

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

CITY OF LAPORTE
LAPORTE COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
06/16/2014

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Teresa L. Ludlow	01-01-12 to 12-31-15
Mayor	Blair E. Milo	01-01-12 to 12-31-15
President of the Board of Public Works and Safety	Blair E. Milo	01-01-12 to 12-31-15
President Pro Tempore of the Common Council	Steve Luscomb Roger A. Galloway	01-01-13 to 12-31-13 01-01-14 to 12-31-14
Superintendent of Water Utility	Todd A. Taylor	01-01-13 to 12-31-14
Superintendent of Wastewater Utility	Jerry P. Jackson	01-01-13 to 12-31-14



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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE CITY OF LAPORTE, LAPORTE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the City of LaPorte (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement 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 statement is free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 of the financial statement, the City prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the City for the year ended December 31, 2013.

Opinion on Regulatory Basis of Accounting

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, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated May 7, 2014, on our consideration of the City'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* in considering the City's internal control over financial reporting and compliance.


Accompanying Information

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. 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 statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, 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 statement taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the City's financial statement. 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 auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.


Paul D. Joyce, CPA
State Examiner

May 7, 2014



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INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

TO: THE OFFICIALS OF THE CITY OF LAPORTE, LAPORTE COUNTY, INDIANA

We have audited, 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, the financial statement of the City of LaPorte (City), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated May 7, 2014, wherein we noted the City followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statement, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

Our consideration of the internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not 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 statement 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 2013-001 to be material weaknesses.

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the City's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2013-001.

City of LaPorte's Response to Findings

The City's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The City's response was not subjected to the auditing procedures applied in the audit of the financial statement and, accordingly, we express no opinion on it.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 7, 2014

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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 LAPORTE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL FUND	\$ 1,974,169	\$ 8,337,848	\$ 10,953,496	\$ (641,479)
MVH	287,641	1,647,650	840,215	1,095,076
LOCAL ROAD & STREET	229,198	203,198	163,236	269,160
PARK NON-REVERTING	65,799	37,765	22,015	81,549
ECONOMIC DEV COMMISSION	10,780	-	-	10,780
LANDFILL BOND DEBT SVC	(103,670)	318,798	139,650	75,478
TRANSIT	(96,950)	562,294	566,417	(101,073)
COMMUNITY BLOCK GRANT	(16,590)	210,127	237,436	(43,899)
LAW ENF CONT EDUCATION	77,998	39,197	19,527	97,668
UNSAFE BUILDING	62,920	-	3,200	59,720
PARK	662,413	1,239,335	1,367,479	534,269
TRASH	243,390	961,306	952,424	252,272
CEDIT	827,252	1,499,180	1,267,026	1,059,406
LEVY EXCESS FUND	380,397	-	380,397	-
MAJOR MOVES CONSTRUCTION	1,465,981	522,463	456,228	1,532,216
CCI	196,978	59,201	37,338	218,841
CCD	1,565,680	91,634	333,229	1,324,085
PARK N/R CAPITAL	53,874	9,500	29,398	33,976
GENERAL IMPROVEMENT FUND	-	50,000	-	50,000
REDEVELOPMENT COMM/TIF 1	941,481	862,812	487,676	1,316,617
INDUSTRIAL DEVELOPMENT	43,040	1,200	50	44,190
LANDFILL BOND - TAX FUND	-	170,224	170,224	-
INSURANCE	62,620	1,760,523	1,761,624	61,519
POLICE PENSION	285,142	594,319	693,523	185,938
FIRE PENSION	711,786	972,707	1,356,990	327,503
RIVERBOAT	1,167,804	149,647	215,000	1,102,451
GENERAL TAX FUND	100	3,454,795	3,454,794	101
MVH TAX FUND	-	261,897	261,897	-
L.A.R.E. GRANT 2012	11,692	82,522	94,214	-
PARK TAX FUND	-	898,452	898,452	-
RECREATION NON-REVERTING	132,238	217,470	209,104	140,604
CIVIC NON-REVERTING	64,902	99,336	51,913	112,325
GOLF NON-REVERTING	12,370	4,400	6,297	10,473
BEECHWOOD N/R CAPITAL	424	38,789	37,580	1,633
BIG CITY-COUNTY SEATBELTS	(623)	21,604	21,175	(194)
DUI TASKFORCE	445	16,868	17,180	133
COPS GRANT	(26,274)	80,601	66,015	(11,688)
KIWANIS/TELEDYNE	37,776	-	-	37,776
LP STRATEGIC PLANNING	11,529	-	-	11,529
FIRE - CHILD SAFETY SEAT GRANT	-	2,000	2,000	-
DEA FUND	281	-	-	281
VEST FUND	143	4,702	4,710	135
DRUG FREE PARTNERSHIP	400	-	-	400
VERTICAL REAL ESTATE FUND	94,568	8,640	-	103,208
RENTAL REHAB LIEN PYMT	661	-	-	661
CENTRAL STATION INTERIOR	1,170	-	-	1,170
REDEVELOPMENT COMM/TIF II	1,432,403	1,341,638	31,106	2,742,935
REDEVELOPMENT - TIF III	521,387	254,195	184,275	591,307
DOWNTOWN BID DISTRICT	172,620	146,190	49,380	269,430
REDEVELOPMENT COMM - TIF IV	52,999	187,521	2,700	237,820
MASTER PLAN	5,413	-	-	5,413
RESTRICTED DONATIONS	33,356	61,125	32,827	61,654
MAYOR'S VETERANS COMM	7,785	800	1,587	6,998
GOOD SAMARITAN FUND	1,585	3,063	2,850	1,798
EMPLOYEE BENEFIT FUND	1,989,629	1,963,318	1,332,606	2,620,341
IFA POWERHOUSE GRANT	1,123	-	-	1,123
G.O. BONDS OF 2012	-	82,165	168,142	(85,977)
2012 GO BOND PROCEEDS	4,645,637	-	1,972,543	2,673,094
BOND-DEBT SERVICE	14,108	155,877	262,947	(92,962)
BOND-DEBT SERVICE TAX	-	74,524	74,524	-
FIRE EQUIP LEASE BONDS	6,813	198,825	304,389	(98,751)

