

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TOWN OF WATERLOO  
DEKALB COUNTY, INDIANA

January 1, 2012 to December 31, 2012



**FILED**  
01/06/2017



## TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials .....	2
Independent Auditor's Report .....	3-5
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 <i>Government Auditing Standards</i> .....	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	10
Notes to Financial Statement .....	11-15
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis .....	18-23
Schedule of Leases and Debt .....	24
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance .....	26-27
Schedule of Expenditures of Federal Awards and Accompanying Note:	
Schedule of Expenditures of Federal Awards .....	30
Note to Schedule of Expenditures of Federal Awards .....	31
Schedule of Findings and Questioned Costs .....	32-36
Auditee-Prepared Document:	
Corrective Action Plan .....	38-40
Other Reports .....	41

### SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Renata Ford	01-01-12 to 12-31-19
President of the Town Council	Candice Surber William Hubartt David Bolton	01-01-12 to 05-13-14 05-14-14 to 12-31-14 01-01-15 to 12-31-16
Superintendent of Water Utility	James Rodman Chris Lalonde	01-01-12 to 03-31-14 04-01-14 to 12-31-16
Superintendent of Wastewater Utility	Chad Ritter (Vacant) Chris Lalonde	01-01-12 to 09-30-13 10-01-13 to 01-05-14 01-06-14 to 12-31-16



# STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS  
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## INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WATERLOO, DEKALB COUNTY, INDIANA

### Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Waterloo (Town), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement as listed in the Table of Contents.

### *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 Town'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 Town'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 Town 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 Town for the year ended December 31, 2012.

***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 Town for the year ended December 31, 2012, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

***Other Matters***

*Supplementary Information*

Our audit was conducted for the purpose of forming an opinion on the Town'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.


*Other Information*

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis and the Schedule of Leases and Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial 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.

INDEPENDENT AUDITOR'S REPORT  
(Continued)

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated December 5, 2016, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.

  
Paul D. Joyce, CPA  
State Examiner

December 5, 2016



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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 TOWN OF WATERLOO, DEKALB 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 Town of Waterloo (Town), which comprises the financial position and results of operations for the year ended December 31, 2012, and the related notes to the financial statement, and have issued our report thereon dated December 5, 2016, wherein we noted the Town 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 Town'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 Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town'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 items 2012-001 and 2012-002 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**

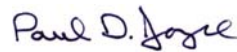
As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect 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 items 2012-001 and 2012-002.

**Town of Waterloo's Response to Findings**

The Town's response to the findings identified in our audit is described in the accompanying Corrective Action Plan. The Town'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 Town'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 Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

  
Paul D. Joyce, CPA  
State Examiner

December 5, 2016

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## FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

