

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

AUDIT REPORT

OF

TOWN OF CLOVERDALE

PUTNAM COUNTY, INDIANA

January 1, 2007 to December 31, 2008



FILED
07/13/2009

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Patti Truax	01-01-04 to 12-31-11
President of the Town Council	Donald Sublett	01-01-07 to 12-31-09
Superintendent of Utilities	Mike Gray Donald Gunthrie (Interim) Donald Gunthrie	01-01-07 to 11-17-08 11-18-08 to 02-09-09 02-10-09 to 12-31-09
Superintendent of Water Utility	Richard Saucerman	01-01-07 to 12-31-09
Superintendent of Wastewater Utility	Shawn Barger	01-01-07 to 12-31-09



STATE OF INDIANA
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INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cloverdale (Town), as of and for the years ended December 31, 2007 and 2008, which collectively comprise the Town's basic financial statements as listed in the Table of Contents. These financial statements are the responsibility of the Town's management. Our responsibility is to express opinions on these financial statements 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 statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

As discussed in Note I, the Town prepares its financial statements on the prescribed basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective cash and investment balances of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town as of December 31, 2007 and 2008, and the respective cash receipts and cash disbursements during the years then ended on the basis of accounting described in Note I.

In accordance with Government Auditing Standards, we have also issued a report dated April 30, 2009, 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 audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S.

INDEPENDENT AUDITOR'S REPORT ON FINANCIAL STATEMENTS
AND SUPPLEMENTARY SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
(Continued)

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 basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

The Schedule of Funding Progress, as listed in the Table of Contents, is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. We have applied certain limited procedures, which consisted principally of inquiries of management, regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

The Town has not presented Management's Discussion and Analysis or Budgetary Comparison Schedules that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Town's basic financial statements. The Combining Schedules, as listed in the Table of Contents, Schedule of Capital Assets, and Schedule of Long-Term Debt are presented for additional analysis and are not required parts of the basic financial statements. The Combining Schedules, as listed in the Table of Contents, have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole. The Schedule of Capital Assets and Schedule of Long-Term Debt have not been subjected to the auditing procedures applied by us in the audit of the basic financial statements and, accordingly, we express no opinion on them.

STATE BOARD OF ACCOUNTS

April 30, 2009



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Town of Cloverdale (Town), as of and for the years ended December 31, 2007 and 2008, which collectively comprise the Town's basic financial statements and have issued our report thereon dated April 30, 2009. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A control deficiency 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 misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the entity's financial statements that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the entity's internal control.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be significant deficiencies or material weaknesses, as defined above.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS
(Continued)

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are 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.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 30, 2009

TOWN OF CLOVERDALE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2007

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		
					Governmental Activities	Business-Type Activities	Totals
Primary government:							
Governmental activities:							
General government	\$ 623,312	\$ 8,964	\$ -	\$ -	\$ (614,348)	\$ -	\$ (614,348)
Public safety	793	21,248	-	-	20,455	-	20,455
Highways and streets	160,454	-	80,616	12,642	(67,196)	-	(67,196)
Health and welfare	-	20	-	-	20	-	20
Economic development	88,645	-	-	-	(88,645)	-	(88,645)
Culture and recreation	1,648	-	-	-	(1,648)	-	(1,648)
Interest on long-term debt	42,513	-	-	-	(42,513)	-	(42,513)
Total governmental activities	917,365	30,232	80,616	12,642	(793,875)	-	(793,875)
Business-type activities:							
Water	592,741	516,986	-	-	-	(75,755)	(75,755)
Wastewater	472,922	812,579	-	-	-	339,657	339,657
Total business-type activities	1,065,663	1,329,565	-	-	-	263,902	263,902
Total primary government	\$ 1,983,028	\$ 1,359,797	\$ 80,616	\$ 12,642	(793,875)	263,902	(529,973)
General receipts:							
Property taxes					257,583	-	257,583
Intergovernmental					229,348	-	229,348
Other local sources					35,567	-	35,567
Bonds and loans					471,000	-	471,000
Grants and contributions not restricted to specific programs					2,994	-	2,994
Unrestricted investment earnings					5,715	-	5,715
Transfers					75,000	75,000	150,000
Total general receipts and transfers					1,077,207	75,000	1,152,207
Change in net assets					283,332	338,902	622,234
Net assets - beginning					535,503	721,146	1,256,649
Net assets - ending					\$ 818,835	\$ 1,060,048	\$ 1,878,883
<u>Assets</u>							
Cash and investments					\$ 186,949	\$ 301,783	\$ 488,732
Cash with fiscal agent					-	325,520	325,520
Restricted assets:							
Cash and investments					631,886	432,745	1,064,631
Total assets					\$ 818,835	\$ 1,060,048	\$ 1,878,883
<u>Net Assets</u>							
Restricted for:							
Highways and streets					\$ 130,723	\$ -	\$ 130,723
Economic development					341,634	-	341,634
Debt service					44,349	735,670	780,019
Capital outlay					115,180	-	115,180
Other purposes					-	22,595	22,595
Unrestricted					186,949	301,783	488,732
Total net assets					\$ 818,835	\$ 1,060,048	\$ 1,878,883

