

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF WINONA LAKE
KOSCIUSKO COUNTY, INDIANA

January 1, 2013 to December 31, 2013



FILED
01/16/2018

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kent Adams	01-01-12 to 12-31-19
President of the Town Council	John R. Boal	01-01-13 to 03-31-13
	(Vacant)	04-01-13 to 04-15-13
	Bruce J. Shaffner	04-16-13 to 12-31-14
	Randy H. Swanson	01-01-15 to 12-31-15
	Bruce J. Shaffner	01-01-16 to 12-31-17



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
302 WEST WASHINGTON STREET
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF WINONA LAKE, KOSCIUSKO COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Winona Lake (Town), which comprises the financial position and results of operations for the year ended December 31, 2013, 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 from 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 to 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, 2013.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2013, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other 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.

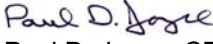
Other Information

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 November 28, 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

November 28, 2017



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 WINONA LAKE, KOSCIUSKO 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 Winona Lake (Town), which comprises the financial position and results of operations for the year ended December 31, 2013, and the related notes to the financial statement, and have issued our report thereon dated November 28, 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 a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a 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.

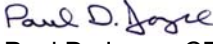
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF THE FINANCIAL
STATEMENT PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statement is free from 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

November 28, 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 WINONA LAKE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2013

Fund	Cash and Investments 01-01-13	Receipts	Disbursements	Cash and Investments 12-31-13
GENERAL	\$ 768,367	\$ 960,792	\$ 1,137,872	\$ 591,287
MOTOR VEHICLE HIGHWAY	130,136	739,183	648,039	221,280
LOCAL ROAD & STREET	189,625	43,006	126,438	106,193
ECONOMIC DEVELOPMENT	1,000	-	-	1,000
WLHA REHAB PROGRAM	10,911	-	250	10,661
HUD	6,489	-	-	6,489
LOCAL LAW ENFORCEMENT EDUCATION	1,822	3,480	559	4,743
RIVERBOAT	254,661	29,075	-	283,736
PARK & RECREATION	115,460	20,397	37,466	98,391
RAINY DAY	535,434	-	103,000	432,434
EDIT	677,341	277,947	489,764	465,524
CUMULATIVE CAPITAL IMPROVEMENT- CIG TAX	218,459	13,237	-	231,696
CUMULATIVE CAPITAL DEVELOPMENT	392,583	33,616	-	426,199
REDEVELOPMENT GENERAL	51,758	50,537	44	102,251
POLICE VENDING MACHINE	79	-	-	79
FIREFIGHTING	3,600	5,050	-	8,650
TIF	506,401	119,374	33,093	592,682
LLEL GRANT MARK HARTMAN	-	64,286	64,286	-
LLEL GRANT JOHN MULL	-	64,286	64,286	-
LLEL GRANT J BENNETT	-	65,894	65,894	-
DUI GRANT WINONA LAKE	-	1,969	1,969	-
LLEL GRANT LANCE GRUBBS	-	65,749	65,749	-
LLEL GRANT PHIL OLIVER	-	64,368	64,368	-
LLEL GRANT CHRIS MALLY	22	65,073	65,095	-
LLEL GRANT LARRY WOODS	-	65,992	65,992	-
OPO GRANT WINONA LAKE	-	2,685	2,685	-
DUI GRANT \$ FROM STATE	45	22,937	22,368	614
POLICE DONATION	700	11,698	10,278	2,120
CANAL PROJECT	42,245	17,760	18,874	41,131
WINONA LAKE DONATIONS	28,308	20,044	15,905	32,447
W L PARK SPECIAL DONATION	4,000	143,095	3,763	143,332
CHRISTMAS DECORATION	63	-	63	-
SENIOR CENTER	669	7	-	676
OPO GRANT \$ FROM STATE	1,023	49,465	50,488	-
SAFE ROUTES TO SCHOOL GRANT	-	23,735	23,735	-
WLHA REIMBURSEMENT	127,166	3,053	13,810	116,409
WL IMPROVEMENT DONATIONS	10,796	-	-	10,796
PAYROLL	12	3	-	15
PAYROLL FICA	-	67,807	67,807	-
PAYROLL OLD	-	3,383	3,424	(41)
PAYROLL FEDERAL WH	-	64,283	64,283	-
PAYROLL MEDICARE	-	15,858	15,858	-
PAYROLL STATE WH	1,550	20,067	21,617	-
PAYROLL LOCAL TAX	397	4,953	5,350	-
PAYROLL DIRECT DEPOSIT	-	368,602	368,602	-
PAYROLL AFLAC	81	3,021	3,102	-
PAYROLL HEALTH LIFE	2,520	17,575	18,524	1,571
PAYROLL HSA	-	12,041	12,041	-
PAYROLL DEFERRED SAVINGS	-	37,980	37,980	-
PAYROLL GARNISHMENT	-	376	376	-
PAYROLL CHILD SUPPORT	-	3,465	3,465	-
PAYROLL UNITED WAY	-	884	680	204
PAYROLL REPAY LOAN	-	1,221	1,221	-
WASTEWATER OPERATING	788,514	885,785	1,086,672	587,627
WASTEWATER REPLACEMENT	55,000	-	-	55,000
WASTEWATER DEBT SERVICE RESERVE	88,850	-	-	88,850
WASTEWATER IMPROVEMENT	154,559	-	-	154,559
WASTEWATER CONSTRUCTION	150,000	-	-	150,000
WASTEWATER BOND INTEREST	51,932	-	-	51,932
WASTEWATER UTILITY SINKING	36,941	-	-	36,941
Totals	\$ 5,409,519	\$ 4,555,094	\$ 4,907,135	\$ 5,057,478