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

CITY OF LAPORTE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
FIRE EQUIP TAX FUND	-	92,118	92,118	-
PARK BOND DEBT SERVICE	111,936	280,210	477,328	(85,182)
PARK BOND TAX FUND	-	178,098	178,098	-
CMAQ	-	5,223	5,223	-
MAURICE FOX TRUST	197,469	24,234	5,408	216,295
ELEANOR FOX TRUST	149,915	1,826	39,058	112,683
FOX MEMORIAL TRUST	44,735	-	4,796	39,939
PR - DIRECT DEPOSIT	-	4,082,781	4,082,781	-
PAYROLL NET SALARIES	-	1,790,630	1,790,630	-
PAYROLL-FEDERAL	-	922,302	922,302	-
PAYROLL -FICA	127	555,969	556,096	-
PAYROLL - MEDICARE	-	236,863	236,863	-
PAYROLL - STATE W/H	-	283,487	283,487	-
PAYROLL - COUNTY W/H	-	76,028	76,028	-
PAYROLL - PERF	-	11,035	11,035	-
PR AFLAC - POST TAX	-	7,468	7,468	-
AFLAC - PRE-TAX	-	23,776	23,776	-
PAYROLL - HARTFORD LOAN	-	16,502	16,502	-
BOSTON MUTUAL LIFE	-	30,161	30,161	-
PAYROLL-HARTFORD 457	-	123,243	123,243	-
SPOUSAL SUPPORT	-	3,420	3,420	-
CENTIER BANK	-	15,940	15,940	-
CITY OF LP FLEX SPENDING	-	203	203	-
PAYROLL-GOOD SAMARITAN	-	2,813	2,813	-
CITY OF LP INSURANCE	-	144,823	144,842	(19)
LPSB-HEALTH SAVINGS	-	52,588	52,588	-
FOP #54	-	4,855	4,855	-
IN CHILD SUPPORT FEE	-	495	495	-
FOP LABOR COUNCIL	-	4,685	4,685	-
GUARDIAN-DISABILITY	-	948	948	-
GUARDIAN - LIFE	-	3,406	3,406	-
LP FIREFIGHTERS LOCAL 363	-	16,086	16,086	-
LP FIREFIGHTERS PAC DUES	-	2,284	2,284	-
LP MUN.EMPLOYEE CRT UNION	-	506,770	506,770	-
LP SUPERIOR COURT #4	-	3,135	3,135	-
CHILD SUPPORT	-	74,767	74,767	-
LP SUPERIOR COURT #3	-	1,008	1,008	-
CONTINENTAL AMERICAN INS	-	5,362	5,362	-
MONUMENTAL LIFE INSURANCE	-	2,040	2,040	-
BOWMAN HEINTZ BOSCH/VICI	-	1,128	1,128	-
STANDING CHAPTER 13	-	22,021	22,021	-
UNITED WAY	-	1,204	1,204	-
FLEXIBLE SPENDING ACCOUNT	5,367	203	512	5,058
YMCA	-	19,138	19,138	-
UTILITIES - CREDIT CARDS	36	274,026	274,026	36
UTILITIES ACH FUND	945	517,309	517,309	945
PAYROLL EXTRA	1,599	369	109	1,859
WW SRF BOND & INTEREST	197,889	551,208	558,290	190,807
WW SRF DEBT SERVICE	949,110	35,630	-	984,740
SEWAGE FUND	683,024	3,788,710	3,348,496	1,123,238
SEWAGE DEPRECIATION	698,261	21,998	214,580	505,679
SEWAGE BOND RETIREMENT	858,713	34,960	446,300	447,373
WATER METER DEPOSITS	255,387	36,202	31,019	260,570
WATER DEPRECIATION	251,888	61,681	24,175	289,394
WATER FUND	1,126,494	3,252,809	3,021,721	1,357,582
WATER SRF BOND & INTEREST	171,611	250,252	307,901	113,962
WATER SRF DEBT SERVICE	76,324	50,883	-	127,207
Totals	<u>\$ 26,106,623</u>	<u>\$ 48,469,558</u>	<u>\$ 50,594,982</u>	<u>\$ 23,981,199</u>

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

CITY OF LAPORTE
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, 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 Indiana 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. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

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 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.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENT
(Continued)

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 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 statement. 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 City. It includes all expenditures for the reduction of the principal and interest of the City's general obligation indebtedness.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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 LAPORTE
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.

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 Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

CITY OF LAPORTE
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. 1925 Police Officers' Pension Plan

Plan Description

The 1925 Police Officers' 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 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

Funding Policy

The contribution requirements of plan members for the 1925 Police Officers' Pension Plan are established by state statute.