TOWN OF WATERLOO  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS

For the Year Ended December 31, 2012

Fund	Cash and Investments 01-01-12	Receipts	Disbursements	Cash and Investments 12-31-12
General	\$ 185,391	\$ 777,803	\$ 877,237	\$ 85,957
Motor Vehicle Highway	99,340	275,213	262,588	111,965
Local Road And Street	14,545	11,275	7,625	18,195
Sanitation	14,064	110,615	113,074	11,605
Law Enforcement Continuing Ed	6,889	2,516	2,065	7,340
Riverboat	61,089	13,281	1,474	72,896
Rainy Day	41,286	10,613	1,933	49,966
Levy Excess	1,872	5,389	-	7,261
Cumulative Capital Development	26,405	16,611	6,004	37,012
Cumulative Fire	91,428	34,566	4,156	121,838
Co Economic Development Income Tax	94,124	70,893	89,330	75,687
Cumulative Capital Improvement	14,366	20,946	15,000	20,312
Foundation Grants	2,650	425	398	2,677
Revolving Funds Account	4,127	9,552	13,678	1
Library Grant Fund	-	32,300	32,300	-
Cash Change	200	-	-	200
Cemetery Operating	6,421	-	-	6,421
Park Donation	7,335	1,519	900	7,954
Cemetery Gift	723	-	-	723
Operation Pullover	165	-	-	165
Economic Development Commission	13,963	13,439	13,639	13,763
Marshals	278	940	560	658
Town Match Money	118,244	572,011	690,201	54
Tax Incremental Financing	146,568	173,947	60,924	259,591
Depot Fund	1,301	2,959	4,020	240
Cemetery Endowment	53,763	2,129	3,828	52,064
MCM Project	14,400	122,002	122,000	14,402
Payroll	-	594,733	594,654	79
Wastewater Utility-Operating	107,140	611,949	719,032	57
Wastewater Util-Bond And Interest	7,928	217,689	72,535	153,082
Wastewater Utility-Deprec/Improve	17,275	1,410	-	18,685
Wastewater Utility-Customer Deposit	15,839	1,605	1,359	16,085
Wastewater Utility-Construction	43,781	-	-	43,781
Wastewater Utility-Debt Reserve	222,133	-	5,900	216,233
Water Utility-Operating	7,776	353,039	339,012	21,803
Water Utility-Bond And Interest	1	95,925	95,923	3
Water Utility-Depreciation/Improve	761	4,345	-	5,106
Water Utility-Customer Deposit	18,950	1,716	1,358	19,308
Water Utility-Construction	3,285	-	-	3,285
Water Utility-Debt Reserve	97,802	8,733	7,780	98,755
Totals	\$ 1,563,608	\$ 4,172,088	\$ 4,160,487	\$ 1,575,209

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

TOWN OF WATERLOO  
NOTES TO FINANCIAL STATEMENT

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

**A. Reporting Entity**

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

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

**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 tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

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

TOWN OF WATERLOO  
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 these types of receipts include, but are not limited to, the following: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distributions received from the state, local road and street distributions 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 including, but 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, which 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, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

TOWN OF WATERLOO  
NOTES TO FINANCIAL STATEMENT  
(Continued)

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

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

**Note 5. *Risk Management***

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

These risks can be mitigated through the purchase of insurance, establishment of a self-insurance fund, and/or participation in a risk pool. The purchase of insurance transfers the risk to an independent third-party. The establishment of a self-insurance fund allows the Town to set aside money for claim settlements. The self-insurance fund would be included in the financial 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 Plan***

*Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
One North Capitol, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687



TOWN OF WATERLOO  
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.

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#### OTHER INFORMATION - UNAUDITED

The Town's Annual Financial 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 Town's Annual Financial Report 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 other information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF WATERLOO  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012

	General	Motor Vehicle Highway	Local Road And Street	Sanitation	Law Enforcement Continuing Ed	Riverboat	Rainy Day
Cash and investments - beginning	\$ 185,391	\$ 99,340	\$ 14,545	\$ 14,064	\$ 6,889	\$ 61,089	\$ 41,286
Receipts:							
Taxes	450,128	200,692	-	-	-	-	-
Licenses and permits	10,450	-	-	-	-	-	-
Intergovernmental receipts	275,910	73,863	11,275	-	-	13,281	-
Charges for services	33,220	300	-	110,610	1,996	-	-
Fines and forfeits	1,070	-	-	-	520	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	7,025	358	-	5	-	-	10,613
Total receipts	777,803	275,213	11,275	110,615	2,516	13,281	10,613
Disbursements:							
Personal services	462,058	124,693	-	-	-	-	-
Supplies	48,180	102,731	-	693	605	-	-
Other services and charges	236,780	31,492	-	112,381	1,460	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	10,000	3,672	3,401	-	-	1,474	1,933
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	120,219	-	4,224	-	-	-	-
Total disbursements	877,237	262,588	7,625	113,074	2,065	1,474	1,933
Excess (deficiency) of receipts over disbursements	(99,434)	12,625	3,650	(2,459)	451	11,807	8,680
Cash and investments - ending	\$ 85,957	\$ 111,965	\$ 18,195	\$ 11,605	\$ 7,340	\$ 72,896	\$ 49,966

TOWN OF WATERLOO  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012  
(Continued)