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

TOWN OF CLOVERDALE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2007

	General	Motor Vehicle Highway	Redevelopment Capital	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 235,765	\$ -	\$ -	\$ 21,818	\$ 257,583
Licenses and permits	21,947	-	-	1,070	23,017
Intergovernmental	75,645	115,078	-	56,883	247,606
Charges for services	983	4,906	-	1,320	7,209
Fines and forfeits	6	-	-	-	6
Other	2,637	-	3,327	2,746	8,710
Total receipts	336,983	119,984	3,327	83,837	544,131
Disbursements:					
General government	339,601	-	-	15,437	355,038
Public safety	-	-	-	795	795
Highways and streets	-	126,000	-	12,772	138,772
Economic development	-	-	88,645	-	88,645
Culture and recreation	-	-	-	248	248
Debt service:					
Principal	-	-	-	37,000	37,000
Interest	-	-	-	5,513	5,513
Capital outlay:					
General government	9,292	-	-	108,980	118,272
Highways and streets	-	21,682	-	-	21,682
Culture and recreation	-	-	-	1,401	1,401
Total disbursements	348,893	147,682	88,645	182,146	767,366
Deficiency of receipts over disbursements	(11,910)	(27,698)	(85,318)	(98,309)	(223,235)
Other financing sources (uses):					
Bond proceeds	-	-	383,751	87,249	471,000
Transfers in	78,097	-	-	-	78,097
Transfers out	(75,000)	-	-	(3,097)	(78,097)
Other receipts	11,360	-	-	24,207	35,567
Total other financing sources (uses)	14,457	-	383,751	108,359	506,567
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	2,547	(27,698)	298,433	10,050	283,332
Cash and investment fund balance - beginning	123,960	139,935	-	271,608	535,503
Cash and investment fund balance - ending	<u>\$ 126,507</u>	<u>\$ 112,237</u>	<u>\$ 298,433</u>	<u>\$ 281,658</u>	<u>\$ 818,835</u>
<u>Cash and Investment Assets - December 31</u>					
Cash and investments	\$ 126,507	\$ -	\$ -	\$ 60,442	\$ 186,949
Restricted assets:					
Cash and investments	-	112,237	298,433	221,216	631,886
Total cash and investment assets - December 31	<u>\$ 126,507</u>	<u>\$ 112,237</u>	<u>\$ 298,433</u>	<u>\$ 281,658</u>	<u>\$ 818,835</u>
<u>Cash and Investment Fund Balance - December 31</u>					
Restricted for:					
Highways and streets	\$ -	\$ 112,237	\$ -	\$ 18,486	\$ 130,723
Economic development	-	-	298,433	43,201	341,634
Debt service	-	-	-	44,349	44,349
Capital outlay	-	-	-	115,180	115,180
Unrestricted	126,507	-	-	60,442	186,949
Total cash and investment fund balance - December 31	<u>\$ 126,507</u>	<u>\$ 112,237</u>	<u>\$ 298,433</u>	<u>\$ 281,658</u>	<u>\$ 818,835</u>

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

TOWN OF CLOVERDALE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2007

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Metered water receipts:			
Residential	\$ 480,445	\$ 790,077	\$ 1,270,522
Other	36,541	22,502	59,043
Total operating receipts	<u>516,986</u>	<u>812,579</u>	<u>1,329,565</u>
Operating disbursements:			
Salaries and wages	128,419	137,426	265,845
Employee pensions and benefits	13,447	15,453	28,900
Purchased power	32,236	34,211	66,447
Sludge removal	-	29,514	29,514
Chemicals	37,993	13,940	51,933
Material and supplies	32,477	14,971	47,448
Contractual services	26,766	88,371	115,137
Rents	20,400	20,400	40,800
Transportation disbursements	4,648	4,805	9,453
Insurance disbursements	79,783	70,919	150,702
Refunds	8,422	-	8,422
Miscellaneous disbursements	37,987	21,065	59,052
Total operating disbursements	<u>422,578</u>	<u>451,075</u>	<u>873,653</u>
Excess (deficiency) of operating receipts over operating disbursements	<u>94,408</u>	<u>361,504</u>	<u>455,912</u>
Nonoperating disbursements:			
Debt service of principal	(55,000)	-	(55,000)
Interest and investment disbursement	(40,163)	(21,847)	(62,010)
Total nonoperating disbursements	<u>(95,163)</u>	<u>(21,847)</u>	<u>(117,010)</u>
Excess (deficiency) of receipts over disbursements and nonoperating disbursements	(755)	339,657	338,902
Transfers in	170,163	438,117	608,280
Transfers out	(170,163)	(438,117)	(608,280)
Excess (deficiency) of receipts and transfers in over disbursements and transfers out	(755)	339,657	338,902
Cash and investment fund balance - beginning	<u>433,560</u>	<u>287,586</u>	<u>721,146</u>
Cash and investment fund balance - ending	<u>\$ 432,805</u>	<u>\$ 627,243</u>	<u>\$ 1,060,048</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 109,371	\$ 192,412	\$ 301,783
Cash with fiscal agent	-	325,520	325,520
Restricted assets:			
Cash and investments	323,434	109,311	432,745
Total cash and investment assets - December 31	<u>\$ 432,805</u>	<u>\$ 627,243</u>	<u>\$ 1,060,048</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 303,695	\$ 431,975	\$ 735,670
Other purposes	19,739	2,856	22,595
Unrestricted	109,371	192,412	301,783
Total cash and investment fund balance - December 31	<u>\$ 432,805</u>	<u>\$ 627,243</u>	<u>\$ 1,060,048</u>

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

TOWN OF CLOVERDALE
 STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
 FIDUCIARY FUND
 For The Year Ended December 31, 2007

	<u>Agency Fund Payroll Withholding</u>
Agency fund additions	\$ 132,538
Agency fund deductions	<u>131,245</u>
Excess of additions over deductions	1,293
Cash and investment fund balance - beginning	<u>4,666</u>
Cash and investment fund balance - ending	<u><u>\$ 5,959</u></u>

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

TOWN OF CLOVERDALE
STATEMENT OF ACTIVITIES AND NET ASSETS - CASH AND INVESTMENT BASIS
For The Year Ended December 31, 2008

Functions/Programs	Program Receipts				Net (Disbursement) Receipt and Changes in Net Assets		
	Disbursements	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Totals
					Governmental Activities	Business-Type Activities	
Primary government:							
Governmental activities:							
General government	\$ 393,594	\$ 4,645	\$ -	\$ -	\$ (388,949)	\$ -	\$ (388,949)
Public safety	3,877	3,247	-	-	(630)	-	(630)
Highways and streets	123,631	-	60,528	11,896	(51,207)	-	(51,207)
Health and welfare	-	218	-	-	218	-	218
Economic development	267,895	-	-	-	(267,895)	-	(267,895)
Interest on long-term debt	168,220	-	-	-	(168,220)	-	(168,220)
Total governmental activities	957,217	8,110	60,528	11,896	(876,683)	-	(876,683)
Business-type activities:							
Water	674,176	520,357	-	-	-	(153,819)	(153,819)
Wastewater	1,054,081	878,822	-	-	-	(175,259)	(175,259)
Total business-type activities	1,728,257	1,399,179	-	-	-	(329,078)	(329,078)
Total primary government	\$ 2,685,474	\$ 1,407,289	\$ 60,528	\$ 11,896	(876,683)	(329,078)	(1,205,761)
General receipts:							
Property taxes					12,989	-	12,989
Intergovernmental					249,378	-	249,378
Other local sources					144,285	-	144,285
Grants and contributions not restricted to specific programs					4,447	-	4,447
Unrestricted investment earnings					7,005	-	7,005
Total general receipts					418,104	-	418,104
Change in net assets					(458,579)	(329,078)	(787,657)
Net assets - beginning					818,835	1,060,048	1,878,883
Net assets - ending					\$ 360,256	\$ 730,970	\$ 1,091,226
<u>Assets</u>							
Cash and investments					\$ 89,994	\$ 178,945	\$ 268,939
Cash with fiscal agent					-	209,546	209,546
Restricted assets:							
Cash and investments					270,262	342,479	612,741
Total assets					\$ 360,256	\$ 730,970	\$ 1,091,226
<u>Net Assets</u>							
Restricted for:							
Highways and streets					\$ 112,800	\$ -	\$ 112,800
Economic development					40,726	-	40,726
Debt service					80,298	-	80,298
Capital outlay					36,438	528,670	565,108
Other purposes					-	23,355	23,355
Unrestricted					89,994	178,945	268,939
Total net assets					\$ 360,256	\$ 730,970	\$ 1,091,226

