

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF MUNSTER
LAKE COUNTY, INDIANA

January 1, 2014 to December 31, 2014



FILED
03/14/2017

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	David F. Shafer	01-01-12 to 12-31-19
President of the Town Council	John P. Reed	01-01-14 to 12-31-14
	Andy Koultourides	01-01-15 to 12-31-15
	John P. Reed	01-01-16 to 12-31-16
	Joseph A. Simonetto	01-01-17 to 12-31-17
Town Manager	Thomas F. DeGiulio	01-01-14 to 09-01-14
	Clay T. Johnson	09-02-14 to 10-26-14
	Dustin Anderson	10-27-14 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF MUNSTER, LAKE COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Munster (Town), which comprises the financial position and results of operations for the year ended December 31, 2014, 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, 2014.

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, 2014, 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, 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.

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 January 17, 2017, 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

January 17, 2017



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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 MUNSTER, LAKE 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 Munster (Town), which comprises the financial position and results of operations for the year ended December 31, 2014, and the related notes to the financial statement, and have issued our report thereon dated January 17, 2017, 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.

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. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section 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. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

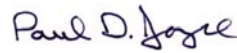
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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

January 17, 2017

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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 MUNSTER
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For the Year Ended December 31, 2014

Fund	Cash and Investments 01-01-14	Receipts	Disbursements	Cash and Investments 12-31-14
General	\$ 1,371,502	\$ 6,325,148	\$ 5,881,460	\$ 1,815,190
Motor Vehicle Highway	315,862	1,950,073	1,396,414	869,521
Local Road And Street	28,322	257,819	282,867	3,274
Economic Development Operating	20,786	-	5,800	14,986
Law Enforcement Continuing Ed	24,272	29,474	33,685	20,061
Parks And Recreation	404,479	2,879,186	2,968,939	314,726
Cumulative Capl Imprv Cigarette Tax	29,659	62,433	34,393	57,699
Cumulative Capital Development	181,777	497,994	476,149	203,622
CEDIT	-	1,100,613	447,581	653,032
Riverboat Capital Project	158,378	302,218	388,063	72,533
Police Pension	622,903	662,285	688,474	596,714
CAGIT	-	531,999	-	531,999
Rental Property Inspect	31,225	17,850	1,275	47,800
EDC Bond Proceeds	7,440,883	-	6,453,668	987,215
Electric Fund	179,633	766,277	914,013	31,897
Lease Proceeds Fund	279,054	400,783	537,378	142,459
Donations	38,115	32,641	32,083	38,673
Technology Fund	299,477	556,710	364,736	491,451
Sewer Maintenance	3,541	3,257,538	3,220,958	40,121
Special Asset Forfeiture Nr	45,818	13,338	28,739	30,417
Federal Grants	-	75,245	75,245	-
Municipal Bond B&I Nonexempt	213,797	2,078,810	2,061,423	231,184
Redevelopment Bond B&I	36,385	773,739	773,443	36,681
Park Bond B&I Nonexempt	2,817	2,197,627	2,197,293	3,151
Municipal Complex	16,608	1,213,517	1,229,585	540
Redevelopment Reserve Fund	736,555	-	-	736,555
EDC Bond & Interest Fund	939,174	2,827,752	2,274,773	1,492,153
EDC Bond Reserve Fund	3,041,749	1,647	-	3,043,396
Corporation Bond (Proceeds)	3,667,328	1,970,000	3,617,695	2,019,633
Park Bond (Proceeds)	4,297,834	2,136,009	4,433,268	2,000,575
Redevelopment Operating	302,842	158,459	364,296	97,005
Redevelopment Capital Improvements	116,419	71	-	116,490
Local Major Moves Construction	11	727,668	647,376	80,303
Rainy Day Fund	300,000	100,000	-	400,000
TIF Allocation Fund	1,203,222	4,952,040	4,544,074	1,611,188
Medical/Life Insurance Escrow	389,614	1,818,085	1,761,037	446,662
Liability Insurance Escrow	437,390	1,144,116	1,216,901	364,605
Park Donation Non-Reverting	69,881	203,933	203,329	70,485
Park Land Escrow	11,520	-	-	11,520
Payroll	-	11,216,933	11,216,933	-
Intergovernmental Collection	175,605	1,847,005	1,780,082	242,528
Insurance Payments	-	1,796,964	1,796,964	-
Escrow Fund	176,271	936,780	640,569	472,482
Solid Waste-Operating	831,461	1,974,621	1,773,360	1,032,722
Water Utility-Operating	1,226,249	4,559,554	4,044,829	1,740,974
Water Utility-Customer Deposit	104,975	43,405	37,290	111,090
Totals	<u>\$ 29,773,393</u>	<u>\$ 64,398,359</u>	<u>\$ 70,846,440</u>	<u>\$ 23,325,312</u>

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

TOWN OF MUNSTER
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, storm water, trash, and urban redevelopment.