	Levy Excess	Cumulative Capital Development	Cumulative Fire	Co Economic Development Income Tax	Cumulative Capital Improvement	Foundation Grants	Revolving Funds Account
Cash and investments - beginning	\$ 1,872	\$ 26,405	\$ 91,428	\$ 94,124	\$ 14,366	\$ 2,650	\$ 4,127
Receipts:							
Taxes	-	15,376	10,251	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	1,235	823	70,893	5,946	-	1,180
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	5,389	-	23,492	-	15,000	425	8,372
Total receipts	5,389	16,611	34,566	70,893	20,946	425	9,552
Disbursements:							
Personal services	-	-	-	20,825	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	6,004	4,156	57,892	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	10,613	15,000	398	13,678
Total disbursements	-	6,004	4,156	89,330	15,000	398	13,678
Excess (deficiency) of receipts over disbursements	5,389	10,607	30,410	(18,437)	5,946	27	(4,126)
Cash and investments - ending	\$ 7,261	\$ 37,012	\$ 121,838	\$ 75,687	\$ 20,312	\$ 2,677	\$ 1

TOWN OF WATERLOO  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012  
(Continued)

	Library Grant Fund	Cash Change	Cemetery Operating	Park Donation	Cemetery Gift	Operation Pullover	Economic Development Commission
Cash and investments - beginning	\$ -	\$ 200	\$ 6,421	\$ 7,335	\$ 723	\$ 165	\$ 13,963
Receipts:							
Taxes	-	-	-	-	-	-	12,440
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	999
Charges for services	-	-	-	1,519	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	32,300	-	-	-	-	-	-
Total receipts	32,300	-	-	1,519	-	-	13,439
Disbursements:							
Personal services	-	-	-	-	-	-	9,287
Supplies	-	-	-	-	-	-	200
Other services and charges	-	-	-	-	-	-	4,152
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	32,300	-	-	900	-	-	-
Total disbursements	32,300	-	-	900	-	-	13,639
Excess (deficiency) of receipts over disbursements	-	-	-	619	-	-	(200)
Cash and investments - ending	\$ -	\$ 200	\$ 6,421	\$ 7,954	\$ 723	\$ 165	\$ 13,763

TOWN OF WATERLOO  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012  
(Continued)

	Marshals	Town Match Money	Tax Incremental Financing	Depot Fund	Cemetery Endowment	MCM Project	Payroll
Cash and investments - beginning	\$ 278	\$ 118,244	\$ 146,568	\$ 1,301	\$ 53,763	\$ 14,400	\$ -
Receipts:							
Taxes	-	-	126,513	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	529,128	-	-	-	-	-
Charges for services	-	-	-	2,834	1,900	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	940	42,883	47,434	125	229	122,002	594,733
Total receipts	940	572,011	173,947	2,959	2,129	122,002	594,733
Disbursements:							
Personal services	-	-	-	-	-	-	419,077
Supplies	461	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	33,093	-	3,828	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	99	690,201	27,831	4,020	-	122,000	175,577
Total disbursements	560	690,201	60,924	4,020	3,828	122,000	594,654
Excess (deficiency) of receipts over disbursements	380	(118,190)	113,023	(1,061)	(1,699)	2	79
Cash and investments - ending	\$ 658	\$ 54	\$ 259,591	\$ 240	\$ 52,064	\$ 14,402	\$ 79

TOWN OF WATERLOO  
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
For the Year Ended December 31, 2012  
(Continued)

	Wastewater Utility-Operating	Wastewater Util-Bond And Interest	Wastewater Utility- Deprec/Improve	Wastewater Utility-Customer Deposit	Wastewater Utility- Construction	Wastewater Utility-Debt Reserve	Water Utility-Operating
Cash and investments - beginning	\$ 107,140	\$ 7,928	\$ 17,275	\$ 15,839	\$ 43,781	\$ 222,133	\$ 7,776
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	587,549	-	1,410	1,605	-	-	349,470
Other receipts	24,400	217,689	-	-	-	-	3,569
Total receipts	611,949	217,689	1,410	1,605	-	-	353,039
Disbursements:							
Personal services	127,189	-	-	-	-	-	91,818
Supplies	-	-	-	-	-	-	-
Other services and charges	19,823	-	-	-	-	-	16,360
Debt service - principal and interest	-	71,735	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	344,003	-	-	-	-	-	88,309
Other disbursements	228,017	800	-	1,359	-	5,900	142,525
Total disbursements	719,032	72,535	-	1,359	-	5,900	339,012
Excess (deficiency) of receipts over disbursements	(107,083)	145,154	1,410	246	-	(5,900)	14,027
Cash and investments - ending	\$ 57	\$ 153,082	\$ 18,685	\$ 16,085	\$ 43,781	\$ 216,233	\$ 21,803