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

TOWN OF CLOVERDALE
STATEMENT OF ASSETS AND FUND BALANCES AND RECEIPTS,
DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
GOVERNMENTAL FUNDS
For The Year Ended December 31, 2008

	General	Motor Vehicle Highway	Redevelopment Capital	Other Governmental Funds	Totals
Receipts:					
Taxes	\$ 11,893	\$ -	\$ -	\$ 1,096	\$ 12,989
Licenses and permits	2,540	-	-	-	2,540
Intergovernmental	129,019	92,822	-	99,961	321,802
Charges for services	3,995	-	-	1,575	5,570
Fines and forfeits	140,000	-	-	-	140,000
Other	3,684	989	4,911	4,803	14,387
Total receipts	291,131	93,811	4,911	107,435	497,288
Disbursements:					
General government	380,148	-	-	2,369	382,517
Public safety	-	-	-	3,877	3,877
Highways and streets	-	96,302	-	-	96,302
Economic development	-	-	7,526	500	8,026
Debt service:					
Principal	14,097	-	-	97,333	111,430
Interest	9,399	-	-	47,391	56,790
Capital outlay:					
General government	1,752	-	-	9,325	11,077
Highways and streets	-	-	-	27,329	27,329
Economic development	-	-	259,869	-	259,869
Total disbursements	405,396	96,302	267,395	188,124	957,217
Deficiency of receipts over disbursements	(114,265)	(2,491)	(262,484)	(80,689)	(459,929)
Other financing sources (uses):					
Transfers in	7,930	-	-	1,606	9,536
Transfers out	(1,606)	-	-	(7,930)	(9,536)
Other receipts	-	-	-	1,350	1,350
Total other financing sources (uses)	6,324	-	-	(4,974)	1,350
Deficiency of receipts and other financing sources over disbursements and other financing uses	(107,941)	(2,491)	(262,484)	(85,663)	(458,579)
Cash and investment fund balance - beginning	126,507	112,237	298,433	281,658	818,835
Cash and investment fund balance - ending	<u>\$ 18,566</u>	<u>\$ 109,746</u>	<u>\$ 35,949</u>	<u>\$ 195,995</u>	<u>\$ 360,256</u>
Cash and Investment Assets - December 31					
Cash and investments	\$ 18,566	\$ -	\$ -	\$ 71,428	\$ 89,994
Restricted assets:					
Cash and investments	-	109,746	35,949	124,567	270,262
Total cash and investment assets - December 31	<u>\$ 18,566</u>	<u>\$ 109,746</u>	<u>\$ 35,949</u>	<u>\$ 195,995</u>	<u>\$ 360,256</u>
Cash and Investment Fund Balance - December 31					
Restricted for:					
Highways and streets	\$ -	\$ 109,746	\$ -	\$ 3,054	\$ 112,800
Economic development	-	-	-	40,726	40,726
Debt service	-	-	35,949	44,349	80,298
Capital outlay	-	-	-	36,438	36,438
Unrestricted	18,566	-	-	71,428	89,994
Total cash and investment fund balance - December 31	<u>\$ 18,566</u>	<u>\$ 109,746</u>	<u>\$ 35,949</u>	<u>\$ 195,995</u>	<u>\$ 360,256</u>

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

TOWN OF CLOVERDALE
STATEMENT OF ASSETS AND FUND BALANCES AND
RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
PROPRIETARY FUNDS
As of and for the Year Ended December 31, 2008

	Water Utility	Wastewater Utility	Totals
Operating receipts:			
Metered water receipts:			
Residential	\$ 486,159	\$ 840,675	\$ 1,326,834
Fees	17,205	17,800	35,005
Other	16,993	20,347	37,340
	<u>520,357</u>	<u>878,822</u>	<u>1,399,179</u>
Total operating receipts			
Operating disbursements:			
Equipment and capital improvements	13,383	52,317	65,700
Administration and general	456,049	454,797	910,846
Material and supplies	368	-	368
Contractual services	661	4,392	5,053
Interfund loans made/repaid	70,000	70,000	140,000
Refunds	9,340	-	9,340
Miscellaneous disbursements	11,700	606	12,306
	<u>561,501</u>	<u>582,112</u>	<u>1,143,613</u>
Total operating disbursements			
Excess (deficiency) of operating receipts over operating disbursements	<u>(41,144)</u>	<u>296,710</u>	<u>255,566</u>
Nonoperating disbursements:			
Debt service of principal	(66,333)	(269,333)	(335,666)
Interest and investment disbursement	(46,342)	(201,656)	(247,998)
Miscellaneous disbursements	-	(980)	(980)
	<u>(112,675)</u>	<u>(471,969)</u>	<u>(584,644)</u>
Total nonoperating disbursements			
Deficiency of receipts over disbursements and nonoperating disbursements	(153,819)	(175,259)	(329,078)
Transfers in	173,902	407,854	581,756
Transfers out	<u>(173,902)</u>	<u>(407,854)</u>	<u>(581,756)</u>
Deficiency of receipts and transfers in over disbursements and transfers out	(153,819)	(175,259)	(329,078)
Cash and investment fund balance - beginning	<u>432,805</u>	<u>627,243</u>	<u>1,060,048</u>
Cash and investment fund balance - ending	<u>\$ 278,986</u>	<u>\$ 451,984</u>	<u>\$ 730,970</u>
<u>Cash and Investment Assets - December 31</u>			
Cash and investments	\$ 36,784	\$ 142,161	\$ 178,945
Cash with fiscal agent	-	209,546	209,546
Restricted assets:			
Cash and investments	<u>242,202</u>	<u>100,277</u>	<u>342,479</u>
Total cash and investment assets - December 31	<u>\$ 278,986</u>	<u>\$ 451,984</u>	<u>\$ 730,970</u>
<u>Cash and Investment Fund Balance - December 31</u>			
Restricted for:			
Debt service	\$ 221,703	\$ 306,967	\$ 528,670
Other purposes	20,499	2,856	23,355
Unrestricted	<u>36,784</u>	<u>142,161</u>	<u>178,945</u>
Total cash and investment fund balance - December 31	<u>\$ 278,986</u>	<u>\$ 451,984</u>	<u>\$ 730,970</u>