On Behalf Payments

The 1925 Police Officers' 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. 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.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENT
(Continued)

D. 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 Capitol Street, Suite 001
Indianapolis, IN 46204
Ph. (888) 526-1687

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains several funds with deficits in cash. Some are the result of reimbursements for expenditures of federal and state grants which had not been received by December 31, 2013. The remaining funds with cash balance deficits are the result of expenditures exceeding receipts largely due to the delay in assessment, billing, collection, and distribution of property taxes by the county.

Note 8. LaPorte County Property Taxes

In 2014, LaPorte County will complete the settlement to local units of government of the 2012 payable 2013 property tax bills. These and prior year delays and uncertainties have resulted in lower than budgeted property tax collection rates throughout the County. Provisional bills were issued for several prior years. It is undeterminable how much property tax collections the City will receive once all past year taxes have been calculated and collected.

CITY OF LAPORTE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 9. *Holding Corporation*

The City has entered into a capital lease with LaPorte Fire Station Building Corporation (the lessor). The lessor was organized as a not-for-profit corporation pursuant to state statute for the purpose of financing and constructing or reconstructing facilities for lease to the City. The lessor has been determined to be a related party of the City. Lease payments during the year totaled \$255,000.

SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the City's 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 audit. This is a common occurrence in any financial statement 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 City. It is presented as intended by the City.

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013

	GENERAL FUND	MVH	LOCAL ROAD & STREET	PARK NON-REVERTING	ECONOMIC DEV COMMISSION	LANDFILL BOND DEBT SVC	TRANSIT
Cash and investments - beginning	\$ 1,974,169	\$ 287,641	\$ 229,198	\$ 65,799	\$ 10,780	\$ (103,670)	\$ (96,950)
Receipts:							
Taxes	672,680	921,015	-	-	-	170,224	-
Licenses and permits	135,684	-	-	-	-	-	-
Intergovernmental	2,134,197	708,168	203,198	-	-	3,883	283,556
Charges for services	6,494	5,190	-	37,765	-	-	123,956
Fines and forfeits	39,902	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,348,891	13,277	-	-	-	144,691	154,782
Total receipts	8,337,848	1,647,650	203,198	37,765	-	318,798	562,294
Disbursements:							
Personal services	7,061,502	647,112	18,458	-	-	-	445,363
Supplies	273,294	95,442	-	-	-	-	80,280
Other services and charges	1,017,899	97,661	144,778	22,015	-	300	40,774
Debt service - principal and interest	1,701,491	-	-	-	-	139,350	-
Capital outlay	14,300	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	885,010	-	-	-	-	-	-
Total disbursements	10,953,496	840,215	163,236	22,015	-	139,650	566,417
Excess (deficiency) of receipts over disbursements	(2,615,648)	807,435	39,962	15,750	-	179,148	(4,123)
Cash and investments - ending	\$ (641,479)	\$ 1,095,076	\$ 269,160	\$ 81,549	\$ 10,780	\$ 75,478	\$ (101,073)

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	COMMUNITY BLOCK GRANT	LAW ENF CONT EDUCATION	UNSAFE BUILDING	PARK	TRASH	CEDIT	LEVY EXCESS FUND
Cash and investments - beginning	\$ (16,590)	\$ 77,998	\$ 62,920	\$ 662,413	\$ 243,390	\$ 827,252	\$ 380,397
Receipts:							
Taxes	-	-	-	712,281	-	-	-
Licenses and permits	-	7,230	-	-	-	-	-
Intergovernmental	-	-	-	85,011	-	1,492,129	-
Charges for services	210,127	24,209	-	436,196	961,306	-	-
Fines and forfeits	-	7,758	-	1,570	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	4,277	-	7,051	-
Total receipts	210,127	39,197	-	1,239,335	961,306	1,499,180	-
Disbursements:							
Personal services	67,834	-	-	962,162	-	867,700	-
Supplies	370	-	-	143,254	-	1,035	-
Other services and charges	18,532	19,527	3,200	178,119	952,424	299,032	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	150,700	-	-	-	-	99,259	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	83,944	-	-	380,397
Total disbursements	237,436	19,527	3,200	1,367,479	952,424	1,267,026	380,397
Excess (deficiency) of receipts over disbursements	(27,309)	19,670	(3,200)	(128,144)	8,882	232,154	(380,397)
Cash and investments - ending	\$ (43,899)	\$ 97,668	\$ 59,720	\$ 534,269	\$ 252,272	\$ 1,059,406	\$ -

CITY OF LAPORTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	MAJOR MOVES CONSTRUCTION	CCI	CCD	PARK N/R CAPITAL	GENERAL IMPROVEMENT FUND	REDEVELOPMENT COMM/TIF 1	INDUSTRIAL DEVELOPMENT
Cash and investments - beginning	\$ 1,465,981	\$ 196,978	\$ 1,565,680	\$ 53,874	\$ -	\$ 941,481	\$ 43,040
Receipts:							
Taxes	-	-	41,313	-	-	862,340	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	59,201	22,310	-	-	-	-
Charges for services	518,326	-	-	-	-	-	1,200
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	4,137	-	28,011	9,500	50,000	472	-
Total receipts	522,463	59,201	91,634	9,500	50,000	862,812	1,200
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	78,196	-
Debt service - principal and interest	-	-	-	-	-	352,000	-
Capital outlay	455,908	37,338	291,585	29,398	-	18,771	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	320	-	41,644	-	-	38,709	50
Total disbursements	456,228	37,338	333,229	29,398	-	487,676	50
Excess (deficiency) of receipts over disbursements	66,235	21,863	(241,595)	(19,898)	50,000	375,136	1,150
Cash and investments - ending	\$ 1,532,216	\$ 218,841	\$ 1,324,085	\$ 33,976	\$ 50,000	\$ 1,316,617	\$ 44,190

