions between citizens and the animal control/shelter for services. i.e. dog registration, cat registration, and animal adoptions. To protect receipt transactions, the ISBA approved receipt books once completely filled out, shall be turned in to the Chief of Police's office for safe keeping.

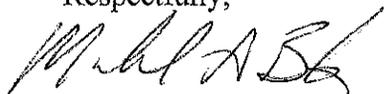
**Internal Controls** – *Controls over the receipting, disbursing, recording, and accounting for the financial activities were insufficient with the Animal Control Officer.*

RESPONSE - As stated before, I spoke with the animal control officer about the necessity to notify her supervisor (in this case the Chief of Police) immediately when there is a problem that arises that hinders the proper documentation and recording of transactions between citizens and the animal control/shelter for services. i.e. dog registration, cat registration, and animal adoptions. To protect receipt transactions, the ISBA approved receipt books shall be turned in to the Chief of Police's office for safe keeping. The Chief of Police shall receive copies of receipt of collections and pet registrations/tag numbers for accountability purposes.

**Accountable Items** – *The City of Winchester instituted a registration fee for all dogs and cats. When the registration fee is paid, the animal owner receives a tag as proof of registration. For 2011 and 2012 there were 24 and 3 registration tags that were not properly accounted.*

RESPONSE – The Animal Control Office shall provide to the Chief of Police copies of all pet registrations with the corresponding tag numbers. These records shall be maintained/recorded at the police department.

Respectfully,



Michael A. Burk  
Chief of Police

113 E. Washington Street Winchester, Indiana 47394  
(765)584-6891 or 584-1301 Fax (765)584-3730 [www.winchester-in.gov](http://www.winchester-in.gov)