

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, 2017 to December 31, 2017



FILED
02/07/2019

*This report was reissued
on August 31, 2020, to
include modifications to the
General fund amounts.*

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Robert Leuthart	01-01-16 to 12-31-19
President of the Town Council	Paul Fetter	01-01-17 to 12-31-18



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

Report on the Financial Statement

We have audited the accompanying financial statement of the Town of Clarksville (Town), which comprises the financial position and results of operations for the year ended December 31, 2017, 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 (Indiana Code 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, 2017.

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, 2017, 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 (CFR) 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 December 19, 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

December 19, 2018, except for the General fund,
for which the date is August 27, 2020



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 CLARKSVILLE, CLARK 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 Clarksville (Town), which comprises the financial position and results of operations for the year ended December 31, 2017, and the related notes to the financial statement, and have issued our report thereon dated December 19, 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 2017-001, that we consider to be material weaknesses.

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 Clarksville'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

December 19, 2018, except for the General fund,
for which the date is August 27, 2020

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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 CLARKSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments		Cash and Investments	
	01-01-17	Receipts	Disbursements	12-31-17
FED JAG GR #5 POL RADAR GUNS	\$ -	\$ 26,893	\$ 26,867	\$ 26
GENERAL	1,783,322	8,905,387	11,386,518	(697,809)
MOTOR VEHICLE HIGHWAY	695,193	1,006,489	814,653	887,029
LOCAL ROAD & STREET	354,510	295,957	244,194	406,273
NR HISTORIC PRESERVATION COMMISSION	54,763	27,188	12,187	69,764
GARNISHMENT #1	-	200	200	-
ECONOMIC DEVELOPMENT	2,427	-	-	2,427
UNSAFE BUILDING	116,956	94,720	38,286	173,390
2016 JAG GRANT	-	17,166	17,152	14
COMMUNITY CROSSING LR& BRIDGE MATCHING GRANT	-	1,000,000	908,526	91,474
LAW ENFORCEMENT CONT ED	51,381	13,599	11,201	53,779
NR ELECTRONIC MAPING FEES	179	6	-	185
GARNISHMENT #2	-	9,886	9,886	-
PARKS & REC OPERATING	38,166	3,487,930	2,491,977	1,034,119
USER FEE	16,316	15,212	16,498	15,030
GARNISHMENT #3	-	428	428	-
RAINY DAY	4,018,515	649,902	121,000	4,547,417
LOIT SPECIAL DISTRIBUTION	1,985,622	-	908,526	1,077,096
NR POL FED/SEIZED	65,273	22,689	4,922	83,040
LEVY EXCESS FUND	3,137	-	-	3,137
FIREFIGHTING	401	3,978,700	3,973,991	5,110
CUM CAPITAL IMPROVEMENT	1,119,180	82,098	32,997	1,168,281
CUM CAPITAL DEVELOPMENT	903,111	236,920	206,495	933,536
2016 PARKS REVENUE BOND - RESERVE	397,224	2,828	-	400,052
GR-JAG GRANT #6 POLICE EQUIP MISC	13	-	-	13
TIF CAPITAL FUND-2015 BOND	4,596,044	1,005	4,357,442	239,607
CUM FIRE BLDG & EQUIPMENT	234,325	100,791	160,125	174,991
2015 BUREAU OF JUSTICE-BOJ- JAG GRANT	3,157	-	-	3,157
CUMULATIVE PARK FUND	98,879	74,145	87,511	85,513
CEDIT	2,462,513	1,233,550	2,334,413	1,361,650
TIF	11,847,686	15,611,381	6,859,153	20,599,914
POLICE PENSION	134,144	523,804	456,205	201,743
FIRE PENSION	416,896	846,769	637,142	626,523
LOIT-PUBL SAFETY	2,079,552	1,241,707	1,026,688	2,294,571
TOWN PETTY CASH	875	-	-	875
PARKS PETTY CASH	2,200	-	-	2,200
2016 PARKS REVENUE BOND - B&I	27,249	364,187	391,436	-
PROBATION USER FEE	127,735	81,490	146,265	62,960
PARKS & REC DONATION	97,253	1,440	3,051	95,642
DONATION	48,313	6,953	4,597	50,669
COURT RECORD PERPETUATION	19,019	2,247	-	21,266
NR TOWED VEHICLE NONREVER	22,443	27,248	19,778	29,913
CONTROLLED SUBSTANCE TAX	2,545	-	-	2,545
BOND PROCEEDS 2011 BANS	647,337	-	182,575	464,762
2007 DEBT SERVICE RESERVE	452,000	-	-	452,000
2008 DEBT SERVICE RESERVE	300,000	-	-	300,000
2015 DEBT SERVICE RESERVE	743,430	-	-	743,430
GR FED NPS RIVERFRONT PK	5,894	-	-	5,894
FEDERAL GRANT	99,328	82,100	39,762	141,666
HOMETOWN FORESTRY	1,146	-	-	1,146
FEMA RELIEF '11 WINDSTORM	81,458	-	81,459	(1)
FED STIM JAG GR 1 Pol Sft	228	-	-	228
FED JAG GR #7 POL EQ	-	-	47,246	(47,246)
FED GR CMAQ POTTERS/BMR S	-	-	44,742	(44,742)
FED GR /HSIP-HIGHWAY SAFE	37,785	-	55,833	(18,048)
FED GR PGSP/09-POL RADIOS	9,767	-	-	9,767
FED GR PGSP/11-FIRE DIVE	1,413	-	-	1,413
COURT COST DUE COUNTY	17,080	9,979	-	27,059
NR POL REIMB OF GRANT FUNDS	4,206	19,317	11,557	11,966
NR POL FORFEITED/SEIZED	48,083	30,690	18,581	60,192
NR CLEAN UP FEE-FIRE	12,375	18,136	20,001	10,510
MC REFUELING STATION	50,241	163,307	165,693	47,855
VEHICLE MAINT REPAIR -VMR	5,788	44,690	50,077	401

