

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF FAIRMOUNT
GRANT COUNTY, INDIANA

January 1, 2016 to December 31, 2016



FILED
09/28/2018

TABLE OF CONTENTS

<u>Description</u>	<u>Page</u>
Schedule of Officials	2
Independent Auditor's Report	3-5
Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of the Financial Statement Performed in Accordance with <i>Government Auditing Standards</i>	6-7
Financial Statement and Accompanying Notes:	
Statement of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	10
Notes to Financial Statement	11-15
Other Information - Unaudited:	
Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis	18-23
Schedule of Payables and Receivables	24
Schedule of Leases and Debt	25
Schedule of Capital Assets	26
Supplemental Audit of Federal Awards:	
Independent Auditor's Report on Compliance for the Major Federal Program and on Internal Control over Compliance	28-30
Schedule of Expenditures of Federal Awards and Accompanying Notes:	
Schedule of Expenditures of Federal Awards	32
Notes to Schedule of Expenditures of Federal Awards	33
Schedule of Findings and Questioned Costs	34-37
Auditee-Prepared Documents:	
Summary Schedule of Prior Audit Findings	40-41
Corrective Action Plan	42-43
Other Reports	44

SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jo Ann Treon	01-01-16 to 12-31-19
President of the Town Council	Melba M. Root John Metzger	01-01-16 to 12-31-17 01-01-18 to 12-31-18



INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF FAIRMOUNT, GRANT COUNTY, INDIANA

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Fairmount (Town), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement as listed in the Table of Contents.

Management's Responsibility for the Financial Statement

Management is responsible for the preparation and fair presentation of this financial statement in accordance with the financial reporting provisions of the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6). Management is responsible for and has determined that the regulatory basis of accounting, as established by the Indiana State Board of Accounts, is an acceptable basis of presentation. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of a financial statement that is free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on this financial statement based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Town's preparation and fair presentation of the financial statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statement.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles

As discussed in Note 1 to the financial statement, the Town prepares its financial statement on the prescribed basis of accounting that demonstrates compliance with the reporting requirements established by the Indiana State Board of Accounts as allowed by state statute (IC 5-11-1-6), which is a basis of accounting other than accounting principles generally accepted in the United States of America.

The effects on the financial statement of the variances between the regulatory basis of accounting described in Note 1 and accounting principles generally accepted in the United States of America, although not reasonably determinable, are presumed to be material.

Adverse Opinion on U.S. Generally Accepted Accounting Principles

In our opinion, because of the significance of the matter discussed in the *Basis for Adverse Opinion on U.S. Generally Accepted Accounting Principles* paragraph, the financial statement referred to above does not present fairly, in accordance with accounting principles generally accepted in the United States of America, the financial position and results of operations of the Town for the year ended December 31, 2016.

Opinion on Regulatory Basis of Accounting

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position and results of operations of the Town for the year ended December 31, 2016, in accordance with the financial reporting provisions of the Indiana State Board of Accounts described in Note 1.

Other Matters

Supplementary Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is not a required part of the financial statement. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statement. The information has been subjected to the auditing procedures applied in the audit of the financial statement and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statement or to the financial statement itself, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Expenditures of Federal Awards is fairly stated, in all material respects, in relation to the financial statement taken as a whole.

Other Information

Our audit was conducted for the purpose of forming an opinion on the Town's financial statement. The Combining Schedule of Receipts, Disbursements, and Cash and Investment Balances - Regulatory Basis, Schedule of Payables and Receivables, Schedule of Leases and Debt, and Schedule of Capital Assets, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statement. They have not been subjected to the auditing procedures applied by us in the audit of the financial statement and, accordingly, we express no opinion on them.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated August 29, 2018, 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 solely 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 effectiveness of the Town's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control over financial reporting and compliance.


Paul D. Joyce, CPA
State Examiner

August 29, 2018



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

TO: THE OFFICIALS OF THE TOWN OF FAIRMOUNT, GRANT COUNTY, INDIANA

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statement of the Town of Fairmount (Town), which comprises the financial position and results of operations for the year ended December 31, 2016, and the related notes to the financial statement, and have issued our report thereon dated August 29, 2018, wherein we noted the Town followed accounting practices the Indiana State Board of Accounts prescribes rather than accounting principles generally accepted in the United States of America.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statement, we considered the Town's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statement, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Town's financial statement will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify certain deficiencies in internal control, described in the accompanying Schedule of Findings and Questioned Costs as item 2016-001, that we consider to be a material weakness.