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

TOWN OF CLOVERDALE
STATEMENT OF ADDITIONS, DEDUCTIONS, AND CHANGES IN CASH AND INVESTMENT BALANCES
FIDUCIARY FUND
For The Year Ended December 31, 2008

		<u>Agency Fund Payroll Withholding</u>
Agency fund additions	\$	123,967
Agency fund deductions		<u>126,047</u>
Deficiency of additions over deductions		(2,080)
Cash and investment fund balance - beginning		<u>5,959</u>
Cash and investment fund balance - ending	\$	<u><u>3,879</u></u>

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

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS

I. 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 the following services: public safety, highways and streets, health and social services, culture and recreation, planning and zoning, general administrative services, water, and wastewater.

The Town's financial reporting entity is composed of the following:

Primary Government: Town Of Cloverdale

In determining the financial reporting entity, the Town complies with the provisions of GASB Statement No. 14, *The Financial Reporting Entity*.

Related Organizations

The Town's officials are also responsible for appointing the members of the boards of other organizations, but the Town's accountability for these organizations does not extend beyond making the appointments. The Town appoints the board members of the Cloverdale Park Board and the Cloverdale Redevelopment Commission.

B. Government-Wide and Fund Financial Statements

Government-Wide Financial Statements

The Statement of Activities and Net Assets – Cash and Investment Basis displays information about the reporting government as a whole. It includes all funds of the reporting entity except for fiduciary funds. The statement distinguishes between governmental and business-type activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts that constitutes its assets, fund equity, receipts, and disbursements. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The Town reports the following major governmental funds:

The general fund is the primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The motor vehicle highway fund is primarily used for the construction and maintenance of streets and alleys.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

The redevelopment capital fund is primary used to promote new development in the Town.

The Town reports the following major proprietary funds:

The water utility fund accounts for the operation of the water distribution system.

The wastewater utility fund accounts for the operation of the wastewater treatment plant, pumping stations, and collection systems.

Additionally, the Town reports the following fund types:

Agency funds account for assets held by the Town as an agent for payroll deductions.

C. Measurement Focus and Basis of Accounting

The government-wide, governmental fund, proprietary fund, and fiduciary fund financial statements are reported using the basis of accounting that demonstrates compliance with the cash and investment basis and budget laws of the State of Indiana, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

The cash and investment 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. Investment transactions are not presented on the financial statements.

If the Town utilized the basis of accounting recognized as generally accepted, the fund financial statements for governmental funds would use the modified accrual basis of accounting, while the fund financial statements for proprietary fund types would use the accrual basis of accounting. All government-wide financials would be presented on the accrual basis of accounting.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the enterprise fund statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their enterprise funds, subject to this same limitation. The Town has elected not to follow subsequent private-sector guidance.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Enterprise funds distinguish operating receipts and disbursements from nonoperating items. Operating receipts and disbursements generally result from providing services and producing and delivering goods in connection with an enterprise fund's principal ongoing operations. The principal operating receipts of the enterprise funds are charges to customers for sales and services. Operating disbursements for enterprise funds include the cost of sales and services and administrative costs. All receipts and disbursements not meeting this definition are reported as nonoperating receipts and disbursements. Internal service funds are used to account for activities provided to other departments or agencies primarily with the government. The Town does not have any internal service funds.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

D. Assets and Cash and Investment Balances

1. Cash and Investments

Investments are stated at cost. Any changes in fair value of the investments are reported as interest receipts in the year of the sale of the investment.

2. Property Taxes

Property taxes levied are collected by the County Treasurer and are distributed to the Town in June and in December. State statute (Indiana Code 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's March 1 (lien date) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100% 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 become delinquent if not paid by May 10 and November 10, respectively.

3. Capital Assets

Capital assets arising from cash transactions acquired for use in governmental or proprietary fund operations are accounted for as capital outlay disbursements of the fund upon acquisition.

4. Long-Term Debt

Long-term debt arising from cash basis transactions of governmental and proprietary funds is not reported as liabilities in the basic financial statements. The debt proceeds are reported as other financing sources and payment of principal and interest reported as disbursements.

5. Equity Classification

Government-Wide Statements

Equity is classified as net assets and displayed in two components:

- a. Restricted net assets – Consists of net assets with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws and regulations of other governments, or (2) law through constitutional provisions or enabling legislation.
- b. Unrestricted net assets – All other net assets that do not meet the definition of "restricted."

It is the Town's policy to first use restricted net assets prior to the use of unrestricted net assets when a disbursement is incurred for purposes for which both restricted and unrestricted net assets are available.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Fund Financial Statements

Governmental fund equity is classified as fund balance. Proprietary fund equity is classified the same as in the government-wide statements.

E. Receipts and Disbursements

1. Program Receipts

Amounts reported as program receipts include (1) charges to customers or applicants for goods, services, or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general receipts rather than as program receipts. Likewise, general receipts include all taxes.

2. Operating Receipts and Disbursements

Operating receipts and disbursements for proprietary funds result from providing services and producing and delivering goods and/or services. They also include all receipts and disbursements not related to capital and related financing, noncapital financing, or investing activities.

F. Internal and Interfund Balances and Activities

In the process of aggregating the financial information for the government-wide Statement of Activities and Net Assets – Cash and Investment Basis, some amounts reported as interfund activity and balances in the fund financial statements have been eliminated or reclassified.

Fund Financial Statements

1. Interfund services – Sales or purchases of goods and services between funds are reported as receipts and disbursements.
2. Interfund reimbursements – Repayments from funds responsible for certain disbursements to the funds that initially paid for them are not reported as reimbursements but as adjustments to disbursements in the respective funds.
3. Interfund transfers – Flow of assets from one fund to another where repayment is not expected is reported as transfers in and out.

Government-Wide Financial Statements

Interfund activity and balances, if any, are eliminated or reclassified in the government-wide financial statements as follows:

Internal activities – Amounts reported as interfund transfers in the fund financial statements are eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis except for the net amount of transfers between governmental and

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

business-type activities, which are reported as Transfers – Internal Activities. The effects of interfund services between funds, if any, are not eliminated in the government-wide Statement of Activities and Net Assets – Cash and Investment Basis.