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	LANDFILL BOND - TAX FUND	INSURANCE	POLICE PENSION	FIRE PENSION	RIVERBOAT	GENERAL TAX FUND	MVH TAX FUND
Cash and investments - beginning	\$ -	\$ 62,620	\$ 285,142	\$ 711,786	\$ 1,167,804	\$ 100	\$ -
Receipts:							
Taxes	170,224	-	-	-	-	1,897,901	261,897
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	2,987	7,038	131,365	-	-
Charges for services	-	-	576,332	965,444	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	1,760,523	15,000	225	18,282	1,556,894	-
Total receipts	170,224	1,760,523	594,319	972,707	149,647	3,454,795	261,897
Disbursements:							
Personal services	-	-	556,425	966,137	200,000	-	-
Supplies	-	-	-	162	-	-	-
Other services and charges	-	1,761,624	3,294	5,445	-	-	-
Debt service - principal and interest	-	-	-	-	-	1,183,908	63,707
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	170,224	-	133,804	385,246	15,000	2,270,886	198,190
Total disbursements	170,224	1,761,624	693,523	1,356,990	215,000	3,454,794	261,897
Excess (deficiency) of receipts over disbursements	-	(1,101)	(99,204)	(384,283)	(65,353)	1	-
Cash and investments - ending	\$ -	\$ 61,519	\$ 185,938	\$ 327,503	\$ 1,102,451	\$ 101	\$ -

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	L.A.R.E. GRANT 2012	PARK TAX FUND	RECREATION NON-REVERTING	CIVIC NON-REVERTING	GOLF NON-REVERTING	BEECHWOOD N/R CAPITAL	BIG CITY-COUNTY SEATBELTS
Cash and investments - beginning	\$ 11,692	\$ -	\$ 132,238	\$ 64,902	\$ 12,370	\$ 424	\$ (623)
Receipts:							
Taxes	-	898,452	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	64,400	-	-	-	-	-	21,603
Charges for services	-	-	217,470	99,336	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	18,122	-	-	-	4,400	38,789	1
Total receipts	82,522	898,452	217,470	99,336	4,400	38,789	21,604
Disbursements:							
Personal services	-	-	57,557	-	-	-	21,175
Supplies	-	-	-	-	-	-	-
Other services and charges	94,214	-	151,547	51,913	6,297	-	-
Debt service - principal and interest	-	186,171	-	-	-	-	-
Capital outlay	-	-	-	-	-	37,580	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	712,281	-	-	-	-	-
Total disbursements	94,214	898,452	209,104	51,913	6,297	37,580	21,175
Excess (deficiency) of receipts over disbursements	(11,692)	-	8,366	47,423	(1,897)	1,209	429
Cash and investments - ending	\$ -	\$ -	\$ 140,604	\$ 112,325	\$ 10,473	\$ 1,633	\$ (194)

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	DUI TASKFORCE	COPS GRANT	KIWANIS/ TELEDYNE	LP STRATEGIC PLANNING	FIRE - CHILD SAFETY SEAT GRANT	DEA FUND	VEST FUND
Cash and investments - beginning	\$ 445	\$ (26,274)	\$ 37,776	\$ 11,529	\$ -	\$ 281	\$ 143
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	16,868	80,601	-	-	-	-	4,147
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	2,000	-	555
Total receipts	16,868	80,601	-	-	2,000	-	4,702
Disbursements:							
Personal services	17,180	66,015	-	-	-	-	1,118
Supplies	-	-	-	-	2,000	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	3,592
Total disbursements	17,180	66,015	-	-	2,000	-	4,710
Excess (deficiency) of receipts over disbursements	(312)	14,586	-	-	-	-	(8)
Cash and investments - ending	\$ 133	\$ (11,688)	\$ 37,776	\$ 11,529	\$ -	\$ 281	\$ 135

CITY OF LAPORTE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2013
 (Continued)

	DRUG FREE PARTNERSHIP	VERTICAL REAL ESTATE FUND	RENTAL REHAB LIEN PYMT	CENTRAL STATION INTERIOR	REDEVELOPMENT COMM/TIF II	REDEVELOPMENT - TIF III	DOWNTOWN BID DISTRICT
Cash and investments - beginning	\$ 400	\$ 94,568	\$ 661	\$ 1,170	\$ 1,432,403	\$ 521,387	\$ 172,620
Receipts:							
Taxes	-	-	-	-	1,338,948	254,195	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	1,440	-	-
Charges for services	-	8,640	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	-	-	1,250	-	146,190
Total receipts	-	8,640	-	-	1,341,638	254,195	146,190
Disbursements:							
Personal services	-	-	-	-	-	-	400
Supplies	-	-	-	-	-	-	211
Other services and charges	-	-	-	-	23,678	4,275	48,769
Debt service - principal and interest	-	-	-	-	-	180,000	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	7,428	-	-
Total disbursements	-	-	-	-	31,106	184,275	49,380
Excess (deficiency) of receipts over disbursements	-	8,640	-	-	1,310,532	69,920	96,810
Cash and investments - ending	\$ 400	\$ 103,208	\$ 661	\$ 1,170	\$ 2,742,935	\$ 591,307	\$ 269,430