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

TOWN OF WINONA LAKE
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. Amounts received from 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. Amounts received from businesses, occupations, or non-businesses 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, animal licenses, auctioneer licenses, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENT
(Continued)

Intergovernmental receipts. Amounts received from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of intergovernmental 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. Amounts received for services including, but not limited to, the following: planning commission charges, building department charges, copies of public records, copy machines 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. Amounts received 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. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

Other receipts. 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. Amounts disbursed 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. Amounts disbursed for 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, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges. Amounts disbursed for services including, but not limited to, the following: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

TOWN OF WINONA LAKE
NOTES TO FINANCIAL STATEMENT
(Continued)

Capital outlay. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but 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, make transfers 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 amounts 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 amounts 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 lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) 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 WINONA LAKE
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 WINONA LAKE
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.

Note 7. Subsequent Event

On July 15, 2014, the Town awarded Michiana Contracting \$1,032,000 for the construction of Limitless Park.

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

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	ECONOMIC DEVELOPMENT	WLHA REHAB PROGRAM	HUD	LOCAL LAW ENFORCEMENT EDUCATION
Cash and investments - beginning	\$ 768,367	\$ 130,136	\$ 189,625	\$ 1,000	\$ 10,911	\$ 6,489	\$ 1,822
Receipts:							
Taxes	452,360	415,332	-	-	-	-	-
Licenses and permits	5,230	300	-	-	-	-	3,480
Intergovernmental receipts	332,808	218,743	43,006	-	-	-	-
Charges for services	124,485	-	-	-	-	-	-
Fines and forfeits	10,114	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	35,795	104,808	-	-	-	-	-
Total receipts	960,792	739,183	43,006	-	-	-	3,480
Disbursements:							
Personal services	536,623	77,216	-	-	-	-	-
Supplies	70,227	81,856	-	-	-	-	559
Other services and charges	467,530	277,354	-	-	250	-	-
Capital outlay	63,492	211,613	126,438	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	1,137,872	648,039	126,438	-	250	-	559
Excess (deficiency) of receipts over disbursements	(177,080)	91,144	(83,432)	-	(250)	-	2,921
Cash and investments - ending	\$ 591,287	\$ 221,280	\$ 106,193	\$ 1,000	\$ 10,661	\$ 6,489	\$ 4,743

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

	RIVERBOAT	PARK & RECREATION	RAINY DAY	EDIT	CUMULATIVE CAPITAL IMPROVEMENT- CIG TAX	CUMULATIVE CAPITAL DEVELOPMENT
Cash and investments - beginning	\$ 254,661	\$ 115,460	\$ 535,434	\$ 677,341	\$ 218,459	\$ 392,583
Receipts:						
Taxes	-	-	-	-	-	30,171
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	29,075	-	-	277,947	13,237	3,445
Charges for services	-	18,522	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	1,875	-	-	-	-
Total receipts	29,075	20,397	-	277,947	13,237	33,616
Disbursements:						
Personal services	-	21,955	-	-	-	-
Supplies	-	10,281	-	-	-	-
Other services and charges	-	3,638	-	-	-	-
Capital outlay	-	-	103,000	489,764	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	1,592	-	-	-	-
Total disbursements	-	37,466	103,000	489,764	-	-
Excess (deficiency) of receipts over disbursements	29,075	(17,069)	(103,000)	(211,817)	13,237	33,616
Cash and investments - ending	\$ 283,736	\$ 98,391	\$ 432,434	\$ 465,524	\$ 231,696	\$ 426,199