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

Compliance and Other Matters


As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Town of Fairmount's Response to Findings

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

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Town's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Town's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 29, 2018

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FINANCIAL STATEMENT AND ACCOMPANYING NOTES

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

TOWN OF FAIRMOUNT
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND
CASH AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2016

Fund	Cash and Investments 01-01-16	Receipts	Disbursements	Cash and Investments 12-31-16
General	\$ 472,249	\$ 810,982	\$ 749,339	\$ 533,892
Motor Vehicle Highway	189,967	190,165	210,241	169,891
Local Road And Street	57,869	25,877	28,969	54,777
Sidewalk Community	1,250	7,754	8,328	676
Law Enforcement Continuing Education	4,779	4,806	2,569	7,016
Riverboat	74,835	27,419	5,390	96,864
Rainy Day	280,108	21,098	51,379	249,827
Levy Excess	229	40	269	-
Park Nonreverting	23,036	4,000	7,363	19,673
Cumulative Fire Equipment	51,421	16,385	20,000	47,806
Cumulative Capital Improvement	87,391	7,598	-	94,989
CEDIT	90,526	59,025	74,560	74,991
General Obligation Bond	205,009	-	4,386	200,623
Debt Service - GO Bond	-	130,216	105,172	25,044
LOIT Special Distribution	-	51,743	51,743	-
Playacres Tree Foundation	2,181	6,742	1,506	7,417
Special Police Equipment	-	15,302	6,484	8,818
Park Special Needs Area	6,623	321	775	6,169
Special Donations and Grants	52	151,462	150,500	1,014
Operation Pullover	-	360	360	-
Park	140,191	88,583	88,863	139,911
Payroll	-	839,060	839,060	-
Trash	22,118	150,707	150,841	21,984
Wastewater Utility-Construction	143	1,848,516	1,848,516	143
Wastewater Utility-Bond and Interest	160,730	194,232	177,317	177,645
Wastewater Utility-Reserve	24,395	19,516	-	43,911
Wastewater Utility-Operating	91,479	568,563	595,736	64,306
Wastewater Utility-Depreciation/Improvement	141,468	56,079	34,481	163,066
Sewage Utility-Planning	185,774	5,645	37,763	153,656
Water Utility-Improvement	82,468	120,129	24,298	178,299
Water Utility-Operating	76,775	478,426	515,156	40,045
Water Utility-Depreciation/Improvement	80,615	46,861	17,139	110,337
Water Utility-Customer Deposit	49,908	6,050	3,554	52,404
Water Utility-Petty Cash	250	-	-	250
Totals	<u>\$ 2,603,839</u>	<u>\$ 5,953,662</u>	<u>\$ 5,812,057</u>	<u>\$ 2,745,444</u>

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

TOWN OF FAIRMOUNT
NOTES TO FINANCIAL STATEMENT

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

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

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

B. Basis of Accounting

The financial statement is reported on a regulatory basis of accounting prescribed by the Indiana State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. The basis of accounting involves the reporting of only cash and investments and the changes therein resulting from cash inflows (receipts) and cash outflows (disbursements) reported in the period in which they occurred.

The regulatory basis of accounting differs from accounting principles generally accepted in the United States of America, in that receipts are recognized when received in cash, rather than when earned, and disbursements are recognized when paid, rather than when a liability is incurred.

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statement. The aggregate receipts include the following sources:

Taxes. Amounts received from one or more of the following: property tax, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeeper's tax, food and beverage tax, county economic development income tax, boat and trailer excise tax, county adjusted gross income tax, and other taxes that are set by the Town.

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

TOWN OF FAIRMOUNT
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

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

Utility fees. Amounts received from charges for current services.

Penalties. Amounts received from late payment fees.

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

E. Disbursements

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

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

Supplies. Amounts disbursed for articles and commodities that are entirely consumed and materially altered when used and/or show rapid depreciation after use for a short period of time. Examples of supplies include, but are not limited to, the following: office supplies, operating supplies, and repair and maintenance supplies.

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

TOWN OF FAIRMOUNT
NOTES TO FINANCIAL STATEMENT
(Continued)

Debt service - principal and interest. Amounts disbursed for 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. Amounts disbursed for land, infrastructure, buildings, improvements, and machinery and equipment having an appreciable and calculable period of usefulness.