II. Stewardship, Compliance and Accountability

Budgetary Information

Annual budgets are adopted on the cash basis, which is not consistent with accounting principles generally accepted in the United States of America. All annual appropriations lapse at calendar year end.

Prior to the first required publication, the fiscal officer of the Town submits to the governing board a proposed operating budget for the year commencing the following January 1. Prior to adoption, the budget is advertised and public hearings are conducted by the governing board to obtain taxpayer comments. In September of each year, the governing board, through the passage of a resolution/ ordinance, approves the budget for the next year. Copies of the budget resolution/ordinance and the advertisement for funds for which property taxes are levied or highway use taxes are received are sent to the Indiana Department of Local Government Finance. The budget becomes legally enacted after the fiscal officer of the Town receives approval of the Indiana Department of Local Government Finance.

The Town's management cannot transfer budgeted appropriations between object classifications of a budget without approval of the governing board. The Indiana Department of Local Government Finance must approve any revisions to the appropriations for any fund or any department of the General Fund. The legal level of budgetary control is by object and department within the fund for the General Fund and by object within the fund for all other budgeted funds.

III. Detailed Notes on All Funds

A. Deposits and Investments

Deposits

Custodial credit risk is the risk that in the event of a bank failure, the government's deposits may not be returned to it. Indiana Code 5-13-8-1 allows a political subdivision of the State of Indiana to deposit public funds in a financial institution only if the financial institution is a depository eligible to receive state funds and has a principal office or branch that qualifies to receive public funds of the political subdivision. The bank balances were insured by the Federal Deposit Insurance Corporation or the Public Deposit Insurance Fund, which covers all public funds held in approved depositories.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

B. Interfund Transfers

Interfund transfers for the years ended December 31, 2007 and 2008, were as follows:

<u>Transfer From</u>	<u>Transfer To</u>	<u>2007</u>	<u>2008</u>
General Fund	Other governmental funds	\$ -	\$ 1,606
Other governmental funds	General Fund	3,097	7,930
Water Depreciation	General Fund	75,000	-
General Fund	Water Depreciation	75,000	-
		<u>153,097</u>	<u>9,536</u>
Totals		<u>\$ 153,097</u>	<u>\$ 9,536</u>

The Town typically uses transfers for cash flow purposes as provided by various statutory provisions.

IV. Other Information

A. Risk Management

The Town is 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; and natural disasters.

The risks of torts; theft of, damage to, and destruction of assets; errors and omissions; job related illnesses or injuries to employees; and natural disasters are covered by commercial insurance from independent third parties. Settled claims from these risks have not exceeded commercial insurance coverage for the past four years. There were no significant reductions in insurance by major category of risk.

B. Rate Structure – Enterprise Funds

Water Utility

On October 12, 1992, the Town Council adopted Ordinance No. 1992-3 to withdraw from the jurisdiction of the Indiana Utility Regulatory Commission. The current rate structure was approved by the Council on February 10, 2009.

Wastewater Utility

The current rate structure was approved by the Town Council on December 28, 2006.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

C. Pension Plan

Agent Multiple-Employer Defined Benefit Pension Plan

Public Employees' Retirement Fund

Plan Description

The Town contributes to the Indiana Public Employees' Retirement Fund (PERF), a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in the defined benefit plan. State statutes (Indiana Code 5-10.2 and 5-10.3) govern, through the PERF 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 member's contributions, set by state statute at 3% of compensation, plus the interest credited to the member's account. The employer may elect to make the contributions on behalf of the member.

PERF 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. The report may be obtained by contacting:

Public Employees' Retirement Fund
Harrison Building, Room 800
143 West Market Street
Indianapolis, IN 46204
Ph. (317) 233-4162

Funding Policy and Annual Pension Cost

The contribution requirements of plan members for PERF are established by the Board of Trustees of PERF. The Town's annual pension cost and related information, as provided by the actuary, is presented in this note.

Information to segregate the assets/liabilities and the actuarial study figures between the Town and the Utilities is not available.

TOWN OF CLOVERDALE
NOTES TO FINANCIAL STATEMENTS
(Continued)

Actuarial Information for the Above Plan

	PERF
Annual required contribution	\$ 15,634
Interest on net pension obligation	(1,628)
Adjustment to annual required contribution	1,855
Annual pension cost	15,861
Contributions made	18,055
Decrease in net pension obligation	(2,194)
Net pension obligation, beginning of year	(22,458)
Net pension obligation, end of year	\$ (24,652)

	PERF
Contribution rates:	
Town	5.25%
Plan members	3%
Actuarial valuation date	07-01-07
Actuarial cost method	Entry age
Amortization method	Level percentage of projected payroll, closed
Amortization period	30 years
Amortization period (from date)	07-01-97
Asset valuation method	75% of expected actuarial value plus 25% of market value

<u>Actuarial Assumptions</u>	PERF
Investment rate of return	7.25%
Projected future salary increases:	
Total	5%
Attributed to inflation	4%
Attributed to merit/seniority	1%
Cost-of-living adjustments	2%

Three Year Trend Information

	Year Ending	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
PERF	06-30-05	\$ 16,392	77%	\$ (20,224)
	06-30-06	13,575	116%	(22,458)
	06-30-07	15,861	114%	(24,652)

TOWN OF CLOVERDALE
 REQUIRED SUPPLEMENTARY INFORMATION
 SCHEDULE OF FUNDING PROGRESS

Public Employees' Retirement Fund

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Excess of Assets Over AAL (a-b)	Funded Ratio (a/b)	Covered Payroll (c)	Excess AAL as a Percentage of Covered Payroll ((a-b)/c)
07-01-05	\$ 297,605	\$ 286,199	\$ 11,406	104%	\$ 286,485	4%
07-01-06	367,602	305,290	62,312	120%	352,808	18%
07-01-07	423,165	333,572	89,593	127%	334,939	27%