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

	REDEVELOPMENT GENERAL	POLICE VENDING MACHINE	FIREFIGHTING	TIF	LLEL GRANT MARK HARTMAN	LLEL GRANT JOHN MULL	LLEL GRANT J BENNETT
Cash and investments - beginning	\$ 51,758	\$ 79	\$ 3,600	\$ 506,401	\$ -	\$ -	\$ -
Receipts:							
Taxes	45,317	-	-	119,356	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	5,220	-	-	18	64,286	64,286	65,894
Charges for services	-	-	5,050	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	50,537	-	5,050	119,374	64,286	64,286	65,894
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	2,875
Other services and charges	-	-	-	-	64,286	64,286	63,019
Capital outlay	44	-	-	33,093	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	44	-	-	33,093	64,286	64,286	65,894
Excess (deficiency) of receipts over disbursements	50,493	-	5,050	86,281	-	-	-
Cash and investments - ending	\$ 102,251	\$ 79	\$ 8,650	\$ 592,682	\$ -	\$ -	\$ -

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

	DUI GRANT WINONA LAKE	LLEL GRANT LANCE GRUBBS	LLEL GRANT PHIL OLIVER	LLEL GRANT CHRIS MALLY	LLEL GRANT LARRY WOODS	OPO GRANT WINONA LAKE	DUI GRANT \$ FROM STATE
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 22	\$ -	\$ -	\$ 45
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	1,969	65,749	64,368	65,073	65,992	2,685	22,937
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	1,969	65,749	64,368	65,073	65,992	2,685	22,937
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	4,348	5,614	2,426	3,116	-	-
Other services and charges	1,969	61,401	58,754	62,669	62,876	2,685	22,368
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	1,969	65,749	64,368	65,095	65,992	2,685	22,368
Excess (deficiency) of receipts over disbursements	-	-	-	(22)	-	-	569
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 614

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

	POLICE DONATION	CANAL PROJECT	WINONA LAKE DONATIONS	W L PARK SPECIAL DONATION	CHRISTMAS DECORATION	SENIOR CENTER	OPO GRANT \$ FROM STATE
Cash and investments - beginning	\$ 700	\$ 42,245	\$ 28,308	\$ 4,000	\$ 63	\$ 669	\$ 1,023
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	49,465
Charges for services	-	17,760	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	11,698	-	20,044	143,095	-	7	-
Total receipts	11,698	17,760	20,044	143,095	-	7	49,465
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	10,278	10,345	13,100	-	63	-	-
Other services and charges	-	-	2,805	-	-	-	50,488
Capital outlay	-	8,529	-	3,763	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	10,278	18,874	15,905	3,763	63	-	50,488
Excess (deficiency) of receipts over disbursements	1,420	(1,114)	4,139	139,332	(63)	7	(1,023)
Cash and investments - ending	\$ 2,120	\$ 41,131	\$ 32,447	\$ 143,332	\$ -	\$ 676	\$ -

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

	SAFE ROUTES TO SCHOOL GRANT	WLHA REIMBURSEMENT	WL IMPROVEMENT DONATIONS	PAYROLL	PAYROLL FICA	PAYROLL OLD	PAYROLL FEDERAL WH
Cash and investments - beginning	\$ -	\$ 127,166	\$ 10,796	\$ 12	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	23,735	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	3,053	-	3	67,807	3,383	64,283
Total receipts	23,735	3,053	-	3	67,807	3,383	64,283
Disbursements:							
Personal services	23,735	-	-	-	67,807	3,424	64,283
Supplies	-	13,810	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	23,735	13,810	-	-	67,807	3,424	64,283
Excess (deficiency) of receipts over disbursements	-	(10,757)	-	3	-	(41)	-
Cash and investments - ending	\$ -	\$ 116,409	\$ 10,796	\$ 15	\$ -	\$ (41)	\$ -

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

	PAYROLL MEDICARE	PAYROLL STATE WH	PAYROLL LOCAL TAX	PAYROLL DIRECT DEPOSIT	PAYROLL AFLAC	PAYROLL HEALTH LIFE	PAYROLL HSA
Cash and investments - beginning	\$ -	\$ 1,550	\$ 397	\$ -	\$ 81	\$ 2,520	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	15,858	20,067	4,953	368,602	3,021	17,575	12,041
Total receipts	15,858	20,067	4,953	368,602	3,021	17,575	12,041
Disbursements:							
Personal services	15,858	21,617	5,350	368,602	3,102	18,524	12,041
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	15,858	21,617	5,350	368,602	3,102	18,524	12,041
Excess (deficiency) of receipts over disbursements	-	(1,550)	(397)	-	(81)	(949)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,571	\$ -

