

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

FINANCIAL STATEMENT AND  
FEDERAL SINGLE AUDIT REPORT  
OF

TOWN OF CLARKSVILLE  
CLARK COUNTY, INDIANA

January 1, 2011 to December 31, 2011



**FILED**  
10/16/2012



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Gary P. Hall Robert P. Leuthart	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	Gregory L. Isgrigg John Gilkey	01-01-11 to 12-31-11 01-01-12 to 12-31-12



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF CLARKSVILLE, CLARK COUNTY, INDIANA

We have audited the accompanying financial statement of the Town of Clarksville (Town), for the year ended December 31, 2011. This financial statement is the responsibility of the Town's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing 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 over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. 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 opinion.

As discussed in Note 1, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the State Board of Accounts as allowed by 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.

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, 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 13, 2012, 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 and should be considered in assessing the results of our audit.

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

INDEPENDENT AUDITOR'S REPORT  
(Continued)

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Leases and Debt, and Schedule of Capital Assets 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.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

August 13, 2012



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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 CLARKSVILLE, CLARK COUNTY, INDIANA

We have audited the financial statement of the Town of Clarksville (Town), for the year ended December 31, 2011, and have issued our report thereon dated August 13, 2012. 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 opinion on the financial statement, 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.

Our consideration of the internal control over financial reporting was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses and therefore, there can be no assurance that all deficiencies, significant deficiencies, or material weaknesses have been identified. However, as described in the accompanying Schedule of Findings and Questioned Costs, we identified a deficiency in internal control over financial reporting that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statement will not be prevented or detected and corrected on a timely basis. We consider the deficiency described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1 to be a material weakness.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under Government Auditing Standards and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2011-1.

The Town's response to the findings identified in our audit is described in the accompanying section of the report entitled Corrective Action Plan. We did not audit the Town's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

August 13, 2012

## FINANCIAL STATEMENT

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 CLARKSVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
GENERAL	\$ 2,682,613	\$ 9,429,679	\$ 8,992,031	\$ 3,120,261
MOTOR VEHICLE HIGHWAY	1,140,924	591,281	703,598	1,028,607
LOCAL ROAD & STREET	987,411	216,451	28,155	1,175,707
ECONOMIC DEVELOPMENT	2,439	-	-	2,439
UNSAFE BUILDING	46,849	24,661	18,392	53,118
LAW ENFORCEMENT CONT ED	36,262	15,163	20,940	30,485
PARKS & REC OPERATING	503,193	2,359,867	2,063,543	799,517
USER FEE	35,950	6,177	9,145	32,982
RAINY DAY	3,943,809	243,800	283,281	3,904,328
LEVY EXCESS FUND	29,416	-	29,416	-
FIREFIGHTING	535,947	3,159,290	3,424,292	270,945
CUM CAPITAL IMPROVEMENT	1,466,909	61,454	-	1,528,363
CUM CAPITAL DEVELOPMENT	1,258,687	191,107	275,241	1,174,553
CUM FIRE BLDG & EQUIPMENT	220,976	157,225	129,581	248,620
CEDIT	3,327,537	1,104,783	797,566	3,634,754
TIF	7,335,502	7,336,604	5,033,600	9,638,506
POLICE PENSION	243,159	374,596	435,749	182,006
FIRE PENSION	432,131	513,954	671,643	274,442
LOIT - PUBL SAFETY	446,279	1,428,156	117,538	1,756,897
PROBATION USER FEE	97,654	109,720	148,278	59,096
PARKS & REC DONATION	29,016	2,387	439	30,964
INTERPRETIVE CNTR REVENUE	182,000	-	182,000	-
DONATION	105,292	39,126	16,274	128,144
COURT RECORD PERPETUATION	7,661	1,176	-	8,837
TOWED VEHICLE NONREVERTNG	14,589	16,100	15,478	15,211
CONTROLLED SUBSTANCE TAX	2,545	-	-	2,545
BOND PROCEEDS 2011 BANS	-	2,565,613	1,184,850	1,380,763
TOURISM BUREAU REV BOND	99,013	1	-	99,014
TOURISM PROJECT 2011 BOND	-	1,185,000	584,697	600,303
2007 DEBT SERVICE RESERVE	-	452,000	-	452,000
2008 DEBT SERVICE RESERVE	-	300,000	-	300,000
FEDERAL GRANT	5	302,422	364,334	(61,907)
HOMETOWN FORESTRY	1,146	-	-	1,146
FEMA RELIEF '11 WINDSTORM	-	62,229	-	62,229
FED STIM JAG GR 1 Pol Sft	228	-	-	228
FED CHRP STIM thru 0812	-	222,130	138,610	83,520
FED STIM GR L&C STRLIGHTS	51	158,800	158,851	-
FED GR RESCUE BOAT & EQ	31	114,919	114,950	-
FED JAG GR #3 POL EQ-GUNS	10	14,590	14,600	-
FED JAG GR #4 POL EQUIP	-	24,967	17,336	7,631
FED GR CMAQ POTTERS/BMR S	-	5,846	5,845	1
COURT COST DUE COUNTY	-	11,742	11,742	-
N/R CLEAN UP FEE-FIRE	12,114	6,005	2,000	16,119
MC REFUELING STATION	5,635	229,338	205,580	29,393
TOWN COURT OPERATING	86,057	272,079	268,460	89,676
2007 PARKS REV BOND	462,787	3	-	462,790
3RD PARTY INSURANCE	70,636	1,957,596	1,957,581	70,651
NR INSURANCE	5,829,622	3,452,040	2,501,387	6,780,275