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2007

	Local Road And Street	Law Enforcement Continuing Ed	Riverboat	Park Donation	Rainy Day	D.A.R.E.
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	1,070	-	-	-	-
Intergovernmental	12,642	-	14,144	-	345	-
Charges for services	-	295	-	-	-	-
Other	-	-	-	178	-	-
Total receipts	<u>12,642</u>	<u>1,365</u>	<u>14,144</u>	<u>178</u>	<u>345</u>	<u>-</u>
Disbursements:						
General government	-	-	-	-	12,600	-
Public safety	-	541	-	-	-	-
Highways and streets	12,772	-	-	-	-	-
Culture and recreation	-	-	-	248	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	1,401	-	-
Total disbursements	<u>12,772</u>	<u>541</u>	<u>-</u>	<u>1,649</u>	<u>12,600</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(130)</u>	<u>824</u>	<u>14,144</u>	<u>(1,471)</u>	<u>(12,255)</u>	<u>-</u>
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	<u>(130)</u>	<u>824</u>	<u>14,144</u>	<u>(1,471)</u>	<u>(12,255)</u>	<u>-</u>
Cash and investment fund balance - beginning	<u>18,616</u>	<u>2,018</u>	<u>28,258</u>	<u>1,544</u>	<u>20,785</u>	<u>1,601</u>
Cash and investment fund balance - ending	<u>\$ 18,486</u>	<u>\$ 2,842</u>	<u>\$ 42,402</u>	<u>\$ 73</u>	<u>\$ 8,530</u>	<u>\$ 1,601</u>
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ -	\$ 2,842	\$ 42,402	\$ 73	\$ 8,530	\$ 1,601
Restricted assets:						
Cash and investments	<u>18,486</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total cash and investment assets - ending	<u>\$ 18,486</u>	<u>\$ 2,842</u>	<u>\$ 42,402</u>	<u>\$ 73</u>	<u>\$ 8,530</u>	<u>\$ 1,601</u>
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Highways and streets	\$ 18,486	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	<u>-</u>	<u>2,842</u>	<u>42,402</u>	<u>73</u>	<u>8,530</u>	<u>1,601</u>
Total cash and investment fund balance - ending	<u>\$ 18,486</u>	<u>\$ 2,842</u>	<u>\$ 42,402</u>	<u>\$ 73</u>	<u>\$ 8,530</u>	<u>\$ 1,601</u>

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2007
 (Continued)

	Cops Grant-Justice Program	CVFD Donation	Police Donation	DWI Grant	Cloverdale Canine Donation	Main Street Tree Planting Grant
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	2,411	-	-	-
Total receipts	-	-	2,411	-	-	-
Disbursements:						
General government	-	-	2,332	-	242	-
Public safety	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	-	2,332	-	242	-
Excess (deficiency) of receipts over disbursements	-	-	79	-	(242)	-
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	-	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	-	79	-	(242)	-
Cash and investment fund balance - beginning	14	128	215	300	242	1
Cash and investment fund balance - ending	\$ 14	\$ 128	\$ 294	\$ 300	\$ -	\$ 1
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 14	\$ 128	\$ 294	\$ 300	\$ -	\$ 1
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 14	\$ 128	\$ 294	\$ 300	\$ -	\$ 1
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	14	128	294	300	-	1
Total cash and investment fund balance - ending	\$ 14	\$ 128	\$ 294	\$ 300	\$ -	\$ 1

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2007
 (Continued)

	Tea Grant	Criminal Investigation	Law Enforcement Block Grant	CVFD Incident Receipts	Redevelopment Capitalization Int Subaccount	Redevelopment Debt Reserve Account
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	1,025	-	-
Other	-	-	1	-	-	-
Total receipts	-	-	1	1,025	-	-
Disbursements:						
General government	-	263	-	-	-	-
Public safety	-	-	254	-	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	1,189	-	-	-	-
Culture and recreation	-	-	-	-	-	-
Total disbursements	-	1,452	254	-	-	-
Excess (deficiency) of receipts over disbursements	-	(1,452)	(253)	1,025	-	-
Other financing sources (uses):						
Net proceeds from borrowings	-	-	-	-	43,201	44,048
Transfers out	-	-	-	-	-	-
Other receipts	-	1,207	-	-	-	-
Total other financing sources (uses)	-	1,207	-	-	43,201	44,048
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	(245)	(253)	1,025	43,201	44,048
Cash and investment fund balance - beginning	80	1,699	253	1,698	-	-
Cash and investment fund balance - ending	\$ 80	\$ 1,454	\$ -	\$ 2,723	\$ 43,201	\$ 44,048
<u>Cash and Investment Assets - Ending</u>						
Cash and investments	\$ 80	\$ 1,454	\$ -	\$ 2,723	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	43,201	44,048
Total cash and investment assets - ending	\$ 80	\$ 1,454	\$ -	\$ 2,723	\$ 43,201	\$ 44,048
<u>Cash and Investment Fund Balance - Ending</u>						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	43,201	-
Debt service	-	-	-	-	-	44,048
Capital outlay	-	-	-	-	-	-
Unrestricted	80	1,454	-	2,723	-	-
Total cash and investment fund balance - ending	\$ 80	\$ 1,454	\$ -	\$ 2,723	\$ 43,201	\$ 44,048

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2007
 (Continued)

	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	CEDIT Capital Projects	CEDIT Debt Service	Totals
Receipts:					
Taxes	\$ -	\$ 21,818	\$ -	\$ -	\$ 21,818
Licenses and permits	-	-	-	-	1,070
Intergovernmental	7,878	2,791	19,083	-	56,883
Charges for services	-	-	-	-	1,320
Other	156	-	-	-	2,746
Total receipts	8,034	24,609	19,083	-	83,837
Disbursements:					
General government	-	-	-	-	15,437
Public safety	-	-	-	-	795
Highways and streets	-	-	-	-	12,772
Culture and recreation	-	-	-	-	248
Debt service:					
Principal	-	-	37,000	-	37,000
Interest	-	-	5,513	-	5,513
Capital outlay:					
General government	-	107,791	-	-	108,980
Culture and recreation	-	-	-	-	1,401
Total disbursements	-	107,791	42,513	-	182,146
Excess (deficiency) of receipts over disbursements	8,034	(83,182)	(23,430)	-	(98,309)
Other financing sources (uses):					
Net proceeds from borrowings	-	-	-	-	87,249
Transfers out	(3,097)	-	-	-	(3,097)
Other receipts	-	-	23,000	-	24,207
Total other financing sources (uses)	(3,097)	-	23,000	-	108,359
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	4,937	(83,182)	(430)	-	10,050
Cash and investment fund balance - beginning	9,301	107,791	76,763	301	271,608
Cash and investment fund balance - ending	\$ 14,238	\$ 24,609	\$ 76,333	\$ 301	\$ 281,658
<u>Cash and Investment Assets - Ending</u>					
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ 60,442
Restricted assets:					
Cash and investments	14,238	24,609	76,333	301	221,216
Total cash and investment assets - ending	\$ 14,238	\$ 24,609	\$ 76,333	\$ 301	\$ 281,658
<u>Cash and Investment Fund Balance - Ending</u>					
Restricted for:					
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ 18,486
Economic development	-	-	-	-	43,201
Debt service	-	-	-	301	44,349
Capital outlay	14,238	24,609	76,333	-	115,180
Unrestricted	-	-	-	-	60,442
Total cash and investment fund balance - ending	\$ 14,238	\$ 24,609	\$ 76,333	\$ 301	\$ 281,658