TOWN OF WATERLOO  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For the Year Ended December 31, 2012  
 (Continued)

	Water Utility-Bond And Interest	Water Utility- Depreciation/ Improve	Water Utility-Customer Deposit	Water Utility- Construction	Water Utility-Debt Reserve	Totals
Cash and investments - beginning	\$ 1	\$ 761	\$ 18,950	\$ 3,285	\$ 97,802	\$ 1,563,608
Receipts:						
Taxes	-	-	-	-	-	815,400
Licenses and permits	-	-	-	-	-	10,450
Intergovernmental receipts	-	-	-	-	-	984,533
Charges for services	-	-	-	-	-	152,379
Fines and forfeits	-	-	-	-	-	1,590
Utility fees	-	4,345	1,716	-	-	946,095
Other receipts	95,925	-	-	-	8,733	1,261,641
Total receipts	95,925	4,345	1,716	-	8,733	4,172,088
Disbursements:						
Personal services	-	-	-	-	-	1,254,947
Supplies	-	-	-	-	-	152,870
Other services and charges	-	-	-	-	-	422,448
Debt service - principal and interest	95,923	-	-	-	-	167,658
Capital outlay	-	-	-	-	-	125,453
Utility operating expenses	-	-	-	-	-	432,312
Other disbursements	-	-	1,358	-	7,780	1,604,799
Total disbursements	95,923	-	1,358	-	7,780	4,160,487
Excess (deficiency) of receipts over disbursements	2	4,345	358	-	953	11,601
Cash and investments - ending	\$ 3	\$ 5,106	\$ 19,308	\$ 3,285	\$ 98,755	\$ 1,575,209

TOWN OF WATERLOO  
SCHEDULE OF LEASES AND DEBT  
December 31, 2012

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Water: Town of Waterloo	Water Meters	\$ 21,867	3/3/2011	4/15/2016
Total of annual lease payments		<u>\$ 21,867</u>		

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Governmental activities:			
Revenue bonds	TIF	\$ 855,000	\$ 119,000
Notes and loans payable	Waterloo Depot	16,500	11,000
Notes and loans payable	FMHA Loan	<u>14,792</u>	<u>12,873</u>
Total governmental activities		<u>886,292</u>	<u>142,873</u>
Wastewater:			
Revenue bonds	Wastewater SRF	1,003,000	160,865
Revenue bonds	Sewage Works 2006	<u>290,000</u>	<u>57,483</u>
Total Wastewater		<u>1,293,000</u>	<u>218,348</u>
Water:			
Revenue bonds	Series A	470,000	70,359
Revenue bonds	Series B	<u>415,000</u>	<u>35,163</u>
Total Water		<u>885,000</u>	<u>105,521</u>
Totals		<u>\$ 3,064,292</u>	<u>\$ 466,742</u>

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

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

TO: THE OFFICIALS OF THE TOWN OF WATERLOO, DEKALB COUNTY, INDIANA

**Report on Compliance for the Major Federal Program**

We have audited the Town of Waterloo's (Town) compliance with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2012. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

***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 the Town's major federal program 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 Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for the major federal program. However, our audit does not provide a legal determination of the Town's compliance.

***Opinion on the Major Federal Program***

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2012.

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

**Report on Internal Control over Compliance**


Management of the Town 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 Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the 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 Town's internal control over compliance.

Our consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain deficiencies in internal control over compliance that we consider to be material weaknesses.