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 MUNSTER
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.

Penalties, which include fees received for late payments.

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements 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.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENT
(Continued)

preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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 Plans

A. 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.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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. 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.

TOWN OF MUNSTER
NOTES TO FINANCIAL STATEMENT
(Continued)

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

Funding Policy

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

Note 7. Holding Corporation

The Town entered into a capital lease with the Town of Munster Municipal Center 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 Town. The lessor has been determined to be a related party of the Town. Lease payments during the year 2014 totaled \$1,220,000.

Note 8. Subsequent Events

The Town issued \$1,970,000 in Municipal General Obligation Bonds in October 2015 and December 2016. The Town also issued \$1,970,000 in Park Bonds in August 2015 and December 2016.

In May 2016, the Town issued \$5,855,000 of Economic Development Revenue Bonds to be repaid by Tax Increment Financing (TIF) revenues. In July 2016, the Town refinanced \$6,000,000 of the Special Taxing District Bonds of 2007 (Redevelopment Commission).

Note 9. Other Postemployment Benefits

The Town provides to eligible retirees and their spouses the following benefits: medical and dental. Employees who retire with 20 or more years of service can opt to remain on the Town's medical and dental insurance plan. Retirees taking this option must pay the COBRA rates for the chosen coverage level. The Town's self-funded Medical/Life Insurance Escrow fund covers the cost of claims. These benefits pose a liability to the Town for this year and in future years. Information regarding the benefits can be obtained by contacting the Town.

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 MUNSTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014

	General	Motor Vehicle Highway	Local Road And Street	Economic Development Operating	Law Enforcement Continuing Ed	Parks And Recreation	Cumulative Capl Imprv Cigarette Tax
Cash and investments - beginning	\$ 1,371,502	\$ 315,862	\$ 28,322	\$ 20,786	\$ 24,272	\$ 404,479	\$ 29,659
Receipts:							
Taxes	3,412,932	503,587	-	-	-	1,099,692	-
Licenses and permits	1,548,381	-	-	-	-	-	-
Intergovernmental receipts	953,199	893,175	247,161	-	-	69,300	62,433
Charges for services	174,939	494,592	-	-	20,885	1,675,371	-
Fines and forfeits	196,086	-	-	-	8,569	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	39,611	58,719	10,658	-	20	34,823	-
Total receipts	6,325,148	1,950,073	257,819	-	29,474	2,879,186	62,433
Disbursements:							
Personal services	5,079,693	844,143	-	-	-	1,861,426	-
Supplies	84,124	130,443	216,817	-	192	526,180	-
Other services and charges	659,377	391,828	66,050	5,800	33,493	567,820	34,393
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	58,266	30,000	-	-	-	13,513	-
Total disbursements	5,881,460	1,396,414	282,867	5,800	33,685	2,968,939	34,393
Excess (deficiency) of receipts over disbursements	443,688	553,659	(25,048)	(5,800)	(4,211)	(89,753)	28,040
Cash and investments - ending	\$ 1,815,190	\$ 869,521	\$ 3,274	\$ 14,986	\$ 20,061	\$ 314,726	\$ 57,699

TOWN OF MUNSTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Cumulative Capital Development	CEDIT	Riverboat Capital Project	Police Pension	CAGIT	Rental Property Inspect	EDC Bond Proceeds
Cash and investments - beginning	\$ 181,777	\$ -	\$ 158,378	\$ 622,903	\$ -	\$ 31,225	\$ 7,440,883
Receipts:							
Taxes	468,226	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	17,850	-
Intergovernmental receipts	29,668	821,652	264,933	662,285	531,999	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	100	278,961	37,285	-	-	-	-
Total receipts	497,994	1,100,613	302,218	662,285	531,999	17,850	-
Disbursements:							
Personal services	2,259	-	-	646	-	-	-
Supplies	200,313	-	54,487	-	-	-	-
Other services and charges	126,857	447,581	306,266	687,828	-	1,275	342,248
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	146,720	-	27,310	-	-	-	6,111,420
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	476,149	447,581	388,063	688,474	-	1,275	6,453,668
Excess (deficiency) of receipts over disbursements	21,845	653,032	(85,845)	(26,189)	531,999	16,575	(6,453,668)
Cash and investments - ending	<u>\$ 203,622</u>	<u>\$ 653,032</u>	<u>\$ 72,533</u>	<u>\$ 596,714</u>	<u>\$ 531,999</u>	<u>\$ 47,800</u>	<u>\$ 987,215</u>