Utility operating expenses. Amounts disbursed for operating the utilities.

Other disbursements. Amounts disbursed for various other purposes including, but not limited to, the following: interfund loan payments; loans made to other funds; internal service disbursements; and transfers out that are authorized by statute, ordinance, resolution, or court order.

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were

TOWN OF FAIRMOUNT
NOTES TO FINANCIAL STATEMENT
(Continued)

based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plan

Public Employees' Retirement Fund

Plan Description

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

TOWN OF FAIRMOUNT
NOTES TO FINANCIAL STATEMENT
(Continued)

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

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

Funding Policy and Annual Pension Cost

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

Note 7. Subsequent Events

The Town was awarded Community Development Block Grant (CDBG) funds of \$500,000 on June 28, 2017, for a Downtown Revitalization project. Rainy Day funds and proceeds remaining from the 2015 General Obligation Bonds will also be used for this project, which began construction on April 1, 2018.

The Town received Bond Anticipation Note proceeds of \$345,000 on November 8, 2017, to be used for engineering expenses for a Wastewater Collection System Improvements project. USDA grant and loan funding of \$6,366,000 was offered to the Town and is still in its approval process as of August 2018.

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OTHER INFORMATION - UNAUDITED

The Town's Annual Financial Report information can be found on the Indiana Gateway for Government Units website: <https://gateway.ifionline.org/>.

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

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

TOWN OF FAIRMOUNT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General	Motor Vehicle Highway	Local Road And Street	Sidewalk Community	Law Enforcement Continuing Education	Riverboat
Cash and investments - beginning	\$ 472,249	\$ 189,967	\$ 57,869	\$ 1,250	\$ 4,779	\$ 74,835
Receipts:						
Taxes	523,860	73,568	-	-	-	-
Licenses and permits	30,985	-	-	-	2,760	-
Intergovernmental receipts	244,984	113,881	25,877	-	-	17,499
Charges for services	1,910	2,015	-	-	1,956	-
Fines and forfeits	230	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	9,013	701	-	7,754	90	9,920
Total receipts	810,982	190,165	25,877	7,754	4,806	27,419
Disbursements:						
Personal services	536,448	132,455	-	-	-	-
Supplies	50,646	9,289	24,458	-	950	-
Other services and charges	109,183	52,007	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	39,759	16,360	-	8,328	-	3,292
Utility operating expenses	-	-	-	-	-	-
Other disbursements	13,303	130	4,511	-	1,619	2,098
Total disbursements	749,339	210,241	28,969	8,328	2,569	5,390
Excess (deficiency) of receipts over disbursements	61,643	(20,076)	(3,092)	(574)	2,237	22,029
Cash and investments - ending	\$ 533,892	\$ 169,891	\$ 54,777	\$ 676	\$ 7,016	\$ 96,864

TOWN OF FAIRMOUNT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Rainy Day	Levy Excess	Park Nonreverting	Cumulative Fire Equipment	Cumulative Capital Improvement	CEDIT
Cash and investments - beginning	\$ 280,108	\$ 229	\$ 23,036	\$ 51,421	\$ 87,391	\$ 90,526
Receipts:						
Taxes	-	-	-	14,704	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	17,248	-	-	1,681	7,529	59,025
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	3,850	40	4,000	-	69	-
Total receipts	21,098	40	4,000	16,385	7,598	59,025
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	51,379	-	7,363	20,000	-	70,180
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	269	-	-	-	4,380
Total disbursements	51,379	269	7,363	20,000	-	74,560
Excess (deficiency) of receipts over disbursements	(30,281)	(229)	(3,363)	(3,615)	7,598	(15,535)
Cash and investments - ending	\$ 249,827	\$ -	\$ 19,673	\$ 47,806	\$ 94,989	\$ 74,991