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. We consider the deficiencies in internal control over compliance described in the accompanying Schedule of Findings and Questioned Costs as item 2012-003 to be a material weakness.

The Town's response to the internal control over compliance findings identified in our audit is described in the accompanying Corrective Action Plan. The Town's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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

December 5, 2016

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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 Town. The schedule and note are presented as intended by the Town.

TOWN OF WATERLOO  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For the Year Ended December 31, 2012

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 - State-Administered CDBG Cluster				
Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii	Indiana Office of Community and Rural Affairs	14.228	A192-12-PL-11-022 A192-11-CF-07-503	\$ 29,000 <u>359,949</u>
Total - CDBG - State-Administered CDBG Cluster				<u>388,949</u>
Total - Department of Housing and Urban Development				<u>388,949</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205	A249-12-320661 A249-11-320134 A249-11-320522 A249-10-320991	39,008 121,600 6,521 <u>1,950</u>
Total - Highway Planning and Construction Cluster				<u>169,079</u>
Total - Department of Transportation				<u>169,079</u>
Total federal awards expended				<u>\$ 558,028</u>

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



TOWN OF WATERLOO  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

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

TOWN OF WATERLOO  
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?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major program:	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 Program:

                    Name of Federal Program or Cluster                    

CDBG - State Administered CDBG Cluster

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

Auditee qualified as low-risk auditee?	no
--	----

**Section II - Financial Statement Findings**

**FINDING 2012-001 - PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**

*Condition*

The Town did not have a proper system of internal control in place to prevent, or detect and correct, errors on the Schedule of Expenditures of Federal Awards (SEFA).

*Context*

During the audit of the SEFA, there were the following errors: The Clerk-Treasurer reported the federal grant funds awarded during the audit period instead of the federal grant funds expended. This resulted in an overstatement of the total federal awards expended by \$3,020,432. Audit adjustments were proposed, accepted by the Town, and made to the SEFA.

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

*Criteria*

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:

"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.
- (4) Include notes that describe the significant accounting policies used in preparing the schedule.
- (5) To the extent practical, pass-through entities should identify in the schedule the total amount provided to subrecipients from each Federal program.
- (6) Include, in either the schedule or a note to the schedule, the value of the Federal awards expended in the form of non-cash assistance, the amount of insurance in effect during the year, and loans or loan guarantees outstanding at year end. While not required, it is preferable to present this information in the schedule."

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

*Cause*

Management had not established a system of internal control that would have ensured proper reporting of the SEFA.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA remained undetected. The SEFA contained errors as identified in the *Context*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**FINDING 2012-002 - FINANCIAL TRANSACTIONS AND REPORTING**

*Condition*

There were deficiencies in the internal control system of the Town related to financial transactions and reporting. The Town did not have a proper system of internal control in place to prevent, or detect and correct, errors on the annual financial statement and the bank reconcilements.

*Context*

The financial statement did not include the financial transactions of several trust accounts. These accounts were used to pay the principal and interest due to bond holders of the Taxable Economic Development Revenue Bonds Series 2008 and the construction costs of the project being financed. The receipts were understated \$122,002, the disbursements were understated \$122,000 and the ending balance was understated \$14,402. Audit adjustments were proposed, accepted by the Town, and made to the financial statement.

The Town is required to perform monthly reconcilements, however, the reconciliation at December 31, 2012, contained numerous errors. The Clerk-Treasurer identified \$16,420 in errors, which left an unreconciled balance of \$21.

*Criteria*

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)

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

*Cause*

Management of the Town had not established a proper system of internal control that would have ensured accuracy of financial transactions and reporting.

*Effect*

Without a proper system of internal control in place that operated effectively, material misstatements of the financial statement remained undetected. The financial statement contained errors as identified in the *Context*.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

**Section III - Federal Award Findings and Questioned Costs**

**FINDING 2012-003 - DAVIS-BACON ACT**

Federal Agency: Department of Housing and Urban Development  
Federal Program: Community Development Block Grants/State's program and  
Non-Entitlement Grants in Hawaii

CFDA Number: 14.228

Federal Award Numbers and Years (or Other Identifying Numbers): A192-12-PL-11-022,  
A192-11-CF-07-503

Pass-Through Entity: Indiana Office of Community and Rural Affairs

*Condition*

Management of the Town had not established an effective internal control system related to the grant agreement and the following compliance requirement: Davis-Bacon Act. The Town paid an independent contractor to provide grant administration services for the Wastewater Collection System Improvements Grant.