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	REDEVELOPMENT COMM - TIF IV	MASTER PLAN	RESTRICTED DONATIONS	MAYOR'S VETERANS COMM	GOOD SAMARITAN FUND	EMPLOYEE BENEFIT FUND	IFA POWERHOUSE GRANT
Cash and investments - beginning	\$ 52,999	\$ 5,413	\$ 33,356	\$ 7,785	\$ 1,585	\$ 1,989,629	\$ 1,123
Receipts:							
Taxes	187,521	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	61,125	800	3,063	1,963,318	-
Total receipts	187,521	-	61,125	800	3,063	1,963,318	-
Disbursements:							
Personal services	-	-	7,358	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	2,700	-	-	-	-	1,332,339	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	25,469	1,587	2,850	267	-
Total disbursements	2,700	-	32,827	1,587	2,850	1,332,606	-
Excess (deficiency) of receipts over disbursements	184,821	-	28,298	(787)	213	630,712	-
Cash and investments - ending	\$ 237,820	\$ 5,413	\$ 61,654	\$ 6,998	\$ 1,798	\$ 2,620,341	\$ 1,123

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	G.O. BONDS OF 2012	2012 GO BOND PROCEEDS	BOND-DEBT SERVICE	BOND-DEBT SERVICE TAX	FIRE EQUIP LEASE BONDS	FIRE EQUIP TAX FUND	PARK BOND DEBT SERVICE
Cash and investments - beginning	\$ -	\$ 4,645,637	\$ 14,108	\$ -	\$ 6,813	\$ -	\$ 111,936
Receipts:							
Taxes	-	-	565	74,524	23,255	92,118	48,529
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	14,364	-	11,909	-	16,139
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	82,165	-	140,948	-	163,661	-	215,542
Total receipts	82,165	-	155,877	74,524	198,825	92,118	280,210
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	33,071	400	-	2,000	-	400
Debt service - principal and interest	168,142	-	262,547	73,959	302,389	68,863	476,928
Capital outlay	-	1,939,472	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	565	-	23,255	-
Total disbursements	168,142	1,972,543	262,947	74,524	304,389	92,118	477,328
Excess (deficiency) of receipts over disbursements	(85,977)	(1,972,543)	(107,070)	-	(105,564)	-	(197,118)
Cash and investments - ending	\$ (85,977)	\$ 2,673,094	\$ (92,962)	\$ -	\$ (98,751)	\$ -	\$ (85,182)