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

TOWN OF CLARKSVILLE  
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -  
REGULATORY BASIS  
For The Year Ended December 31, 2011  
(Continued)

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
URM/DDC DISB CONTROL	6,463	4,616	4,314	6,765
NR SENIOR TRIP	27,604	107,072	98,430	36,246
NR PARK REFUNDS	4,252	9,200	8,750	4,702
NR ACCUM LEAVE TIME	-	39,158	-	39,158
PAYROLL NET WAGES	-	1,377,114	1,377,114	-
FEDERAL TAXES	-	1,117,901	1,117,901	-
FICA/MED	-	802,528	802,528	-
STATE	-	272,251	272,251	-
COUNTY	-	146,898	146,898	-
PERF W/H	-	2,415	2,415	-
VOLUNTARY PERF	-	44,472	44,472	-
EE HEALTH INS	-	24,014	24,014	-
EQUITABLE INSURANCE	-	1,173	1,173	-
LOCAL 2594	-	8,580	8,580	-
POLICE FOP DUES	-	12,775	12,775	-
CREDIT UNION	-	134,680	134,680	-
UNITED FUND	-	1,066	1,066	-
COLONIAL LIFE INS	-	321	321	-
GARNISHMENTS-EFT	-	57,483	57,483	-
AFLAC 125	-	37,717	37,717	-
AFLAC TAXABLE	-	17,402	17,402	-
DENTAL	-	3,753	3,753	-
VISION	-	778	778	-
IRA TAXABLE	-	972	972	-
AFLAC URM-CHILD	-	4,616	4,616	-
SECTION 457	-	43,994	43,994	-
EE ANNUAL HEALTH	-	158	158	-
DIRECT DEPOSIT	-	5,036,449	5,036,449	-
GARNISHMENT -	-	16,917	16,917	-
CHILD SUPPORT -	-	9,427	9,427	-
PR BANK ACCT SERVICE CHGS	100	-	-	100
COMPANION LIFE INS	-	3,009	3,009	-
PRE-PAID LEGAL SERVICES	-	6,112	6,112	-
ATHLETIC CLUB MEMBERSHIP	-	8,943	8,943	-
GARNISHMENT - 1	-	1,364	1,364	-
GARNISHMENT - 2	-	6,721	6,721	-
GARNISHMENT - 3	-	1,602	1,602	-
GARNISHMENT - 4	-	694	694	-
GARNISHMENT - 5	-	1,639	1,639	-
GARNISHMENT - 6	-	485	485	-
RETAINAGE	14,129	22,150	22,150	14,129
STORM WATER OPERATING	1,293,864	1,023,065	1,051,397	1,265,532
WASTEWATER OPERATING	1,054,180	3,893,337	3,772,683	1,174,834
WW BOND & INT REDEMPTION	790,596	1,097,085	1,087,035	800,646
SEWAGE WORKS (BANS)	-	2,989,800	136,638	2,853,162
Totals	<u>\$ 34,873,273</u>	<u>\$ 57,111,983</u>	<u>\$ 46,314,823</u>	<u>\$ 45,670,433</u>

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

TOWN OF CLARKSVILLE  
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, culture and recreation, public improvements, planning and zoning, general administrative services, wastewater, storm water, trash, and economic development and redevelopment.

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

*B. Basis of Accounting*

The financial statement is reported on a regulatory basis of accounting prescribed by the 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. Receipts are recorded when received and disbursements are recorded when paid.

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 may include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

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

Intergovernmental receipts which include receipts from other governments in the form of operating grants, entitlements, or payments in lieu of taxes. Examples of this type of receipts include, but are not limited to: federal grants, state grants, cigarette tax distributions received from the state, motor vehicle highway distribution received from the state, local road and street distribution received from the state, financial institution tax received from the state, auto excise surtax received from the state, commercial vehicle excise tax received from the state, and major moves distributions received from the state.

TOWN OF CLARKSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

Charges for services which can include, but are not limited to the following: planning commission charges, building department charges, copies of public records, copy machine charges, accident report copies, gun permit applications, 911 telephone services, recycling fees, dog pound fees, emergency medical service fees, park rental fees, swimming pool receipts, cable tv receipts, ordinance violations, fines and fees, bond forfeitures, court costs, and court receipts.

Fines and forfeits which include receipts derived from fines and penalties imposed for the commission of statutory offenses, violation of lawful administrative rules and regulations (fines), and for the neglect of official duty and monies derived from confiscating deposits held as performance guarantees (forfeitures).

Utility fees which are comprised mostly of charges for current services.

Penalties which include fees received for late payments.

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

*E. Disbursements*

Disbursements are presented in the aggregate on the face of the financial statement. The aggregate disbursements may include the following uses:

Personal services include outflows for salaries, wages, and related employee benefits provided for all persons employed. In those units where sick leave, vacation leave, overtime compensation, and other such benefits are appropriated separately, such payments would also be included.

Supplies which include articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include office supplies, operating supplies, and repair and maintenance supplies.