TOWN OF MUNSTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Electric Fund	Lease Proceeds Fund	Donations	Technology Fund	Sewer Maintenance	Special Asset Forfeiture Nr	Federal Grants
Cash and investments - beginning	\$ 179,633	\$ 279,054	\$ 38,115	\$ 299,477	\$ 3,541	\$ 45,818	\$ -
Receipts:							
Taxes	-	-	-	-	2,119,074	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	75,245
Charges for services	766,200	-	-	556,519	1,133,251	-	-
Fines and forfeits	-	-	-	-	-	13,256	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	77	400,783	32,641	191	5,213	82	-
Total receipts	766,277	400,783	32,641	556,710	3,257,538	13,338	75,245
Disbursements:							
Personal services	-	-	-	165,587	1,084,787	3,163	-
Supplies	43,442	-	-	47,224	98,053	14,442	-
Other services and charges	870,571	1,579	-	151,925	907,699	11,134	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	535,591	-	-	461,419	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	208	32,083	-	669,000	-	75,245
Total disbursements	914,013	537,378	32,083	364,736	3,220,958	28,739	75,245
Excess (deficiency) of receipts over disbursements	(147,736)	(136,595)	558	191,974	36,580	(15,401)	-
Cash and investments - ending	\$ 31,897	\$ 142,459	\$ 38,673	\$ 491,451	\$ 40,121	\$ 30,417	\$ -

TOWN OF MUNSTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Municipal Bond B&I Nonexempt	Redevelopment Bond B&I	Park Bond B&I Nonexempt	Municipal Comlex	Redevelopment Reserve Fund	EDC Bond & Interest Fund	EDC Bond Reserve Fund
Cash and investments - beginning	\$ 213,797	\$ 36,385	\$ 2,817	\$ 16,608	\$ 736,555	\$ 939,174	\$ 3,041,749
Receipts:							
Taxes	1,963,137	675,514	2,070,439	1,112,038	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	115,599	39,782	121,967	65,479	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	74	58,443	5,221	36,000	-	2,827,752	1,647
Total receipts	2,078,810	773,739	2,197,627	1,213,517	-	2,827,752	1,647
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	3,750	1,500	2,250	9,585	-	18,660	-
Debt service - principal and interest	2,057,673	733,943	2,029,043	1,220,000	-	2,256,113	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	38,000	166,000	-	-	-	-
Total disbursements	2,061,423	773,443	2,197,293	1,229,585	-	2,274,773	-
Excess (deficiency) of receipts over disbursements	17,387	296	334	(16,068)	-	552,979	1,647
Cash and investments - ending	\$ 231,184	\$ 36,681	\$ 3,151	\$ 540	\$ 736,555	\$ 1,492,153	\$ 3,043,396

TOWN OF MUNSTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Corporation Bond (Proceeds)	Park Bond (Proceeds)	Redevelopment Operating	Redevelopment Capital Improvements	Local Major Moves Construction	Rainy Day Fund	TIF Allocation Fund
Cash and investments - beginning	\$ 3,667,328	\$ 4,297,834	\$ 302,842	\$ 116,419	\$ 11	\$ 300,000	\$ 1,203,222
Receipts:							
Taxes	-	-	41,458	-	-	-	4,054,635
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	2,622	-	-	-	-
Charges for services	-	-	-	-	-	-	337,397
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	1,970,000	2,136,009	114,379	71	727,668	100,000	560,008
Total receipts	1,970,000	2,136,009	158,459	71	727,668	100,000	4,952,040
Disbursements:							
Personal services	-	-	135,250	-	-	-	9,137
Supplies	-	-	315	-	-	-	977
Other services and charges	52,534	156,524	70,731	-	647,376	-	294,977
Debt service - principal and interest	17,303	17,303	-	-	-	-	-
Capital outlay	3,511,858	3,696,599	-	-	-	-	1,375,925
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	36,000	562,842	158,000	-	-	-	2,863,058
Total disbursements	3,617,695	4,433,268	364,296	-	647,376	-	4,544,074
Excess (deficiency) of receipts over disbursements	(1,647,695)	(2,297,259)	(205,837)	71	80,292	100,000	407,966
Cash and investments - ending	\$ 2,019,633	\$ 2,000,575	\$ 97,005	\$ 116,490	\$ 80,303	\$ 400,000	\$ 1,611,188