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	PARK BOND TAX FUND	CMAQ	MAURICE FOX TRUST	ELEANOR FOX TRUST	FOX MEMORIAL TRUST	PR - DIRECT DEPOSIT	PAYROLL NET SALARIES
Cash and investments - beginning	\$ -	\$ -	\$ 197,469	\$ 149,915	\$ 44,735	\$ -	\$ -
Receipts:							
Taxes	178,098	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	5,223	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	-	-	24,234	1,826	-	4,082,781	1,790,630
Total receipts	<u>178,098</u>	<u>5,223</u>	<u>24,234</u>	<u>1,826</u>	<u>-</u>	<u>4,082,781</u>	<u>1,790,630</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	129,569	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	48,529	5,223	5,408	39,058	4,796	4,082,781	1,790,630
Total disbursements	<u>178,098</u>	<u>5,223</u>	<u>5,408</u>	<u>39,058</u>	<u>4,796</u>	<u>4,082,781</u>	<u>1,790,630</u>
Excess (deficiency) of receipts over disbursements	-	-	18,826	(37,232)	(4,796)	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 216,295</u>	<u>\$ 112,683</u>	<u>\$ 39,939</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	PAYROLL - FEDERAL	PAYROLL - FICA	PAYROLL - MEDICARE	PAYROLL - STATE W/H	PAYROLL - COUNTY W/H	PAYROLL - PERF	PR AFLAC - POST TAX
Cash and investments - beginning	\$ -	\$ 127	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	<u>922,302</u>	<u>555,969</u>	<u>236,863</u>	<u>283,487</u>	<u>76,028</u>	<u>11,035</u>	<u>7,468</u>
Total receipts	<u>922,302</u>	<u>555,969</u>	<u>236,863</u>	<u>283,487</u>	<u>76,028</u>	<u>11,035</u>	<u>7,468</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	<u>922,302</u>	<u>556,096</u>	<u>236,863</u>	<u>283,487</u>	<u>76,028</u>	<u>11,035</u>	<u>7,468</u>
Total disbursements	<u>922,302</u>	<u>556,096</u>	<u>236,863</u>	<u>283,487</u>	<u>76,028</u>	<u>11,035</u>	<u>7,468</u>
Excess (deficiency) of receipts over disbursements	-	(127)	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	AFLAC - PRE-TAX	PAYROLL - HARTFORD LOAN	BOSTON MUTUAL LIFE	PAYROLL - HARTFORD 457	SPOUSAL SUPPORT	CENTIER BANK
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	23,776	16,502	30,161	123,243	3,420	15,940
Total receipts	23,776	16,502	30,161	123,243	3,420	15,940
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	23,776	16,502	30,161	123,243	3,420	15,940
Total disbursements	23,776	16,502	30,161	123,243	3,420	15,940
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	CITY OF LP FLEX SPENDING	PAYROLL-GOOD SAMARITAN	CITY OF LP INSURANCE	LPSB-HEALTH SAVINGS	FOP #54	IN CHILD SUPPORT FEE
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>203</u>	<u>2,813</u>	<u>144,823</u>	<u>52,588</u>	<u>4,855</u>	<u>495</u>
Total receipts	<u>203</u>	<u>2,813</u>	<u>144,823</u>	<u>52,588</u>	<u>4,855</u>	<u>495</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>203</u>	<u>2,813</u>	<u>144,842</u>	<u>52,588</u>	<u>4,855</u>	<u>495</u>
Total disbursements	<u>203</u>	<u>2,813</u>	<u>144,842</u>	<u>52,588</u>	<u>4,855</u>	<u>495</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>(19)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (19)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	FOP LABOR COUNCIL	GUARDIAN - DISABILITY	GUARDIAN - LIFE	LP FIREFIGHTERS LOCAL 363	LP FIREFIGHTERS PAC DUES	LP MUN.EMPLOYEE CRT UNION
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	<u>4,685</u>	<u>948</u>	<u>3,406</u>	<u>16,086</u>	<u>2,284</u>	<u>506,770</u>
Total receipts	<u>4,685</u>	<u>948</u>	<u>3,406</u>	<u>16,086</u>	<u>2,284</u>	<u>506,770</u>
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	<u>4,685</u>	<u>948</u>	<u>3,406</u>	<u>16,086</u>	<u>2,284</u>	<u>506,770</u>
Total disbursements	<u>4,685</u>	<u>948</u>	<u>3,406</u>	<u>16,086</u>	<u>2,284</u>	<u>506,770</u>
Excess (deficiency) of receipts over disbursements	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	LP SUPERIOR COURT #4	CHILD SUPPORT	LP SUPERIOR COURT #3	CONTINENTAL AMERICAN INS	MONUMENTAL LIFE INSURANCE	BOWMAN HEINTZ BOSCIA/VICI
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	3,135	74,767	1,008	5,362	2,040	1,128
Total receipts	3,135	74,767	1,008	5,362	2,040	1,128
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	3,135	74,767	1,008	5,362	2,040	1,128
Total disbursements	3,135	74,767	1,008	5,362	2,040	1,128
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	STANDING CHAPTER 13	UNITED WAY	FLEXIBLE SPENDING ACCOUNT	YMCA	UTILITIES - CREDIT CARDS	UTILITIES ACH FUND
Cash and investments - beginning	\$ -	\$ -	\$ 5,367	\$ -	\$ 36	\$ 945
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	22,021	1,204	203	19,138	274,026	517,309
Total receipts	22,021	1,204	203	19,138	274,026	517,309
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	22,021	1,204	512	19,138	274,026	517,309
Total disbursements	22,021	1,204	512	19,138	274,026	517,309
Excess (deficiency) of receipts over disbursements	-	-	(309)	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ 5,058	\$ -	\$ 36	\$ 945

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	PAYROLL EXTRA	WW SRF BOND & INTEREST	WW SRF DEBT SERVICE	SEWAGE FUND	SEWAGE DEPRECIATION	SEWAGE BOND RETIREMENT
Cash and investments - beginning	\$ 1,599	\$ 197,889	\$ 949,110	\$ 683,024	\$ 698,261	\$ 858,713
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	3,788,710	21,177	-
Other receipts	369	551,208	35,630	-	821	34,960
Total receipts	369	551,208	35,630	3,788,710	21,998	34,960
Disbursements:						
Personal services	-	-	-	876,241	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	64,698	-	-
Debt service - principal and interest	-	558,290	-	-	-	412,436
Capital outlay	-	-	-	-	214,580	-
Utility operating expenses	-	-	-	1,775,775	-	-
Other disbursements	109	-	-	631,782	-	33,864
Total disbursements	109	558,290	-	3,348,496	214,580	446,300
Excess (deficiency) of receipts over disbursements	260	(7,082)	35,630	440,214	(192,582)	(411,340)
Cash and investments - ending	\$ 1,859	\$ 190,807	\$ 984,740	\$ 1,123,238	\$ 505,679	\$ 447,373

CITY OF LAPORTE
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013
(Continued)

	WATER METER DEPOSITS	WATER DEPRECIATION	WATER FUND	WATER SRF BOND & INTEREST	WATER SRF DEBT SERVICE	Totals
Cash and investments - beginning	\$ 255,387	\$ 251,888	\$ 1,126,494	\$ 171,611	\$ 76,324	\$ 26,106,623
Receipts:						
Taxes	-	-	-	-	-	8,806,080
Licenses and permits	-	-	-	-	-	142,914
Intergovernmental	-	-	-	-	-	5,369,737
Charges for services	-	-	-	-	-	4,191,991
Fines and forfeits	-	-	-	-	-	49,230
Utility fees	36,202	46,681	3,119,563	-	-	7,012,333
Other receipts	-	15,000	133,246	250,252	50,883	22,897,273
Total receipts	36,202	61,681	3,252,809	250,252	50,883	48,469,558
Disbursements:						
Personal services	-	-	952,356	-	-	13,792,093
Supplies	-	-	-	-	-	596,048
Other services and charges	-	-	-	-	-	6,459,121
Debt service - principal and interest	-	-	-	307,901	-	6,567,651
Capital outlay	-	24,175	-	-	-	3,313,066
Utility operating expenses	-	-	1,295,817	-	-	3,071,592
Other disbursements	31,019	-	773,548	-	-	16,795,411
Total disbursements	31,019	24,175	3,021,721	307,901	-	50,594,982
Excess (deficiency) of receipts over disbursements	5,183	37,506	231,088	(57,649)	50,883	(2,125,424)
Cash and investments - ending	\$ 260,570	\$ 289,394	\$ 1,357,582	\$ 113,962	\$ 127,207	\$ 23,981,199