Other services and charges which include, but are not limited to: professional services, communication and transportation, printing and advertising, insurance, utility services, repairs and maintenance, and rental charges.

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

Capital outlay which include all outflows for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses which include all outflows for operating the utilities.

Other disbursements which include, but are not limited to the following: interfund loan payments, loans made to other funds, internal service disbursements, and transfers out that are authorized by statute, ordinance, resolution, or court order.

TOWN OF CLARKSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*F. Interfund Transfers*

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

*G. Fund Accounting*

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

**Note 2. Budgets**

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

**Note 3. Property Taxes**

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

**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, federal government securities, repurchase agreements, and certain money market mutual funds. Certain other statutory restrictions apply to all investments made by local governmental units.

TOWN OF CLARKSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

**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. These risks may also be mitigated by the Town by recording as a disbursement any replacement items purchased.

**Note 6. Pension Plans**

*A. Public Employees' Retirement Fund*

*Plan Description*

The Indiana Public Employees' Retirement Fund (PERF) is a defined benefit pension plan. PERF is an agent multiple-employer public employee retirement system, which provides retirement benefits to plan members and beneficiaries. All full-time employees are eligible to participate in this defined benefit plan. State statutes (IC 5-10.2 and 5-10.3) govern, through the Indiana Public Retirement System (INPRS) Board, most requirements of the system, and give the 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  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

The contribution requirements of the plan members for PERF are established by the Board of Trustees of INPRS.

TOWN OF CLARKSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

*B. 1925 Police Officers' Pension Plan*

*Plan Description*

The 1925 Police Officers' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-6). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

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

*On Behalf Payments*

The 1925 Police Officers' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*C. 1937 Firefighters' Pension Plan*

*Plan Description*

The 1937 Firefighters' Pension Plan is a single-employer defined benefit pension plan. The plan is administered by the local pension board as authorized by state statute (IC 36-8-7). The plan provides retirement, disability, and death benefits to plan members and beneficiaries. The plan was established by the plan administrator, as provided by state statute. The plan administrator does not issue a publicly available financial report that includes financial statements and required supplementary information of the plan.

*Funding Policy*

The contribution requirements of plan members for the 1937 Firefighters' Pension Plan are established by state statute.

*On Behalf Payments*

The 1937 Firefighters' Pension Plan is funded by the State of Indiana through the Indiana Public Retirement System as provided under Indiana Code 5-10.3-11.

*D. 1977 Police Officers' and Firefighters' Pension and Disability Fund*

*Plan Description*

The 1977 Police Officers' and Firefighters' Pension and Disability Fund is a cost-sharing multiple-employer defined benefit pension plan administered by the Indiana Public Retirement System (INPRS) for all police officers and firefighters hired after April 30, 1977.

TOWN OF CLARKSVILLE  
NOTES TO FINANCIAL STATEMENT  
(Continued)

State statute (IC 36-8-8) regulates the operations of the system, including benefits, vesting, and requirements for contributions by employers and by employees. Covered employees may retire at age 52 with 20 years of service. An employee with 20 years of service may leave service, but will not receive benefits until reaching age 52. The plan also provides for death and disability benefits.

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy*

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

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## SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2011 Annual Report information can be found on the Gateway website: <https://gateway.ifionline.org/>.

Differences may be noted between the financial information presented in the financial statement contained in this report and the financial information presented in the Annual Report of the Town which is referenced above. These differences, if any, are due to adjustments made to the financial information during the course of the audit. This is a common occurrence in any financial statement audit. The financial information presented in this report is audited information, and the accuracy of such information can be determined by reading the opinion given in the Independent Auditor's Report.

The supplementary information presented was approved by management of the Town. It is presented as intended by the Town.

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011

	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	ECONOMIC DEVELOPMENT	UNSAFE BUILDING	LAW ENFORCEMENT CONT ED	PARKS & REC OPERATING	USER FEE
Cash and investments - beginning	\$ 2,682,613	\$ 1,140,924	\$ 987,411	\$ 2,439	\$ 46,849	\$ 36,262	\$ 503,193	\$ 35,950
Receipts:								
Taxes	5,025,933	-	-	-	19,537	-	-	-
Licenses and permits	287,334	-	-	-	-	9,680	-	-
Intergovernmental	3,772,105	588,750	216,451	-	1,123	-	120,516	-
Charges for services	25,498	-	-	-	-	5,260	2,231,676	6,177
Fines and forfeits	43,507	-	-	-	-	-	-	-
Other receipts	275,302	2,531	-	-	4,001	223	7,675	-
Total receipts	<u>9,429,679</u>	<u>591,281</u>	<u>216,451</u>	<u>-</u>	<u>24,661</u>	<u>15,163</u>	<u>2,359,867</u>	<u>6,177</u>
Disbursements:								
Personal services	6,919,003	467,384	-	-	-	-	1,284,564	-
Supplies	536,007	177,588	-	-	-	5,271	273,839	4,381
Other services and charges	1,523,621	58,626	28,155	-	18,392	8,928	458,306	4,764
Capital outlay	13,400	-	-	-	-	6,741	-	-
Other disbursements	-	-	-	-	-	-	46,834	-
Total disbursements	<u>8,992,031</u>	<u>703,598</u>	<u>28,155</u>	<u>-</u>	<u>18,392</u>	<u>20,940</u>	<u>2,063,543</u>	<u>9,145</u>
Excess (deficiency) of receipts over disbursements	<u>437,648</u>	<u>(112,317)</u>	<u>188,296</u>	<u>-</u>	<u>6,269</u>	<u>(5,777)</u>	<u>296,324</u>	<u>(2,968)</u>
Cash and investments - ending	<u>\$ 3,120,261</u>	<u>\$ 1,028,607</u>	<u>\$ 1,175,707</u>	<u>\$ 2,439</u>	<u>\$ 53,118</u>	<u>\$ 30,485</u>	<u>\$ 799,517</u>	<u>\$ 32,982</u>