TOWN OF MUNSTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Medical/Life Insurance Escrow	Liability Insurance Escrow	Park Donation Non-Reverting	Park Land Escrow	Payroll	Intergovernmental Collection
Cash and investments - beginning	\$ 389,614	\$ 437,390	\$ 69,881	\$ 11,520	\$ -	\$ 175,605
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	27,850
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	61,649	-	-	1,517,656
Fines and forfeits	-	-	-	-	-	189,663
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,818,085	1,144,116	142,284	-	11,216,933	111,836
Total receipts	1,818,085	1,144,116	203,933	-	11,216,933	1,847,005
Disbursements:						
Personal services	1,724,101	1,107,002	-	-	-	-
Supplies	-	124	13,475	-	-	-
Other services and charges	36,936	109,775	4,060	-	-	1,780,082
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	185,794	-	11,216,933	-
Total disbursements	1,761,037	1,216,901	203,329	-	11,216,933	1,780,082
Excess (deficiency) of receipts over disbursements	57,048	(72,785)	604	-	-	66,923
Cash and investments - ending	<u>\$ 446,662</u>	<u>\$ 364,605</u>	<u>\$ 70,485</u>	<u>\$ 11,520</u>	<u>\$ -</u>	<u>\$ 242,528</u>

TOWN OF MUNSTER
COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2014
(Continued)

	Insurance Payments	Escrow Fund	Solid Waste-Operating	Water Utility-Operating	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ -	\$ 176,271	\$ 831,461	\$ 1,226,249	\$ 104,975	\$ 29,773,393
Receipts:						
Taxes	-	-	-	-	-	17,520,732
Licenses and permits	-	-	-	-	-	1,594,081
Intergovernmental receipts	-	-	129,514	-	-	5,086,013
Charges for services	-	8,141	1,843,846	-	-	8,590,446
Fines and forfeits	-	-	-	-	-	407,574
Utility fees	-	-	-	3,464,627	43,405	3,508,032
Penalties	-	-	-	133,080	-	133,080
Other receipts	1,796,964	928,639	1,261	961,847	-	27,558,401
Total receipts	1,796,964	936,780	1,974,621	4,559,554	43,405	64,398,359
Disbursements:						
Personal services	-	-	192,087	821,287	-	13,030,568
Supplies	-	-	15,339	-	-	1,445,947
Other services and charges	-	220,161	1,565,934	467,789	-	11,056,348
Debt service - principal and interest	-	-	-	-	-	8,331,378
Capital outlay	-	16,875	-	388,747	-	16,272,464
Utility operating expenses	-	-	-	2,361,906	37,290	2,399,196
Other disbursements	1,796,964	403,533	-	5,100	-	18,310,539
Total disbursements	1,796,964	640,569	1,773,360	4,044,829	37,290	70,846,440
Excess (deficiency) of receipts over disbursements	-	296,211	201,261	514,725	6,115	(6,448,081)
Cash and investments - ending	\$ -	\$ 472,482	\$ 1,032,722	\$ 1,740,974	\$ 111,090	\$ 23,325,312

TOWN OF MUNSTER
SCHEDULE OF PAYABLES AND RECEIVABLES
December 31, 2014

Government or Enterprise	Accounts Payable	Accounts Receivable
Solid Waste	\$ 35,933	\$ 169,613
Water	125,641	369,985
Governmental activities	<u>618,315</u>	<u>346,505</u>
Totals	<u>\$ 779,889</u>	<u>\$ 886,103</u>

TOWN OF MUNSTER
SCHEDULE OF LEASES AND DEBT
December 31, 2014

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
American Capital	2013 Generator & Police Vehicles (T/U)	\$ 135,991	06/15/2013	12/15/2017
BANCORP	2012 Copiers	42,000	05/07/2012	05/07/2017
Town of Munster Municipal Center Corporation	Construction of Centennial Park	1,220,000	01/15/2008	07/15/2024
Public Finance.com/Old National Bank	2011 Methane Generator (P)	288,000	07/15/2012	01/15/2019
Public Finance.com/Old National Bank	2012 Pump Station Generator (Q)	37,011	06/15/2012	12/15/2016
Public Finance.com/Old National Bank	2012 Pump Station Generator (S)	98,290	12/15/2012	06/15/2017
Public Finance.com/Old National Bank	2013 Police Vehicles (V)	98,254	12/01/2013	06/01/2016
Public Finance.com/Old National Bank	2013 Engineer's Vehicle (W)	6,339	12/01/2013	06/01/2016
PublicFinance.com/Old National Bank	2014 Pump Station Generator (X)	85,350	12/15/2014	06/15/2019
Yamaha Motor Corporation USA	2014 Golf Carts (Y)	1,826	07/01/2014	07/01/2018
Yamaha Motor Corporation USA	2014 Golf Carts (Z)	1,772	07/01/2014	07/01/2018