TOWN OF CLARKSVILLE
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH
AND INVESTMENT BALANCES - REGULATORY BASIS
For the Year Ended December 31, 2017

Fund	Cash and Investments 01-01-17	Receipts	Disbursements	Cash and Investments 12-31-17
TOWN COURT OPERATING	224,731	249,082	218,974	254,839
2007 PARKS REV BOND	-	-	-	-
3RD PARTY INSURANCE	70,651	3,859,554	3,852,170	78,035
NR INSURANCE	3,949,578	3,525,621	4,410,860	3,064,339
URM/DDC DISB CONTROL	7,241	4,604	5,904	5,941
NR SENIOR TRIP	57,979	77,037	70,050	64,966
NR PARKS GIFT CARDS	3,576	5,671	3,283	5,964
NR PARK REFUNDS	19,487	9,750	12,016	17,221
NR ACCUM LEAVE TIME	19,135	-	-	19,135
PAYROLL NET WAGES	-	848,993	848,993	-
FEDERAL TAXES	-	1,355,634	1,355,634	-
FICA/MED	-	1,217,533	1,217,533	-
STATE	-	362,816	362,816	-
COUNTY	-	202,441	202,441	-
PERF W/H	-	4,117	4,117	-
VOLUNTARY PERF	-	80,183	80,183	-
EE HEALTH INS	-	13,719	13,719	-
EQUITABLE INSURANCE	-	519	519	-
LOCAL 2594	-	11,475	11,475	-
POLICE FOP DUES	-	21,429	21,429	-
CREDIT UNION	-	73,057	73,057	-
UNITED FUND	-	926	926	-
COLONIAL LIFE INS	-	8,138	8,138	-
GARNISHMENTS-EFT	-	25,401	25,401	-
AFLAC 125	-	38,045	38,045	-
AFLAC TAXABLE	-	19,928	19,928	-
DENTAL	-	2,050	2,050	-
VISION	-	808	808	-
AFLAC URM-CHILD	-	4,604	4,604	-
SECTION 457	-	40,628	40,628	-
EE ANNUAL HEALTH	-	193	193	-
DIRECT DEPOSIT	-	7,434,996	7,434,996	-
MASS MUTUAL INSURANCE	-	1,303	1,303	-
GARNISHMENT #4	-	4,186	4,186	-
PR BANK ACCT SERVICE CHGS	100	-	-	100
PRE-PAID LEGAL SERVICES	-	3,836	3,836	-
ATHLETIC CLUB MEMBERSHIP	-	8,245	8,245	-
AFLAC-CRITICAL ILL(TAXABL	-	4,661	4,661	-
AFLAC-ACCIDENT(SEC 125)	-	5,146	5,146	-
ONE AMERICA	-	92,097	92,097	-
GARNISHMENT #5	-	4,597	4,597	-
ONE AM LOAN PMT	-	11,447	11,447	-
GARNS -PENSION REPAYMENTS	-	720	720	-
GARNISHMENT #6	-	4,666	4,666	-
GARNISHMENT #7	-	3,218	3,218	-
AUL VOLUNTARY LIFE	-	12,416	12,416	-
RETAINAGE	9,547	-	-	9,547
STORMWATER OPERATING	545,266	1,534,322	1,008,098	1,071,490
SW CAPITAL	1,039,968	-	72,799	967,169
SW BOND	2,552,767	12	1,481,543	1,071,236
SW DEBT RESERVE	587,954	59,319	-	647,273
WW/SW DEBT RESERVE	1,494,420	536,988	-	2,031,408
WW CONST BOND	1,607,647	3	152,994	1,454,656
WW PETTY CASH	1,400	-	-	1,400
WW CAPITAL	2,027,081	-	443,692	1,583,389
WASTEWATER OPERATING	2,278,726	7,893,638	7,899,915	2,272,449
WW BOND & INT REDEMPTION	2,003,294	1,881,232	1,531,009	2,353,517
SEWAGE WORKS (BANS)	4,953	-	4,953	-
Totals	\$ 54,849,577	\$ 71,920,138	\$ 71,520,267	\$ 55,249,448