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	RAINY DAY	LEVY EXCESS FUND	FIREFIGHTING	CUM CAPITAL IMPROVEMENT	CUM CAPITAL DEVELOPMENT	CUM FIRE BLDG & EQUIPMENT	CEDIT	TIF
Cash and investments - beginning	\$ 3,943,809	\$ 29,416	\$ 535,947	\$ 1,466,909	\$ 1,258,687	\$ 220,976	\$ 3,327,537	\$ 7,335,502
Receipts:								
Taxes	-	-	2,936,011	-	175,400	146,364	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	-	217,869	61,454	15,707	10,861	984,783	7,330,368
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	243,800	-	5,410	-	-	-	120,000	6,236
Total receipts	243,800	-	3,159,290	61,454	191,107	157,225	1,104,783	7,336,604
Disbursements:								
Personal services	-	-	2,987,113	-	-	-	94,997	-
Supplies	-	-	65,051	-	-	-	-	565
Other services and charges	-	-	369,332	-	4,930	117,984	693,758	3,229,378
Capital outlay	-	-	2,796	-	270,311	11,597	8,811	1,051,657
Other disbursements	283,281	29,416	-	-	-	-	-	752,000
Total disbursements	283,281	29,416	3,424,292	-	275,241	129,581	797,566	5,033,600
Excess (deficiency) of receipts over disbursements	(39,481)	(29,416)	(265,002)	61,454	(84,134)	27,644	307,217	2,303,004
Cash and investments - ending	\$ 3,904,328	\$ -	\$ 270,945	\$ 1,528,363	\$ 1,174,553	\$ 248,620	\$ 3,634,754	\$ 9,638,506

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	POLICE PENSION	FIRE PENSION	LOIT - PUBL SAFETY	PROBATION USER FEE	PARKS & REC DONATION	INTERPRETIVE CNTR REVENUE	DONATION	COURT RECORD PERPETUATION
Cash and investments - beginning	\$ 243,159	\$ 432,131	\$ 446,279	\$ 97,654	\$ 29,016	\$ 182,000	\$ 105,292	\$ 7,661
Receipts:								
Taxes	38,714	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	3,467	-	1,428,156	-	-	-	-	-
Charges for services	-	-	-	109,720	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Other receipts	332,415	513,954	-	-	2,387	-	39,126	1,176
Total receipts	374,596	513,954	1,428,156	109,720	2,387	-	39,126	1,176
Disbursements:								
Personal services	386,625	671,643	87,000	148,119	-	-	-	-
Supplies	-	-	30,538	-	439	-	-	-
Other services and charges	49,124	-	-	159	-	182,000	16,274	-
Capital outlay	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	435,749	671,643	117,538	148,278	439	182,000	16,274	-
Excess (deficiency) of receipts over disbursements	(61,153)	(157,689)	1,310,618	(38,558)	1,948	(182,000)	22,852	1,176
Cash and investments - ending	\$ 182,006	\$ 274,442	\$ 1,756,897	\$ 59,096	\$ 30,964	\$ -	\$ 128,144	\$ 8,837

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	TOWED VEHICLE NONREVERTNG	CONTROLLED SUBSTANCE TAX	BOND PROCEEDS 2011 BANS	TOURISM BUREAU REV BOND	TOURISM PROJECT 2011 BOND	2007 DEBT SERVICE RESERVE	2008 DEBT SERVICE RESERVE
Cash and investments - beginning	\$ 14,589	\$ 2,545	\$ -	\$ 99,013	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	16,100	-	-	-	-	-	-
Other receipts	-	-	2,565,613	1	1,185,000	452,000	300,000
Total receipts	16,100	-	2,565,613	1	1,185,000	452,000	300,000
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	15,478	-	-	-	-	-	-
Other services and charges	-	-	-	-	15,522	-	-
Capital outlay	-	-	1,184,850	-	569,175	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	15,478	-	1,184,850	-	584,697	-	-
Excess (deficiency) of receipts over disbursements	622	-	1,380,763	1	600,303	452,000	300,000
Cash and investments - ending	\$ 15,211	\$ 2,545	\$ 1,380,763	\$ 99,014	\$ 600,303	\$ 452,000	\$ 300,000