TOWN OF FAIRMOUNT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	General Obligation Bond	Debt Service - GO Bond	LOIT Special Distribution	Playacres Tree Foundation	Special Police Equipment	Park Special Needs Area
Cash and investments - beginning	\$ 205,009	\$ -	\$ -	\$ 2,181	\$ -	\$ 6,623
Receipts:						
Taxes	-	130,216	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	51,743	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	6,742	15,302	321
Total receipts	-	130,216	51,743	6,742	15,302	321
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	775
Other services and charges	-	-	-	-	6,484	-
Debt service - principal and interest	-	105,172	-	-	-	-
Capital outlay	4,386	-	-	1,506	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	51,743	-	-	-
Total disbursements	4,386	105,172	51,743	1,506	6,484	775
Excess (deficiency) of receipts over disbursements	(4,386)	25,044	-	5,236	8,818	(454)
Cash and investments - ending	\$ 200,623	\$ 25,044	\$ -	\$ 7,417	\$ 8,818	\$ 6,169

TOWN OF FAIRMOUNT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Special Donations and Grants	Operation Pullover	Park	Payroll	Trash	Wastewater Utility- Construction
Cash and investments - beginning	\$ 52	\$ -	\$ 140,191	\$ -	\$ 22,118	\$ 143
Receipts:						
Taxes	-	-	73,568	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	150,000	360	8,545	-	-	1,848,516
Charges for services	-	-	5,820	-	150,707	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	1,462	-	650	839,060	-	-
Total receipts	151,462	360	88,583	839,060	150,707	1,848,516
Disbursements:						
Personal services	-	360	52,527	-	5,971	-
Supplies	-	-	7,968	-	4,468	-
Other services and charges	500	-	22,368	-	12,674	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	150,000	-	2,000	-	-	1,848,516
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	4,000	839,060	127,728	-
Total disbursements	150,500	360	88,863	839,060	150,841	1,848,516
Excess (deficiency) of receipts over disbursements	962	-	(280)	-	(134)	-
Cash and investments - ending	\$ 1,014	\$ -	\$ 139,911	\$ -	\$ 21,984	\$ 143

TOWN OF FAIRMOUNT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Wastewater Utility- Bond and Interest	Wastewater Utility- Reserve	Wastewater Utility- Operating	Wastewater Utility- Depreciation/ Improvement	Sewage Utility- Planning	Water Utility- Improvement
Cash and investments - beginning	\$ 160,730	\$ 24,395	\$ 91,479	\$ 141,468	\$ 185,774	\$ 82,468
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	552,781	-	-	-
Penalties	-	-	13,649	-	-	-
Other receipts	194,232	19,516	2,133	56,079	5,645	120,129
Total receipts	194,232	19,516	568,563	56,079	5,645	120,129
Disbursements:						
Personal services	-	-	142,707	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	14,790	-	-	-
Debt service - principal and interest	177,317	-	-	-	-	-
Capital outlay	-	-	6,734	27,478	37,763	24,298
Utility operating expenses	-	-	161,846	-	-	-
Other disbursements	-	-	269,659	7,003	-	-
Total disbursements	177,317	-	595,736	34,481	37,763	24,298
Excess (deficiency) of receipts over disbursements	16,915	19,516	(27,173)	21,598	(32,118)	95,831
Cash and investments - ending	\$ 177,645	\$ 43,911	\$ 64,306	\$ 163,066	\$ 153,656	\$ 178,299

TOWN OF FAIRMOUNT
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2016

	Water Utility- Operating	Water Utility- Depreciation/ Improvement	Water Utility- Customer Deposit	Water Utility- Petty Cash	Totals
Cash and investments - beginning	\$ 76,775	\$ 80,615	\$ 49,908	\$ 250	\$ 2,603,839
Receipts:					
Taxes	-	-	-	-	815,916
Licenses and permits	-	-	-	-	33,745
Intergovernmental receipts	-	-	-	-	2,546,888
Charges for services	-	-	-	-	162,408
Fines and forfeits	-	-	-	-	230
Utility fees	470,918	-	-	-	1,023,699
Penalties	2,393	-	-	-	16,042
Other receipts	5,115	46,861	6,050	-	1,354,734
Total receipts	478,426	46,861	6,050	-	5,953,662
Disbursements:					
Personal services	140,249	-	-	-	1,010,717
Supplies	-	-	-	-	98,554
Other services and charges	11,273	-	-	-	229,279
Debt service - principal and interest	-	-	-	-	282,489
Capital outlay	4,089	-	-	-	2,323,431
Utility operating expenses	193,574	17,139	-	-	372,559
Other disbursements	165,971	-	3,554	-	1,495,028
Total disbursements	515,156	17,139	3,554	-	5,812,057
Excess (deficiency) of receipts over disbursements	(36,730)	29,722	2,496	-	141,605
Cash and investments - ending	\$ 40,045	\$ 110,337	\$ 52,404	\$ 250	\$ 2,745,444