CITY OF LAPORTE
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2013

Government or Enterprise	Accounts Payable	Accounts Receivable
Wastewater	\$ 70,156	\$ 297,008
Water	51,149	238,705
Governmental activities	<u>4,125,717</u>	<u>9,233,422</u>
Totals	<u><u>\$ 4,247,022</u></u>	<u><u>\$ 9,769,135</u></u>

CITY OF LAPORTE
SCHEDULE OF LEASES AND DEBT
December 31, 2013

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
LaPorte Fire Station Building Corporation	Fire Station-Equipment	\$ 256,000	11-09-05	01-15-26
	Downtown TIF	353,500	02-07-12	02-01-22
Total of annual lease payments		<u>\$ 609,500</u>		
Type	Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year	
Governmental activities:				
General obligation bonds	G.O. Refunding Bonds of 2004 - Police Station	\$ 557,000	\$ 172,842	
General obligation bonds	G.O. Bonds of 2012	4,735,000	166,840	
Revenue bonds	Redevelopment - Eastgate TIF III	1,295,711	200,000	
Revenue bonds	Redevelopment District Bonds of 2007 - Landfill	1,495,000	209,730	
Revenue bonds	Redevelopment Lease Rental Refunding Bonds of 2012	<u>2,790,000</u>	<u>347,694</u>	
Total governmental activities		<u>10,872,711</u>	<u>1,097,106</u>	
Wastewater:				
Revenue bonds	Sewage Works Revenue Bonds of 2006	4,500,000	180,000	
Revenue bonds	Sewage Works Revenue Bonds of 2007	1,795,000	231,436	
Revenue bonds	Sewage Works Revenue Bonds of 2000 - Series A - SRF	1,039,000	170,365	
Revenue bonds	Sewage Works Revenue Bonds of 2001 - Series B - SRF	<u>2,709,000</u>	<u>393,815</u>	
Total Wastewater		<u>10,043,000</u>	<u>975,616</u>	
Water:				
Revenue bonds	Waterworks Revenue Bonds of 2011 - SRF	3,396,455	252,990	
Revenue bonds	Waterworks Revenue Bonds of 2011 - SRF - Forgivable	<u>2,325,000</u>	<u>-</u>	
Total Water		<u>5,721,455</u>	<u>252,990</u>	
Totals		<u>\$ 26,637,166</u>	<u>\$ 2,325,712</u>	

CITY OF LAPORTE
SCHEDULE OF CAPITAL ASSETS
December 31, 2013

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	\$ 1,408,751
Infrastructure	22,994,821
Buildings	9,219,789
Improvements other than buildings	2,867,107
Machinery, equipment, and vehicles	6,537,925
Construction in progress	<u>826,859</u>
Total governmental activities	<u>43,855,252</u>
Wastewater:	
Land	155,887
Infrastructure	23,597,824
Buildings	20,926,218
Improvements other than buildings	374,208
Machinery, equipment, and vehicles	<u>625,481</u>
Total Wastewater	<u>45,679,618</u>
Water:	
Land	185,484
Infrastructure	26,676,717
Buildings	3,540,977
Improvements other than buildings	60,243
Machinery, equipment, and vehicles	<u>694,996</u>
Total Water	<u>31,158,417</u>
Total capital assets	<u><u>\$ 120,693,287</u></u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

TO: THE OFFICIALS OF THE CITY OF LAPORTE, LAPORTE COUNTY, INDIANA

Report on Compliance for Each Major Federal Program

We have audited the City of LaPorte's (City) 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 each of its major federal programs for the year ended December 31, 2013. The City's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. 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 City'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 on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

Opinion on Each Major Federal Program

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2013.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL
PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE
(Continued)

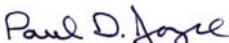
Report on Internal Control Over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for each major federal program 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 City's internal control over compliance.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance 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. A significant deficiency in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of 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 material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