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	FEDERAL GRANT	HOMETOWN FORESTRY	FEMA RELIEF '11 WINDSTORM	FED STIM JAG GR 1 Pol Sft	FED CHRP STIM thru 0812	FED STIM GR L&C STRLIGHTS	FED GR RESCUE BOAT & EQ
Cash and investments - beginning	\$ 5	\$ 1,146	\$ -	\$ 228	\$ -	\$ 51	\$ 31
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	42,324	-	62,229	-	222,130	158,800	114,919
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	260,098	-	-	-	-	-	-
Total receipts	302,422	-	62,229	-	222,130	158,800	114,919
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	1,068	-	-	-	-	-	-
Other services and charges	295,066	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	6,551	107,350
Other disbursements	68,200	-	-	-	138,610	152,300	7,600
Total disbursements	364,334	-	-	-	138,610	158,851	114,950
Excess (deficiency) of receipts over disbursements	(61,912)	-	62,229	-	83,520	(51)	(31)
Cash and investments - ending	\$ (61,907)	\$ 1,146	\$ 62,229	\$ 228	\$ 83,520	\$ -	\$ -

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	FED JAG GR #3 POL EQ-GUNS	FED JAG GR #4 POL EQUIP	FED GR CMAQ POTTERS/BMR S	COURT COST DUE COUNTY	N/R CLEAN UP FEE-FIRE	MC REFUELING STATION	TOWN COURT OPERATING
Cash and investments - beginning	\$ 10	\$ -	\$ -	\$ -	\$ 12,114	\$ 5,635	\$ 86,057
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	14,590	7,630	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	6,005	-	-
Other receipts	-	17,337	5,846	11,742	-	229,338	272,079
Total receipts	14,590	24,967	5,846	11,742	6,005	229,338	272,079
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	2,000	204,480	-
Other services and charges	-	-	5,845	11,742	-	-	-
Capital outlay	-	17,336	-	-	-	-	-
Other disbursements	14,600	-	-	-	-	1,100	268,460
Total disbursements	14,600	17,336	5,845	11,742	2,000	205,580	268,460
Excess (deficiency) of receipts over disbursements	(10)	7,631	1	-	4,005	23,758	3,619
Cash and investments - ending	\$ -	\$ 7,631	\$ 1	\$ -	\$ 16,119	\$ 29,393	\$ 89,676

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	2007 PARKS REV BOND	3RD PARTY INSURANCE	NR INSURANCE	URM/DDC DISB CONTROL	NR SENIOR TRIP	NR PARK REFUNDS	NR ACCUM LEAVE TIME
Cash and investments - beginning	\$ 462,787	\$ 70,636	\$ 5,829,622	\$ 6,463	\$ 27,604	\$ 4,252	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	3	1,957,596	3,452,040	4,616	107,072	9,200	39,158
Total receipts	<u>3</u>	<u>1,957,596</u>	<u>3,452,040</u>	<u>4,616</u>	<u>107,072</u>	<u>9,200</u>	<u>39,158</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	1,957,581	2,501,387	4,314	98,430	8,750	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>1,957,581</u>	<u>2,501,387</u>	<u>4,314</u>	<u>98,430</u>	<u>8,750</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>3</u>	<u>15</u>	<u>950,653</u>	<u>302</u>	<u>8,642</u>	<u>450</u>	<u>39,158</u>
Cash and investments - ending	<u>\$ 462,790</u>	<u>\$ 70,651</u>	<u>\$ 6,780,275</u>	<u>\$ 6,765</u>	<u>\$ 36,246</u>	<u>\$ 4,702</u>	<u>\$ 39,158</u>

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	PAYROLL NET WAGES	FEDERAL TAXES	FICA/MED	STATE	COUNTY	PERF W/H	VOLUNTARY PERF
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	1,377,114	1,117,901	802,528	272,251	146,898	2,415	44,472
Total receipts	<u>1,377,114</u>	<u>1,117,901</u>	<u>802,528</u>	<u>272,251</u>	<u>146,898</u>	<u>2,415</u>	<u>44,472</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	1,377,114	1,117,901	802,528	272,251	146,898	2,415	44,472
Total disbursements	<u>1,377,114</u>	<u>1,117,901</u>	<u>802,528</u>	<u>272,251</u>	<u>146,898</u>	<u>2,415</u>	<u>44,472</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	EE HEALTH INS	EQUITABLE INSURANCE	LOCAL 2594	POLICE FOP DUES	CREDIT UNION	UNITED FUND	COLONIAL LIFE INS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	24,014	1,173	8,580	12,775	134,680	1,066	321
Total receipts	<u>24,014</u>	<u>1,173</u>	<u>8,580</u>	<u>12,775</u>	<u>134,680</u>	<u>1,066</u>	<u>321</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	24,014	1,173	8,580	12,775	134,680	1,066	321
Total disbursements	<u>24,014</u>	<u>1,173</u>	<u>8,580</u>	<u>12,775</u>	<u>134,680</u>	<u>1,066</u>	<u>321</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	<u>GARNISHMENTS-EFT</u>	<u>AFLAC 125</u>	<u>AFLAC TAXABLE</u>	<u>DENTAL</u>	<u>VISION</u>	<u>IRA TAXABLE</u>	<u>AFLAC URM-CHILD</u>
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	57,483	37,717	17,402	3,753	778	972	4,616
Total receipts	<u>57,483</u>	<u>37,717</u>	<u>17,402</u>	<u>3,753</u>	<u>778</u>	<u>972</u>	<u>4,616</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	57,483	37,717	17,402	3,753	778	972	4,616
Total disbursements	<u>57,483</u>	<u>37,717</u>	<u>17,402</u>	<u>3,753</u>	<u>778</u>	<u>972</u>	<u>4,616</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	SECTION 457	EE ANNUAL HEALTH	DIRECT DEPOSIT	GARNISHMENT -	CHILD SUPPORT -	PR BANK ACCT SERVICE CHGS	COMPANION LIFE INS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	43,994	158	5,036,449	16,917	9,427	-	3,009
Total receipts	<u>43,994</u>	<u>158</u>	<u>5,036,449</u>	<u>16,917</u>	<u>9,427</u>	<u>-</u>	<u>3,009</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	43,994	158	5,036,449	16,917	9,427	-	3,009
Total disbursements	<u>43,994</u>	<u>158</u>	<u>5,036,449</u>	<u>16,917</u>	<u>9,427</u>	<u>-</u>	<u>3,009</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 100</u>	<u>\$ -</u>