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

	PAYROLL DEFERRED SAVINGS	PAYROLL GARNISHMENT	PAYROLL CHILD SUPPORT	PAYROLL UNITED WAY	PAYROLL REPAY LOAN	WASTEWATER OPERATING	WASTEWATER REPLACEMENT
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 788,514	\$ 55,000
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	876,300	-
Penalties	-	-	-	-	-	5,779	-
Other receipts	37,980	376	3,465	884	1,221	3,706	-
Total receipts	37,980	376	3,465	884	1,221	885,785	-
Disbursements:							
Personal services	37,980	376	3,465	-	-	93,866	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	680	1,221	9,330	-
Capital outlay	-	-	-	-	-	216,908	-
Utility operating expenses	-	-	-	-	-	766,568	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	37,980	376	3,465	680	1,221	1,086,672	-
Excess (deficiency) of receipts over disbursements	-	-	-	204	-	(200,887)	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 204	\$ -	\$ 587,627	\$ 55,000

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

	WASTEWATER DEBT SERVICE RESERVE	WASTEWATER IMPROVEMENT	WASTEWATER CONSTRUCTION	WASTEWATER BOND INTEREST	WASTEWATER UTILITY SINKING	Totals
Cash and investments - beginning	\$ 88,850	\$ 154,559	\$ 150,000	\$ 51,932	\$ 36,941	\$ 5,409,519
Receipts:						
Taxes	-	-	-	-	-	1,062,536
Licenses and permits	-	-	-	-	-	9,010
Intergovernmental receipts	-	-	-	-	-	1,479,938
Charges for services	-	-	-	-	-	165,817
Fines and forfeits	-	-	-	-	-	10,114
Utility fees	-	-	-	-	-	876,300
Penalties	-	-	-	-	-	5,779
Other receipts	-	-	-	-	-	945,600
Total receipts	-	-	-	-	-	4,555,094
Disbursements:						
Personal services	-	-	-	-	-	1,375,824
Supplies	-	-	-	-	-	228,898
Other services and charges	-	-	-	-	-	1,277,609
Capital outlay	-	-	-	-	-	1,256,644
Utility operating expenses	-	-	-	-	-	766,568
Other disbursements	-	-	-	-	-	1,592
Total disbursements	-	-	-	-	-	4,907,135
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	(352,041)
Cash and investments - ending	\$ 88,850	\$ 154,559	\$ 150,000	\$ 51,932	\$ 36,941	\$ 5,057,478

TOWN OF WINONA LAKE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2013

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Wastewater	\$ 41,335	\$ 38,317
Governmental activities	<u>48,009</u>	<u>672</u>
Totals	<u>\$ 89,344</u>	<u>\$ 38,989</u>

TOWN OF WINONA LAKE
 SCHEDULE OF LEASES AND DEBT
 December 31, 2013

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
Notes and loans payable	Ferrara Fire Truck	\$ 380,036	\$ 95,009
Totals		<u>\$ 380,036</u>	<u>\$ 95,009</u>

TOWN OF WINONA LAKE
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2013

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

	Ending Balance
Governmental activities:	
Land	\$ 110,861
Infrastructure	4,352,053
Buildings	1,372,257
Improvements other than buildings	324,037
Machinery, equipment, and vehicles	<u>2,104,511</u>
Total governmental activities	<u>8,263,719</u>
Wastewater:	
Infrastructure	2,854,895
Buildings	70,328
Improvements other than buildings	17,323
Machinery, equipment, and vehicles	<u>958,001</u>
Total Wastewater	<u>3,900,547</u>
Total capital assets	<u>\$ 12,164,266</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE TOWN OF WINONA LAKE, KOSCIUSKO COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the Town of Winona Lake'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, 2013. 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, 2013.