May 7, 2014

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTE

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

CITY OF LAPORTE
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>				
CDBG - Entitlement Grants Cluster				
Community Development Block Grants/Entitlement Grants	Direct	14.218	B-13-MC-18-0021	\$ 210,127
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program	Direct			
Vest Fund		16.607		4,147
Public Safety Partnership and Community Policing Grants	Indiana Criminal Justice Institute			
COPS Grant		16.710	2009RKWX0347	80,601
Total - Department of Justice				84,748
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation			
McClung Road Reconstruction		20.205	EDS#A249-13-320150A	518,326
Bio-Diesel/E-85			DES #1297706	33,082
Bio-Diesel/E-85			DES #1005933	4,445
Bio-Diesel/E-85			DES #1005935	31,537
CMAQ			DES #1005640	5,223
Total - Highway Planning and Construction Cluster				592,613
Federal Transit Cluster				
Federal Transit - Formula Grants	Northwestern Indiana Regional Planning Commission			
Transit		20.507	IN-90-X633-00	213,126
ARRA - Federal Transit - Formula Grants, Recovery Act	Northwestern Indiana Regional Planning Commission	20.507	IN-90-X018-00	20,736
Total - Federal Transit Cluster				233,862
Highway Safety Cluster				
Alcohol Impaired Driving Countermeasures Incentive Grants I	Indiana Criminal Justice Institute			
Operation Pullover		20.601	EDS#D3-13-7328	21,603
Total - Department of Transportation				848,078
<u>Environmental Protection Agency</u>				
Capitalization Grants for Clean Water State Revolving Funds	Indiana Finance Authority			
2001 SRF Wastewater		66.458	CS18234102	156,965
Capitalization Grants for Drinking Water State Revolving Funds	Indiana Finance Authority			
SRF Water		66.468	DW10144501	370,901
Total - Environmental Protection Agency				527,866
Total federal awards expended				\$ 1,670,819

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

CITY OF LAPORTE
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 City and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. 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.

CITY OF LAPORTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	no
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of OMB Circular A-133?	no

Identification of Major Programs:

CFDA Number	Name of Federal Program or Cluster
66.468	Highway Planning and Construction Cluster Capitalization Grants for Drinking Water State Revolving Funds

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

Auditee qualified as low-risk auditee?	no
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Section II - Financial Statement Findings

**FINDING 2013-001 - INTERNAL CONTROLS AND COMPLIANCE
OVER SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

The City did not have a proper system of internal controls in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA). The Clerk-Treasurer independently prepares the SEFA for inclusion in the financial report without oversight, review, or approval. A lack of segregation of duties within an internal control system could allow material misstatements of the SEFA to remain undetected. A proper system of internal controls would include segregation of duties by having a proper oversight, review, or approval process and would allow the City to prevent, or detect and correct, errors on the SEFA in a timely manner.

CITY OF LAPORTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

In failing to establish controls to effectively identify and report federal financial assistance, the City incorrectly identified federal programs and incorrectly reported federal expenditures for 2013 as follows:

1. The program titles for five programs were incorrect.
2. Three programs were reported incorrectly. The project names, identifying numbers, and amounts were incorrect.

Audit adjustments were proposed, accepted by the City, and made to the SEFA presented in this report. These adjustments resulted in a presentation of the SEFA that is materially correct in relation to the financial statement.

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)

OMB Circular A-133, Subpart C, section .300 states in part: "The auditee shall: . . . (d) Prepare appropriate financial statements, including the schedule of expenditures of Federal Awards in accordance with section .310."

OMB Circular A-133, Subpart C, section .310(b) states in part:

"Schedule of expenditures of Federal awards. The auditee shall also prepare a schedule of expenditures of Federal awards for the period covered by the auditee's financial statements. While not required, the auditee may choose to provide information requested by Federal awarding agencies and pass-through entities to make the schedule easier to use. For example, when a Federal program has multiple award years, the auditee may list the amount of Federal awards expended for each award year separately. At a minimum, the schedule shall:

- (1) List individual Federal programs by Federal agency. For Federal programs included in a cluster of programs, list individual Federal programs within a cluster of programs. For R&D, total Federal awards expended shall be shown either by individual award or by Federal agency and major subdivision within the Federal agency. For example, the National Institutes of Health is a major subdivision in the Department of Health and Human Services.
- (2) For Federal awards received as a subrecipient, the name of the pass-through entity and identifying number assigned by the pass-through entity shall be included.
- (3) Provide total Federal awards expended for each individual Federal program and the CFDA number or other identifying number when the CFDA information is not available."

CITY OF LAPORTE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

AUDITEE PREPARED DOCUMENTS

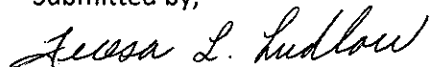
The subsequent documents were provided by management of the City. The documents are presented as intended by the City.

CITY OF LAPORTE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

Finding Number 2012-2

Original SBA Audit Report Number:	B42622
Fiscal Year:	2012
Auditee Contact Person:	Teresa L. Ludlow
Title of Contact Person:	Clerk-Treasurer
Phone Number:	(219) 362-9512
Status of Finding:	It has been corrected

Submitted by,



Teresa L. Ludlow
Clerk-Treasurer

5/7/14

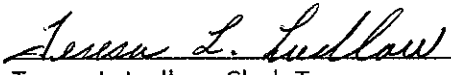


Office of the Clerk Treasurer, 801 Michigan Avenue, La Porte, Indiana 46350
Telephone 219-362-9512 FAX 219-362-8955 E-mail: tludlow@cityoflaporte.com Website: www.cityoflaporte.com

Corrective Action Plan for Audit Findings for Period 1-1-13 to 12-31-13

Finding 2013-001 Internal Controls Over Schedule of Expenditures of Federal Awards

The City of LaPorte, (City) in the future will utilize the CFDA website to determine the grant program titles to be used when preparing the Schedule of Expenditures of Federal Awards. The City will also report all future federal expenditures by project identification number.


Teresa L. Ludlow, Clerk-Treasurer

Date: May 7, 2014

OTHER REPORT

In addition to this report, a Supplemental Compliance Report has been issued for the City. That report can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.