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	PRE-PAID LEGAL SERVICES	ATHLETIC CLUB MEMBERSHIP	GARNISHMENT - 1	GARNISHMENT - 2	GARNISHMENT - 3	GARNISHMENT - 4	GARNISHMENT - 5
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Other receipts	6,112	8,943	1,364	6,721	1,602	694	1,639
Total receipts	<u>6,112</u>	<u>8,943</u>	<u>1,364</u>	<u>6,721</u>	<u>1,602</u>	<u>694</u>	<u>1,639</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Other disbursements	6,112	8,943	1,364	6,721	1,602	694	1,639
Total disbursements	<u>6,112</u>	<u>8,943</u>	<u>1,364</u>	<u>6,721</u>	<u>1,602</u>	<u>694</u>	<u>1,639</u>
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

TOWN OF CLARKSVILLE  
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND  
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS  
 For The Year Ended December 31, 2011  
 (Continued)

	GARNISHMENT - 6	RETAINAGE	STORMWATER OPERATING	WASTEWATER OPERATING	WW BOND & INT REDEMPTION	SEWAGE WORKS (BANS)	TOTALS
Cash and investments - beginning	\$ -	\$ 14,129	\$ 1,293,864	\$ 1,054,180	\$ 790,596	\$ -	\$ 34,873,273
Receipts:							
Taxes	-	-	-	-	-	-	8,341,959
Licenses and permits	-	-	-	-	-	-	297,014
Intergovernmental	-	-	-	-	-	-	15,374,232
Charges for services	-	-	-	-	-	-	2,378,331
Fines and forfeits	-	-	-	-	-	-	65,612
Other receipts	485	22,150	1,023,065	3,893,337	1,097,085	2,989,800	30,654,835
Total receipts	485	22,150	1,023,065	3,893,337	1,097,085	2,989,800	57,111,983
Disbursements:							
Personal services	-	-	-	-	-	-	13,046,448
Supplies	-	-	-	-	-	-	1,316,705
Other services and charges	-	22,150	-	-	-	-	11,684,518
Capital outlay	-	-	-	-	-	-	3,250,575
Other disbursements	485	-	1,051,397	3,772,683	1,087,035	136,638	17,016,577
Total disbursements	485	22,150	1,051,397	3,772,683	1,087,035	136,638	46,314,823
Excess (deficiency) of receipts over disbursements	-	-	(28,332)	120,654	10,050	2,853,162	10,797,160
Cash and investments - ending	\$ -	\$ 14,129	\$ 1,265,532	\$ 1,174,834	\$ 800,646	\$ 2,853,162	\$ 45,670,433

TOWN OF CLARKSVILLE  
SCHEDULE OF LEASES AND DEBT  
December 31, 2011

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
Chase Equipment Leasing	Pierce Crimson apparatus ladder truck	\$ 117,984	08-29-09	08-29-13
Clarksville Redevelopment Authority	Municipal Center	861,000	12-16-98	08-01-13
Clarksville Redevelopment Authority	Golf course	161,000	09-15-11	02-01-21
Clarksville Redevelopment Authority	Fire station	129,500	02-01-12	02-01-22
Clarksville Redevelopment Authority	Little League Park	407,414	11-01-07	01-15-27
Clarksville Redevelopment Authority	Eastern Boulevard infrastructure	364,808	07-29-08	01-15-18
Clarksville Redevelopment Authority	Lewis and Clark Parkway infrastructure	<u>576,000</u>	05-18-04	02-01-23
Total governmental activities		2,617,706		
Wastewater:				
American Water Operations and Maintenance, Inc.	Wastewater treatment plant operation	<u>1,997,008</u>	01-10-05	12-31-12
Total of annual lease payments		<u>\$ 4,614,714</u>		

Type	Description of Debt	Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:				
Tax anticipation warrants	2011 Taxable Bond Anticipation Notes		\$ 2,585,000	\$ 552,224
Notes and loans payable	Indiana Department of Transportation loan for Veterans Parkway infrastructure		<u>2,493,196</u>	<u>240,660</u>
Total governmental activities			<u>5,078,196</u>	<u>792,884</u>
Wastewater:				
Revenue bonds	2009 Sewage Works Refunding Bonds		3,710,000	542,093
Revenue bonds	2005 Sewage Works Refunding Bonds		6,985,000	505,449
Tax anticipation warrants	2011 Sewage Works Bond Anticipation Notes		<u>3,000,000</u>	<u>29,000</u>
Total Wastewater			<u>13,695,000</u>	<u>1,076,542</u>
Other:				
Revenue bonds	2002 Capital Development Tourism Bonds*		72,794	68,773
Revenue bonds	2008 Capital Development Tourism Bonds*		26,959	151,376
Revenue bonds	2011 Capital Development Tourism Bonds*		<u>143,589</u>	<u>1,185,000</u>
			<u>243,341</u>	<u>1,405,149</u>
Totals			<u>\$ 19,016,537</u>	<u>\$ 3,274,575</u>