Total of annual lease payments \$ 2,014,833

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
General obligation bonds	2013 Municipal Bond - Infrastructure Improvements		\$ 1,470,000	\$ 517,490
General obligation bonds	2014 Municipal Bond - Infrastructure Improvements		1,970,000	522,878
General obligation bonds	2011 Municipal Bond - Infrastructure Improvements		500,000	504,987
General obligation bonds	2012 Municipal Bond - Infrastructure Improvements		970,000	510,228
General obligation bonds	2013 Park Bond - Park Improvements & Equipment		1,470,000	519,788
General obligation bonds	2014 Park Bond - Park Improvements & Equipment		1,970,000	522,878
General obligation bonds	2011 Park Bond - Park Improvements & Equipment		470,000	474,582
General obligation bonds	2012 Park Bond - Park Improvements & Equipment		970,000	511,503
General obligation bonds	2007 Redevelopment Bond - Property Acquisition		6,245,000	734,295
Revenue bonds	2010 Economic Development Bond - Munster Shops Project		4,580,000	408,830
Revenue bonds	2011 Economic Development Bond - Lake Business Center Redevelopment		18,905,000	1,683,025
Revenue bonds	2013 Economic Development Bond - Munster Steel Co. Project & Other Infrastructure Projects		6,805,000	653,325
Revenue bonds	2013 Economic Development Bond - Land O'Frost Project		2,420,000	113,897

Totals \$48,745,000 \$ 7,677,706

TOWN OF MUNSTER
SCHEDULE OF CAPITAL ASSETS
December 31, 2014

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	\$ 37,058,482
Infrastructure	161,632,271
Buildings	8,802,678
Improvements other than buildings	26,112,253
Machinery, equipment, and vehicles	10,515,973
Construction in progress	55,248
Books and other	<u>858,893</u>
Total governmental activities	<u>245,035,798</u>
Water:	
Land	288,548
Infrastructure	21,399,746
Buildings	3,863,636
Machinery, equipment, and vehicles	<u>3,460,855</u>
Total Water	<u>29,012,785</u>
Total capital assets	<u><u>\$ 274,048,583</u></u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

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Fax: (317) 232-4711
Web Site: 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 MUNSTER, LAKE COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the Town of Munster'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, 2014. 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, 2014.

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

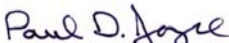
Report on Internal Control over Compliance

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.

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

January 17, 2017

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

TOWN OF MUNSTER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2014

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	Pass-Through To Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Urban and Community Forestry Program 2012 Urban Waters Initiative Grant Project	Indiana Department of Natural Resources	10.675	EDS #E9-12-UWI3	\$ -	\$ 20,000
Total - Department of Agriculture				-	20,000
<u>Department of Justice</u>					
Bulletproof Vest Partnership Program	Direct Grant	16.607	2012BUBX12063858	-	1,004
Total - Department of Justice				-	1,004
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction 2009 Calumet Ave Grade Separation	Indiana Department of Transportation	20.205	Project #0710056	-	1,046,961
Total - Highway Planning and Construction Cluster				-	1,046,961
Total - Department of Transportation				-	1,046,961
<u>National Endowment for the Arts</u>					
Promotion of the Arts Partnership Agreements	South Shore Arts	45.025	ASP-14004	-	1,083
2014 Indiana Regional Arts Partnership			ASP-15003	-	3,589
2015 Indiana Regional Arts Partnership				-	
Total - National Endowment for the Arts				-	4,672
<u>Department of Homeland Security</u>					
Disaster Grants - Public Assistance (Presidentially Declared Disasters) 2014 Snow Removal Grant	Indiana Department of Homeland Security	97.036	FEMA DR4173	-	45,410
Total - Department of Homeland Security				-	45,410
Total federal awards expended				\$ -	\$ 1,118,047

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

TOWN OF MUNSTER
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Town under programs of the federal government for the year ended December 31, 2014. The information in the SEFA is presented in accordance with the requirements of the Office of Management and Budget (OMB) Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Because the SEFA presents only a select portion of the operations of the Town, it is not intended to and does not present the financial position of the Town.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments* wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received.

TOWN OF MUNSTER
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?	no
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
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

Highway Planning and Construction Cluster

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

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

No matters are reportable.

Section III - Federal Award Findings and Questioned Costs

No matters are reportable.

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/>.