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 a 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 2013-001 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

November 28, 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 WINONA LAKE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2013

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-13
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster				
Highway Planning and Construction	Indiana Department of Transportation	20.205		
Safe Routes to School			K8-2011-03-03-16	\$ 23,735
Total - Highway Planning and Construction Cluster				<u>23,735</u>
 Highway Safety Cluster				
State and Community Highway Safety	Indiana Criminal Justice Institute	20.600		
Law Enforcement Liaison Program			1517	455,670
Operation Pullover/Big City County Seatbelt Enforcement			PT-12-11-04-17	1,023
Operation Pullover/Big City County Seatbelt Enforcement			D3-13-7323	48,256
Operation Pullover/Big City County Seatbelt Enforcement			D3-14-8229	<u>1,209</u>
Total - State and Community Highway Safety				<u>506,158</u>
 Alcohol Impaired Driving Countermeasures Incentive Grants I				
Kosciusko County DUI Task Force	Indiana Criminal Justice Institute	20.601		
Kosciusko County DUI Task Force			D3-13-7254	21,278
			D3-14-8149	<u>1,659</u>
Total - Alcohol Impaired Driving Countermeasures Incentive Grants I				<u>22,937</u>
Total - Highway Safety Cluster				<u>529,095</u>
Total - Department of Transportation				<u>552,830</u>
Total federal awards expended				<u>\$ 552,830</u>

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

TOWN OF WINONA LAKE
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, 2013. 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, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, 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.

Note 3. Subrecipients

Of the federal expenditures presented in the SEFA, the Town provided federal awards to subrecipients as follows for the year ended December 31, 2013:

Program Title	Federal CFDA Number	2013
State and Community Highway Safety	20.600	\$ 41,396
Alcohol Impaired Driving Countermeasures Incentive Grants I	20.601	18,449

TOWN OF WINONA LAKE
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 weakness identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major program:	Unmodified
Any audit finding 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 Safety 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

No matters are reportable.

TOWN OF WINONA LAKE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Section III - Federal Award Findings and Questioned Costs

FINDING 2013-001

Subject: Highway Safety Cluster - Allowable Costs/Cost Principles and Reporting

Federal Agency: Department of Transportation

Federal Programs: State and Community Highway Safety, Alcohol Impaired

Driving Countermeasures Incentive Grants I

CFDA Numbers: 20.600, 20.601

Federal Award Numbers and Years (or Other Identifying Numbers): 1517, PT-12-11-04-17, D3-13-7323,
D3-14-8229, D3-13-7254, D3-14-8149

Pass-Through Entity: Indiana Criminal Justice Institute

Compliance Requirements: Allowable Costs/Cost Principles, Reporting

Audit Finding: Material Weakness

Repeat Finding

A similar finding was in the immediate prior year. The prior year finding was 2012-3.

Condition

An effective internal control system was not in place at the Town in order to ensure compliance with requirements related to Allowable Costs/Cost Principles and Reporting compliance requirements.

Context

Allowable Costs/Cost Principles

Time and effort logs were maintained to support administrative personnel time billed to the Operation Pullover/Big City County Seatbelt Enforcement and Kosciusko County DUI Task Force grants under the Highway Safety Cluster; however, there was no evidence of a control procedure to ensure compliance with this compliance requirement.

Reporting

The Indiana Criminal Justice Institute required the Town to submit financial and performance reports through the Egrants system and database. There was no evidence of a control procedure to ensure compliance with this compliance requirement.

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 WINONA LAKE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
(Continued)

Cause

Management of the Town had not developed a system of internal controls that would have prevented, or detected and corrected, potential material noncompliance.

Effect

The failure to establish an effective internal control system placed the Town at risk of noncompliance with the grant agreement and the compliance requirements.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Town's management establish controls, including segregation of duties, related to the grant agreement and the Allowable Costs/Cost Principles and Reporting compliance requirements.

Views of Responsible Officials

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

AUDITEE-PREPARED DOCUMENTS

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

Town of Winona Lake

1310 Park Ave., P.O. Box 338
Winona Lake, Indiana 46590
(574) 267-5783 or 267-7581
Fax (574) 267-4793

CORRECTIVE ACTION PLAN

FINDING 2013-001

Contact Person Responsible for Corrective Action: Craig Allebach
Contact Phone Number: 574-269-5112

Views of Responsible Official:

We concur with the finding.

Description of Corrective Action Plan:

We will review or approve the process over the time and effort logs, better known as the "Personnel Services" report by ICJI.

We will review or approve the process over reporting of financial and performance reports submitted through the ICJI's E-grants system and database system.

Anticipated Completion Date: November 17, 2017



Kent Adams, Clerk Treasurer

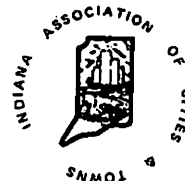


Craig Allebach, Town Coordinator

Date: November 17, 2017



"Princess Winona"



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/>.