\*Pursuant to Indiana Code 6-9-3-6(a), the Town has signed agreements with the Clark-Floyd Counties Convention and Tourism Bureau pledging payment of 100% of the principal and interest on the Town's 2002, 2008, and 2011 Tourism Bonds by the Tourism Bureau. The bonds and interest thereon do not constitute a general obligation of the Town but do count as indebtedness of the Town within the meaning of the Constitution and laws of the State. The bonds are not a charge against the general credit or taxing power of the Town but are a limited obligation of the Town payable solely from and secured solely by the amounts pledged to such payment.

TOWN OF CLARKSVILLE  
SCHEDULE OF CAPITAL ASSETS  
December 31, 2011

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>Ending Balance</u>
Governmental activities:	
Land	\$ 4,822,585
Infrastructure	24,134,231
Buildings	15,458,868
Improvements other than buildings	3,627,877
Machinery, equipment and vehicles	9,599,148
Construction in progress	<u>2,215,000</u>
Total governmental activities	<u>59,857,709</u>
Storm Water:	
Land	148,273
Infrastructure	12,470,835
Buildings	151,673
Improvements other than buildings	92,258
Machinery, equipment and vehicles	<u>323,325</u>
Total Storm Water	<u>13,186,364</u>
Wastewater:	
Land	654,956
Buildings	17,137,152
Improvements other than buildings	10,255,568
Machinery, equipment and vehicles	<u>4,703,952</u>
Total Wastewater	<u>32,751,628</u>
Total capital assets	<u>\$ 105,795,701</u>

TOWN OF CLARKSVILLE  
OTHER REPORT

The annual report presented herein was prepared in addition to another official report prepared for the individual Town office listed below:

Redevelopment Commission

TOWN OF CLARKSVILLE  
AUDIT RESULT AND COMMENT

**ACCOUNTS RECEIVABLE RECONCILEMENT**

The Utility did not perform periodic reconcilements between the accounts receivable control account reported on the general ledger to the detail customers' balance accounts reported on the aged trial balance subsidiary record. A comparison of the records showed the following variance between the wastewater and storm water control balance and the subsidiary record balance for both current accounts receivable and delinquent accounts receivable at December 31, 2011:

Reported on General Ledger	\$ 836,844
Reported on Aged Trial Balance (See Note)	<u>731,891</u>
Variance	<u>\$ 104,953</u>

Note to Schedule:

The amount in the above schedule is net of monies received at year end from the County for collections on certified accounts that were recorded to the control account in 2011 but were not recorded to the customer accounts in the subsidiary record until January 2012.

The Utility keeps separate records for current receivables accounts and delinquent receivable accounts certified to the County Auditor for collection with property tax billings. The variance between the control record and the subsidiary record, considering only current accounts receivable balances, showed the detailed customer accounts receivable aged trial balance exceeding the general ledger control balance by \$24,657 for both wastewater and storm water receivables at December 31, 2011.

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

A similar comment was reported in prior Reports B37604, B37595, and B40008, covering the years 2007 through 2010.

SUPPLEMENTAL AUDIT OF  
FEDERAL AWARDS



**STATE OF INDIANA**  
AN EQUAL OPPORTUNITY EMPLOYER

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

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

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133

TO: THE OFFICIALS OF THE TOWN OF CLARKSVILLE, CLARK COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Clarksville (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 year ended December 31, 2011. 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 year ended December 31, 2011.

Internal Control Over Compliance

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 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS THAT  
COULD HAVE A DIRECT AND MATERIAL EFFECT ON EACH MAJOR PROGRAM AND  
INTERNAL CONTROL OVER COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133  
(Continued)

A deficiency in 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 and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis.

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

This report is intended solely for the information and use of the Town's management, Town Council, others within the entity, 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

August 13, 2012

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## SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TOWN OF CLARKSVILLE  
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS  
For The Year Ended December 31, 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>U.S. DEPARTMENT OF JUSTICE</u>			
Direct Grant			
Edward Byrne Memorial Formula Grant Program JAG Grant #4 Police Safety	16.579	2011-DJ-BX-3489	\$ <u>7,630</u>
JAG Program Cluster			
Edward Byrne Memorial Justice Assistance Grant Program JAG Grant #3 Police Equipment/Guns	16.738	2010-DJ-BX-0695	<u>14,590</u>
Direct Grant			
ARRA - Public Safety Partnership and Community Policing Grants COPS Hiring Grant	16.710	2009RKWX0338	<u>222,120</u>
Total for federal grantor agency			<u>244,340</u>
<u>U.S. DEPARTMENT OF TRANSPORTATION</u>			
Pass-Through Indiana Department of Transportation			
Highway Planning and Construction Cluster National Infrastructure Investments Lewis & Clark Trail Archaeology	20.933	A249-09-320596A	<u>42,324</u>
<u>U.S. DEPARTMENT OF ENERGY</u>			
Pass-Through Indiana Office of Energy Development			
ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG) Lewis & Clark Streetlights	81.128	A302-11-EECBG-01-008	<u>158,800</u>
<u>U.S. DEPARTMENT OF HOMELAND SECURITY</u>			
Pass-Through Indiana Department of Homeland Security			
Disaster Grants - Public Assistance (Presidentially Declared Disasters) 2011 Windstorm/Flood	97.036	Disaster 1997 019-UY9J9-00	<u>54,553</u>
Pass-Through Port of Louisville			
Port Security Grant Program Rescue Boat & Equipment	97.056	2008GT8K085	<u>114,919</u>
Total for federal grantor agency			<u>169,472</u>
Total federal awards expended			<u>\$ <u>614,936</u></u>