*Context*

The Town relied solely on communications with the Grant Administrator to determine compliance with the Davis-Bacon Act.

*Criteria*

OMB Circular A-133, Subpart C, section .300 states in part:

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

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

*Effect*

The failure to establish internal controls could have enabled material noncompliance to go undetected. Noncompliance of the grant agreement or the compliance requirements could have resulted in the loss of federal funds to the Town.

*Recommendation*

We recommended that the Town's management establish controls, including segregation of duties, related to the grant agreement and compliance requirements listed above.

*Views of Responsible Officials*

For the views of responsible officials, refer to the Corrective Action Plan that is part of this report.

#### AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the Town. The document is presented as intended by the Town.



*Renata Ford  
Clerk/Treasurer  
Town of Waterloo  
280 S Wayne St  
PO Box 96  
Waterloo, IN 46793*

*Phone: 260-837-7428  
Fax: 260-837-3605  
email: rford@waterlooin.gov*

## **CORRECTIVE ACTION PLAN**

***RE: FINDING 2012 – 001***

### ***PREPARATION OF THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS***

View of Responsible Official:  
Renata Ford, Clerk/Treasurer:  
(260) 837-7428

I agree with Finding 2012 - 001

Corrective Action Plan:

I will use exact federal grant fund expenditures when filing my Annual Financial Report to the State Board of Accounts not the funds that were awarded.

Anticipated Completion Date:

Immediately upon completion of my 2016 Annual Report and thereafter my first deputy will review and then it will go to the Town Manager and Town Council for errors and questions.

Renata Ford  
Waterloo Clerk/Treasurer  
November 16, 2016





*Renata Ford  
Clerk/Treasurer  
Town of Waterloo  
280 S Wayne St  
PO Box 96  
Waterloo, IN 46793*

*Phone: 260-837-7428  
Fax: 260-837-3605  
email: rford@waterlooin.gov*

## **CORRECTIVE ACTION PLAN**

**RE: FINDING 2012 – 002**

### **FINANCIAL TRANSACTIONS AND REPORTING**

*View of Responsible Official:*  
*Renata Ford, Clerk/Treasurer:*  
*(260) 837-7428*

*I agree with Finding 2012 – 002*

*Corrective Action Plan:*

I will be combining my financial software (Komputrol) with my deputy clerks' software (Keystone) and have been given council approval to upgrade this software. This should eliminate most of the manual entry. My first deputy and I will be learning this software together therefore, we can review our work together. For now I have been training my first deputy to do reconciling so we will both be able to review the others work.

*Anticipated Completion Date:*

Immediately

  
\_\_\_\_\_  
Renata Ford  
Waterloo Clerk/Treasurer  
November 16, 2016



*Renata Ford  
Clerk/Treasurer  
Town of Waterloo  
280 S Wayne St  
PO Box 96  
Waterloo, IN 46793*

*Phone: 260-837-7428  
Fax: 260-837-3605  
email: rford@waterlooin.gov*

## **CORRECTIVE ACTION PLAN**

**RE: FINDING 2012 - 003**

**DAVIS-BACON ACT**

View of Responsible Officer:  
David Bolton, Council President  
908-3250

I agree with Finding 2012 – 003

Description of Corrective Action Plan:

Compliance with the Davis-Bacon Act will always require a hired consultant from our standpoint, because of our small staff, but now we will have the Town Manager assume responsibility of reviewing all our hired consultant's grant paperwork.

Anticipated Completion Date:

Immediately

  
\_\_\_\_\_  
David Bolton  
Waterloo Council President

#### OTHER REPORTS

In addition to this report, other reports may have been issued for the Town. All reports can be found on the Indiana State Board of Accounts' website: <http://www.in.gov/sboa/>.