TOWN OF FAIRMOUNT
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2016

<u>Government or Enterprise</u>	<u>Accounts Payable</u>	<u>Accounts Receivable</u>
Trash	\$ -	\$ 9,155
Wastewater	-	52,804
Water	-	<u>25,510</u>
Totals	<u>\$ -</u>	<u>\$ 87,469</u>

TOWN OF FAIRMOUNT
SCHEDULE OF LEASES AND DEBT
December 31, 2016

Description of Debt		Ending	Principal and
Type	Purpose	Principal	Interest Due
		Balance	Within One
			Year
Governmental activities:			
General obligation bonds	Capital Improvements	\$ 210,000	\$ 54,375
Notes and loans payable	Police Car	14,136	4,880
Notes and loans payable	Total Patcher	<u>16,625</u>	<u>13,533</u>
Total governmental activities		<u>240,761</u>	<u>72,788</u>
Wastewater:			
Revenue Bonds	Wastewater Construction	<u>5,175,000</u>	<u>193,054</u>
Totals		<u>\$ 5,415,761</u>	<u>\$ 265,842</u>

TOWN OF FAIRMOUNT
SCHEDULE OF CAPITAL ASSETS
December 31, 2016

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

	Ending Balance
Governmental activities:	
Land	\$ 111,050
Infrastructure	98,240
Buildings	476,306
Improvements other than buildings	180,339
Machinery, equipment, and vehicles	<u>1,456,273</u>
Total governmental activities	<u>2,322,208</u>
Wastewater:	
Land	47,700
Infrastructure	246,210
Buildings	7,460,319
Machinery, equipment, and vehicles	<u>411,491</u>
Total Wastewater	<u>8,165,720</u>
Water:	
Land	21,600
Infrastructure	226,610
Buildings	391,800
Improvements other than buildings	516,911
Machinery, equipment, and vehicles	<u>353,350</u>
Total Water	<u>1,510,271</u>
Total capital assets	<u>\$ 11,998,199</u>

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

TO: THE OFFICIALS OF THE TOWN OF FAIRMOUNT, GRANT COUNTY, INDIANA

Report on Compliance for the Major Federal Program

We have audited the Town of Fairmount's (Town) compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on its major federal program for the year ended December 31, 2016. The Town's major federal program is identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

Management's Responsibility

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

Auditor's Responsibility

Our responsibility is to express an opinion on compliance for the Town's major federal program based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

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

Opinion on the Major Federal Program

In our opinion, the Town complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2016.

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

Other Matters

The results of our auditing procedures disclosed instances of noncompliance, which are required to be reported in accordance with the Uniform Guidance and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002. Our opinion on the major federal program is not modified with respect to these matters.

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

Report on Internal Control over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the Town's internal control over compliance with the types of requirements that could have a direct and material effect on the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on compliance for the major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.


A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. A material weakness in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that were not identified. We identified certain deficiencies in internal control over compliance, as described in the accompanying Schedule of Findings and Questioned Costs as item 2016-002, that we consider to be a material weakness.

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

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.


Paul D. Joyce, CPA
State Examiner

August 29, 2018

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

TOWN OF FAIRMOUNT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2016

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Agriculture</u>					
Water and Waste Program Cluster Water and Waste Disposal Systems for Rural Communities	Direct Grant	10.760	FY 2014	\$ -	\$ 1,848,516
Total - Water and Waste Program Cluster				-	1,848,516
Total - Department of Agriculture				-	1,848,516
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction	Indiana Department of Transportation	20.205	A249-14-320805	-	18,482
Total - Highway Planning and Construction Cluster				-	18,482
Highway Safety Cluster State and Community Highway Safety	Grant County	20.600	FY 16	-	360
Total - Highway Safety Cluster				-	360
Total - Department of Transportation				-	18,842
Total federal awards expended				\$ -	\$ 1,867,358

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

TOWN OF FAIRMOUNT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Note 1. Basis of Presentation

The accompanying Schedule of Expenditures of Federal Awards (SEFA) includes the federal grant activity of the Town under programs of the federal government for the year ended December 31, 2016. The information in the SEFA is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the SEFA presents only a select portion of the operations of the Town, it is not intended to and does not present the financial position of the Town.