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

TOWN OF CLARKSVILLE  
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

***Basis of Presentation***

The accompanying Schedule of Expenditures of Federal Awards includes the federal grant activity of the Town of Clarksville (Town) and is presented in accordance with the cash and investment basis of accounting used in the preparation of the financial statement. Accordingly, the amount of federal awards expended is based on when the disbursement related to the award occurs except when the federal award is received on a reimbursement basis. In these instances the federal awards are considered expended when the reimbursement is received.

TOWN OF CLARKSVILLE  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

**Section I – Summary of Auditor's Results**

Financial Statement:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statements noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Type of auditor's report issued on compliance for major programs:	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 Programs:

CFDA Number	Name of Federal Program or Cluster
16.710	ARRA - Public Safety Partnership and Community Policing Grants
81.128	ARRA - Energy Efficiency and Conservation Block Grant Program (EECBG)

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

Auditee qualified as low-risk auditee? no

**Section II – Financial Statement Findings**

**FINDING 2011-1 - FAILURE TO RECONCILE ACCOUNTS RECEIVABLE CONTROL TO SUBSIDIARY LEDGER**

The Utility did not perform periodic reconcilements between the accounts receivable control account reported in the general ledger to the detail customers' balance accounts reported in the aged trial balance subsidiary record. A comparison of the records showed the following variances between the control account balance and the subsidiary account balances for both current accounts receivable and delinquent accounts receivable at December 31, 2011:

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

Reported in General Ledger	\$ 836,844
Reported in Aged Trial Balance (See Note)	<u>731,891</u>
Variance	<u>\$ 104,953</u>

Note to Schedule:

The amount in the above schedule is net of monies received at year end from the County for collections on certified accounts that were recorded to the control account in 2011 but were not recorded to the customer accounts in the subsidiary record until January 2012.

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Failure to reconcile the subsidiary account record balance with the control account record balance could result in errors in recording financial transactions or concealment of fraudulent entries made to the subsidiary record.

We recommended that a reconciliation of the subsidiary account balance with the control account balance be performed on a monthly basis.

Governmental units should have internal controls in effect which provide reasonable assurance regarding the reliability of financial information and records, effectiveness and efficiency of operations, proper execution of management's objectives, and compliance with laws and regulations. Among other things, segregation of duties, safeguarding controls over cash and all other assets and all forms of information processing are necessary for proper internal control. (Accounting and Uniform Compliance Guidelines Manual for Cities and Town, Chapter 7)

Controls over the receipting, disbursing, recording, and accounting for the financial activities are necessary to avoid substantial risk of invalid transactions, inaccurate records and financial statements and incorrect decision making. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

At all times, the manual and computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

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

No matters are reportable.

TOWN OF CLARKSVILLE  
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

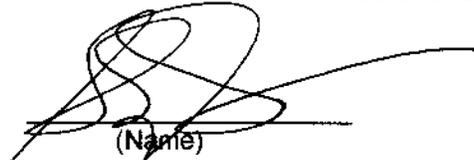
**TOWN OF CLARKSVILLE  
2000 BROADWAY  
CLARKSVILLE, INDIANA 47129**

State Board of Accounts  
302 Washington St., Room E418  
Indianapolis, Indiana 46204-2765

FINDING NO. 2011-1, FAILURE TO REONCILE ACCOUNTS RECEIVABLE CONTROL TO  
SUBSIDIARY LEDGER

Contact Person: Sherry Lockard  
Title: First Deputy Clerk-Treasurer  
Phone Number: 812-283-1500

Procedures to reconcile control accounts to subsidiary ledgers will be undertaken immediately.



(Name)

DEPUTY CLERK TREASURER

(Title)

08.13.12

(Date)

TOWN OF CLARKSVILLE  
EXIT CONFERENCE

The contents of this report were discussed on August 13, 2012, with John Gilkey, President of the Town Council; Robert P. Leuthart, Clerk-Treasurer; Robert Popp, Town Council member; Sherry Lockard, Chief Deputy Clerk-Treasurer; Christopher Sturgeon, Town Attorney, Rebecca Lockard, Town Attorney; Richard E. Dickman, Redevelopment Director; Brian Kaluzny, Superintendent of Parks and Recreation; Anita Elliot-Neeld, Deputy Clerk-Treasurer; Roberta McLemore, Administrative Assistant of Finance.

The officials indicated that they would be responding to the report but no officials response was received.