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For The Year Ended December 31, 2008

	Local Road And Street	Law Enforcement Continuing Ed	Unsafe Building	Riverboat	Park Donation	Rainy Day
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	11,897	-	-	14,070	-	9,461
Charges for services	-	1,575	-	-	-	-
Other	-	-	512	-	145	-
Total receipts	11,897	1,575	512	14,070	145	9,461
Disbursements:						
General government	-	-	-	2,270	-	-
Public safety	-	1,400	133	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	9,325	-	-
Highways and streets	27,329	-	-	-	-	-
Total disbursements	27,329	1,400	133	11,595	-	-
Excess (deficiency) of receipts over disbursements	(15,432)	175	379	2,475	145	9,461
Other financing sources (uses):						
Transfers in	-	5	-	-	-	-
Transfers out	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	5	-	-	-	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(15,432)	180	379	2,475	145	9,461
Cash and investment fund balance - beginning	18,486	2,842	-	42,402	73	8,530
Cash and investment fund balance - ending	<u>\$ 3,054</u>	<u>\$ 3,022</u>	<u>\$ 379</u>	<u>\$ 44,877</u>	<u>\$ 218</u>	<u>\$ 17,991</u>
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 3,022	\$ 379	\$ 44,877	\$ 218	\$ 17,991
Restricted assets:						
Cash and investments	3,054	-	-	-	-	-
Total cash and investment assets - ending	<u>\$ 3,054</u>	<u>\$ 3,022</u>	<u>\$ 379</u>	<u>\$ 44,877</u>	<u>\$ 218</u>	<u>\$ 17,991</u>
Cash and Investment Fund Balance - Ending						
Restricted for:						
Highways and streets	\$ 3,054	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	3,022	379	44,877	218	17,991
Total cash and investment fund balance - ending	<u>\$ 3,054</u>	<u>\$ 3,022</u>	<u>\$ 379</u>	<u>\$ 44,877</u>	<u>\$ 218</u>	<u>\$ 17,991</u>

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2008
 (Continued)

	D.A.R.E.	Cops Grant Justice Program	CVFD Donations	Police Donation	DWI Grant	Cloverdale Police Reserves
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	-	-	-	1,015	-	2,775
Total receipts	-	-	-	1,015	-	2,775
Disbursements:						
General government	-	-	-	-	-	-
Public safety	-	-	-	-	-	2,344
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	-
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	-	-	-	-	-	2,344
Excess (deficiency) of receipts over disbursements	-	-	-	1,015	-	431
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,601
Transfers out	(1,601)	-	(128)	-	(300)	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	(1,601)	-	(128)	-	(300)	1,601
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	(1,601)	-	(128)	1,015	(300)	2,032
Cash and investment fund balance - beginning	1,601	14	128	294	300	-
Cash and investment fund balance - ending	\$ -	\$ 14	\$ -	\$ 1,309	\$ -	\$ 2,032
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ 14	\$ -	\$ 1,309	\$ -	\$ 2,032
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ -	\$ 14	\$ -	\$ 1,309	\$ -	\$ 2,032
Cash and Investment Fund Balance - Ending						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	-	14	-	1,309	-	2,032
Total cash and investment fund balance - ending	\$ -	\$ 14	\$ -	\$ 1,309	\$ -	\$ 2,032

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2008
 (Continued)

	Visa Transaction Account	Main Street Tree Planting Grant	Tea Grant	Criminal Investigation	Cv Incident Receipts	Redevelopment Capitalized Int Subaccount
Receipts:						
Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Other	231	-	-	-	-	-
Total receipts	231	-	-	-	-	-
Disbursements:						
General government	99	-	-	-	-	-
Public safety	-	-	-	-	-	-
Economic development	-	-	-	-	-	-
Debt service:						
Principal	-	-	-	-	-	-
Interest	-	-	-	-	-	43,201
Capital outlay:						
General government	-	-	-	-	-	-
Highways and streets	-	-	-	-	-	-
Total disbursements	99	-	-	-	-	43,201
Excess (deficiency) of receipts over disbursements	132	-	-	-	-	(43,201)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	-
Transfers out	-	(1)	(80)	-	(2,723)	-
Other receipts	-	-	-	-	-	-
Total other financing sources (uses)	-	(1)	(80)	-	(2,723)	-
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	132	(1)	(80)	-	(2,723)	(43,201)
Cash and investment fund balance - beginning	-	1	80	1,454	2,723	43,201
Cash and investment fund balance - ending	\$ 132	\$ -	\$ -	\$ 1,454	\$ -	\$ -
Cash and Investment Assets - Ending						
Cash and investments	\$ 132	\$ -	\$ -	\$ 1,454	\$ -	\$ -
Restricted assets:						
Cash and investments	-	-	-	-	-	-
Total cash and investment assets - ending	\$ 132	\$ -	\$ -	\$ 1,454	\$ -	\$ -
Cash and Investment Fund Balance - Ending						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Economic development	-	-	-	-	-	-
Debt service	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Unrestricted	132	-	-	1,454	-	-
Total cash and investment fund balance - ending	\$ 132	\$ -	\$ -	\$ 1,454	\$ -	\$ -

TOWN OF CLOVERDALE
 COMBINING SCHEDULE OF ASSETS AND FUND BALANCES AND
 RECEIPTS, DISBURSEMENTS, AND CHANGES IN FUND BALANCES - CASH AND INVESTMENT BASIS
 OTHER GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2008
 (Continued)