Note 2. Summary of Significant Accounting Policies

Expenditures reported on the SEFA are reported on the cash basis of accounting. Such expenditures are recognized following, as applicable, either the cost principles in OMB Circular A-87, *Cost Principles for State, Local, and Indian Tribal Governments*, or the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowed or are limited as to reimbursement. When federal grants are received on a reimbursement basis, the federal awards are considered expended when the reimbursement is received. The Town has elected not to use the 10 percent de minimis indirect cost rate allowed under the Uniform Guidance.

TOWN OF FAIRMOUNT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I - Summary of Auditor's Results

Financial Statement:

Type of auditor's report issued:	Adverse as to GAAP; Unmodified as to Regulatory Basis
Internal control over financial reporting:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Noncompliance material to financial statement noted?	no

Federal Awards:

Internal control over major program:	
Material weakness identified?	yes
Significant deficiency identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with section 2 CFR 200.516(a)?	yes

Identification of Major Program and type of auditor's report issued on compliance for it:

<u>Name of Federal Program or Cluster</u>	<u>Opinion Issued</u>
Water and Waste Program Cluster	Unmodified

Dollar threshold used to distinguish between Type A and Type B programs: \$750,000

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

Section II - Financial Statement Findings

FINDING 2016-001

Subject: Preparation of the Schedule of Expenditures of Federal Awards
Audit Finding: Material Weakness

Repeat Finding

This is a repeat finding from the immediately prior report. The prior audit finding number was 2015-001.

Condition

The Town had not established internal controls over the financial information entered into the Indiana Gateway for Government Units (Gateway) financial reporting system, which was the source for the Schedule of Expenditures of Federal Awards (SEFA).

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

Context

The financial information entered into Gateway was not subject to a review by anyone other than the preparer.

Criteria

The Indiana State Board of Accounts (SBOA) is required under Indiana Code 5-11-1-27(e) to define the acceptable minimum level of internal control standards. To provide clarifying guidance, the State Examiner compiled the standards contained in the manual, *Uniform Internal Control Standards for Indiana Political Subdivisions*. All political subdivisions subject to audit by SBOA are expected to adhere to these standards. The standards include adequate control activities. According to this manual:

"Control activities are the actions and tools established through policies and procedures that help to detect, prevent, or reduce the identified risks that interfere with the achievement of objectives. Detection activities are designed to identify unfavorable events in a timely manner whereas prevention activities are designed to deter the occurrence of an unfavorable event. Examples of these activities include reconciliations, authorizations, approval processes, performance reviews, and verification processes.

An integral part of the control activity component is segregation of duties. . . .

There is an expectation of segregation of duties. If compensating controls are necessary, documentation should exist to identify both the areas where segregation of duties are not feasible or practical and the compensating controls implemented to mitigate the risk. . . ."

Cause

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

Effect

Without a proper system of internal control in place that operated effectively, material misstatements of the SEFA could have remained undetected.

Recommendation

We recommended that the Town's management establish controls over the preparation of the SEFA to prevent, or detect and correct, errors on the SEFA.

Views of Responsible Officials

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

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2016-002

Subject: Water and Waste Program Cluster - Reporting
Federal Agency: Department of Agriculture
Federal Program: Water and Waste Disposal Systems for Rural Communities
CFDA Number: 10.760
Federal Award Number and Year (or Other Identifying Number): FY 2014
Pass-Through Entity: Direct Grant
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

Condition

An effective internal control system was not in place at the Town in order to ensure compliance with the requirements related to the grant agreement and the Reporting compliance requirement. There was an approval process involving another individual at the Town to ensure the financial reports were accurate. However, the approval process did not detect the errors in reporting.

Supporting documentation of amounts reported on the Financial Report Form 442-2, Statement of Budget, Income, and Equity, could not be ascertained for comparison.

Supporting documentation of amounts reported on the Financial Report Form 442-3, Balance Sheet, were reported with incorrect or inconsistent amounts. Some amounts were gathered from Town fund information instead of Wastewater Utility information. Some amounts could not be ascertained for comparison.

Context

The lack of effective controls was a systemic issue, which occurred throughout the audit period. Additionally, the lack of supporting documentation prevented the determination of the Town's compliance with the Reporting compliance requirement.