	Redevelopment Debt Reserve Account	Cumulative Capl Imprv Cigarette Tax	Cumulative Capital Development	CEDIT Capital Projects	CEDIT Debt Service	Totals
Receipts:						
Taxes	\$ -	\$ -	\$ 1,096	\$ -	\$ -	\$ 1,096
Intergovernmental	-	7,294	1,463	55,776	-	99,961
Charges for services	-	-	-	-	-	1,575
Other	-	125	-	-	-	4,803
Total receipts	-	7,419	2,559	55,776	-	107,435
Disbursements:						
General government	-	-	-	-	-	2,369
Public safety	-	-	-	-	-	3,877
Economic development	-	-	-	500	-	500
Debt service:						
Principal	-	-	8,333	89,000	-	97,333
Interest	-	-	957	3,233	-	47,391
Capital outlay:						
General government	-	-	-	-	-	9,325
Highways and streets	-	-	-	-	-	27,329
Total disbursements	-	-	9,290	92,733	-	188,124
Excess (deficiency) of receipts over disbursements	-	7,419	(6,731)	(36,957)	-	(43,732)
Other financing sources (uses):						
Transfers in	-	-	-	-	-	1,606
Transfers out	-	(3,097)	-	-	-	(7,930)
Other receipts	-	-	-	1,350	-	1,350
Total other financing sources (uses)	-	(3,097)	-	1,350	-	(4,974)
Excess (deficiency) of receipts and other financing sources over disbursements and other financing uses	-	4,322	(6,731)	(35,607)	-	(85,663)
Cash and investment fund balance - beginning	44,048	14,238	24,609	76,333	301	281,658
Cash and investment fund balance - ending	\$ 44,048	\$ 18,560	\$ 17,878	\$ 40,726	\$ 301	\$ 195,995
Cash and Investment Assets - Ending						
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 71,428
Restricted assets:						
Cash and investments	44,048	18,560	17,878	40,726	301	124,567
Total cash and investment assets - ending	\$ 44,048	\$ 18,560	\$ 17,878	\$ 40,726	\$ 301	\$ 195,995
Cash and Investment Fund Balance - Ending						
Restricted for:						
Highways and streets	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,054
Economic development	-	-	-	40,726	-	40,726
Debt service	44,048	-	-	-	301	44,349
Capital outlay	-	18,560	17,878	-	-	36,438
Unrestricted	-	-	-	-	-	71,428
Total cash and investment fund balance - ending	\$ 44,048	\$ 18,560	\$ 17,878	\$ 40,726	\$ 301	\$ 195,995

TOWN OF CLOVERDALE
154 SOUTH MAIN STREET
P. O. BOX 222
CLOVERDALE, INDIANA 46120

TRUSTEES

Don Sublett, President
Stephen Caulkins, Vice-President
Glen Vickroy, Member
Terry Puffer, Member
Dennis Padgett, Member

CLERK/TREASURER

Patti Truax

TOWN OF CLOVERDALE
SUPPLEMENTARY INFORMATION
SCHEDULE OF CAPITAL ASSETS

For The Year Ended December 31, 2008

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.

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 37,896
Infrastructure	282,469
Buildings	100,680
Improvements other than buildings	266,539
Machinery and equipment	571,576
Construction in progress	<u>-</u>
 Total governmental activities, capital assets not being depreciated	 <u>\$ 1,259,159</u>

<u>Primary Government</u>	<u>Ending Balance</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 44,943
Construction in progress	8,000
Buildings	9,938
Improvements other than buildings	3,136,643
Machinery and equipment	<u>507,783</u>
 Total Water Utility capital assets	 <u>3,707,308</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	-
Construction in progress	-
Buildings	1,587,480
Improvements other than buildings	2,436,256
Machinery and equipment	<u>1,587,123</u>
 Total Wastewater Utility capital assets	 <u>5,610,859</u>
 Total business-type activities capital assets	 <u>\$ 9,318,166</u>

TOWN OF CLOVERDALE
154 SOUTH MAIN STREET
P. O. BOX 222
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CLERK/TREASURER

Patti Truax

TOWN OF CLOVERDALE
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2008

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental Activities:		
Capital leases:		
Building	\$ 476,000	\$ 61,200
Bonds payable:		
Revenue bonds:		
Redevelopment District Tax Increment Financing	471,000	43,420
Total governmental activities debt	\$ 947,000	\$ 104,620
Business-type Activities:		
Water Utility		
Revenue bonds:		
Waterworks 1998	655,000	90,831
Wastewater Utility		
Revenue bonds:		
Wastewater 2003	1,037,000	-
Wastewater 2006	2,020,000	-
Wastewater 2007	696,000	-
Total Wastewater Utility	3,753,000	-
Total business-type activities debt:	\$ 4,408,000	\$ 90,831

TOWN OF CLOVERDALE
AUDIT RESULT AND COMMENT

OFFICIAL BOND - Town and Utilities

The Clerk-Treasurer did have a bond on file; however, it was a continuation bond. A new bond for her term beginning January 1, 2008, was not obtained. The Town of Cloverdale did have a blanket bond on file covering all other positions; however, it was also a continuation bond. A new bond for each year was not obtained.

IC 5-4-1-9 states in part: "An officer required to give an official bond shall give the bond before the commencement of his term of office . . ."

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA

AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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ROOM E418
INDIANAPOLIS, INDIANA 46204-2769

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Web Site: www.in.gov/sboa

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF CLOVERDALE, PUTNAM COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Cloverdale (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

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. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied in all material respects with the requirements referred to above that are applicable to each of its major federal programs for the years ended December 31, 2007 and 2008.

Internal Control Over Compliance

The management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133
(Continued)

A control deficiency in a Town's internal control over compliance 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 noncompliance with a type of compliance requirement of a federal program on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of the internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be significant deficiencies or material weaknesses, as defined above.

This report is intended solely for the information and use of the Town's management, Town Council, and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

April 30, 2009

TOWN OF CLOVERDALE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For The Years Ended December 31, 2007 and 2008

Federal Grantor Agency/Pass-Through Entity Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended 12-31-07	Total Federal Awards Expended 12-31-08
<u>U.S. ENVIRONMENTAL PROTECTION AGENCY</u>				
Pass Through Indiana Finance Authority				
Capitalization Grants for Wastewater State Revolving Funds	66.458		\$ 1,232,439	\$ 111,785

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

TOWN OF CLOVERDALE
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

I. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Cloverdale (Town) and is presented in accordance with the requirements of OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Accordingly, the amount of federal awards expended is based on when the activity related to the award occurs. Therefore, some amounts presented in this schedule may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with the Indiana Code (Indiana Code 5-11-1 et seq.), audits of Towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF CLOVERDALE
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued: Unqualified

Internal control over financial reporting:
Material weaknesses identified? no

Significant deficiencies identified that are not considered to be material weaknesses? none reported

Noncompliance material to financial statements noted? no

Federal Awards:

Internal control over major programs:
Material weaknesses identified? no

Significant deficiencies identified that are not considered to be material weaknesses? none reported

Type of auditor's report issued on compliance for major programs: Unqualified

Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133? no

Identification of Major Program:

CFDA Number	Name of Federal Program or Cluster
66.458	Capitalization Grants for Wastewater State Revolving Funds

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

Auditee qualified as low-risk auditee? yes

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF CLOVERDALE
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF CLOVERDALE
EXIT CONFERENCE

The contents of this report were discussed on April 30, 2009, with Patti Truax, Clerk-Treasurer; and Donald Sublett, President of the Town Council. The officials concurred with our audit finding.