Criteria

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

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

2 CFR 200.303 states in part:

"The non-Federal entity must:

(a) Establish and maintain effective internal control over the Federal award that provides reasonable assurance that the non-Federal entity is managing the Federal award in compliance with Federal statutes, regulations, and the terms and conditions of the Federal award. These internal controls should be in compliance with guidance in 'Standards for Internal Control in the Federal Government' issued by the Comptroller General of the United States or the 'Internal Control Integrated Framework', issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO). . . ."

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

2 CFR 200.302(b)(2) states in part: "Accurate, current, and complete disclosure of the financial results of each Federal award or program in accordance with the reporting requirements set forth in §§ 200.327 Financial reporting and 200.328 Monitoring and reporting program performance. . . ."

Cause

Management had not developed a system of internal controls that would have ensured supporting documentation was maintained and provided for audit related to the Reporting compliance requirement.

Effect

The failure to maintain and provide supporting documentation prevented the determination of compliance with the grant agreement and the Reporting compliance requirement.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Town's management establish controls to ensure supporting documentation will be maintained and provided for audit related to the Reporting compliance requirement.

Views of Responsible Officials

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

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AUDITEE-PREPARED DOCUMENTS

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

TOWN OF FAIRMOUNT

214 WEST WASHINGTON STREET
FAIRMOUNT, INDIANA 46928

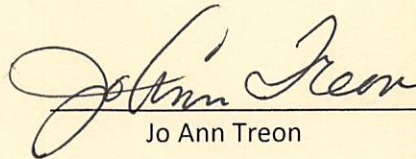
SUMMARY SCHEDULE OF PRIOR AUDIT FINDING

FINDING 2015-001

CONTRACT PERSON RESPONSIBLE FOR CORRECTIVE ACTION: Jo Ann Treon
CONTRACT PHONE NUMBER: 765-948-4632

Status of Audit Findings

With the addition of a Deputy Clerk-Treasurer to the staff later in 2016, all future reports will be reviewed by myself and the Deputy Clerk-Treasurer.



Jo Ann Treon

Clerk-Treasurer

8/01/2018



VISIT FAIRMOUNT DURING MUSEUM DAYS - LAST WEEKEND IN SEPTEMBER
(JAMES DEAN'S HOMETOWN)

TOWN OF FAIRMOUNT

214 WEST WASHINGTON STREET
FAIRMOUNT, INDIANA 46928

SUMMARY SCHEDULE OF PRIOR FINDINGS

FINDING 2015-002

CONTRACT PERSON RESPONSIBLE FOR CORRECTION ACTION: Jo Ann Treon
CONTACT PHONE NUMBER: 765-948-4632

Description of Corrective Action Plan:

With the addition of a Deputy Clerk-Treasurer, in 2016, both parties will review and sign off on monthly transaction registers.


Jo Ann Treon

Clerk-Treasurer

8/01/2018



VISIT FAIRMOUNT DURING MUSEUM DAYS - LAST WEEKEND IN SEPTEMBER
(JAMES DEAN'S HOMETOWN)

*Town of Fairmount
214 West Washington Street
Fairmount, Indiana 46928*

CORRECTIVE ACTION PLAN

FINDING 2016-001


Contract Person Responsible for Corrective Action: Jo Ann Treon
Contract Phone Number: (765)948-4632

Views of Responsible Official: We agree with the findings.

Description of Corrective Action Plan:

After the Clerk-Treasurer enters the Schedule of Expenditures of Federal Awards (SEFA) into Gateway, it will be printed off. The Deputy Clerk-Treasurer will review the document to determined that all information entered is correct. The Deputy Clerk-Treasurer will sign the printed document and then the SEFA will be Submitted. The signed document will be retained in the Grant File.

Anticipated Completion Date: Immediately



Jo Ann Treon
Clerk-Treasurer

8-29-18

*Town of Fairmount
214 West Washington Street
Fairmount, Indiana 46928*

CORRECTIVE ACTION PLAN

FINDING 2016-002


Contact Person Responsible for Corrective Action: Jo Ann Treon
Contact Phone Number: (765)948-4632

Views of Responsible Official: We agree with the findings.

Description of Corrective Action Plan:

With the addition of a Deputy Clerk-Treasurer to the staff, both parties will review and sign off on the Financial Reporting.

Anticipated Completion Date: Immediately



Jo Ann Treon
Clerk - Treasurer

8-20-18

OTHER REPORTS

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