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, 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.

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,

TOWN OF CLARKSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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.

TOWN OF CLARKSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Utility operating expenses. Amounts disbursed for operating the utilities.

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

Property taxes levied are collected by the County Treasurer and are scheduled to be distributed to the Town in June and December; however, situations can arise which would delay the distributions. State statute (IC 6-1.1-17-16) requires the Indiana Department of Local Government Finance to establish property tax rates and levies by February 15. These rates were based upon the preceding year's lien date (March 1 in a year ending before January 1, 2016 and January 1 in a year beginning after December 31, 2015) assessed valuations adjusted for various tax credits. Taxable property is assessed at 100 percent of the true tax value (determined in accordance with rules and regulations adopted by the Indiana Department of Local Government Finance). Taxes may be paid in two equal installments which normally become delinquent if not paid by May 10 and November 10, respectively.

TOWN OF CLARKSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Note 4. Deposits and Investments

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

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

Note 5. Risk Management

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

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

Note 6. Pension Plans

A. Public Employees' Retirement Fund

Plan Description

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

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

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

TOWN OF CLARKSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

Funding Policy and Annual Pension Cost

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

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.

TOWN OF CLARKSVILLE
NOTES TO FINANCIAL STATEMENT
(Continued)

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.

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

Funding Policy

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

Note 7. Cash Balance Deficits

The financial statement contains some funds with deficits in cash. This is a result of the funds being set up for reimbursable grants with the reimbursement for expenditures made by the Town not received by December 31st.

Note 8. Subsequent Events

The Town issued Sewage Works Bond Anticipation Notes of 2018 for \$5,000,000, on December 11, 2018. The primary purpose for this issue is financing certain necessary improvements to the sewage works.

Note 9. Other Postemployment Benefits

The Town provides to eligible retirees and their spouses health insurance benefits. These benefits pose a liability to the Town for this year and in future years. Information regarding the benefits can be obtained by contacting the Town.

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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 CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	FED JAG GR #5 POL RADAR GUNS	GENERAL	MOTOR VEHICLE HIGHWAY	LOCAL ROAD & STREET	NR HISTORIC PRESERVATION COMMISSION	GARNISHMENT #1
Cash and investments - beginning	\$ -	\$ 1,783,322	\$ 695,193	\$ 354,510	\$ 54,763	\$ -
Receipts:						
Taxes	-	7,486,048	-	-	-	-
Licenses and permits	-	477,039	-	-	-	-
Intergovernmental receipts	-	491,567	971,434	295,957	-	-
Charges for services	-	28,264	-	-	-	-
Fines and forfeits	-	21,188	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	26,893	401,281	35,055	-	27,188	200
Total receipts	26,893	8,905,387	1,006,489	295,957	27,188	200
Disbursements:						
Personal services	-	8,597,573	369,472	-	-	-
Supplies	-	627,174	209,499	-	-	-
Other services and charges	-	1,836,427	115,182	239,628	12,187	200
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	325,344	120,500	4,566	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	26,867	-	-	-	-	-
Total disbursements	26,867	11,386,518	814,653	244,194	12,187	200
Excess (deficiency) of receipts over disbursements	26	(2,481,131)	191,836	51,763	15,001	-
Cash and investments - ending	\$ 26	\$ (697,809)	\$ 887,029	\$ 406,273	\$ 69,764	\$ -

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	ECONOMIC DEVELOPMENT	UNSAFE BUILDING	2016 JAG GRANT	COMMUNITY CROSSING LR& BRIDGE MATCHING GRANT	LAW ENFORCEMENT CONT ED	NR ELECTRONIC MAPING FEES
Cash and investments - beginning	\$ 2,427	\$ 116,956	\$ -	\$ -	\$ 51,381	\$ 179
Receipts:						
Taxes	-	77,152	-	-	-	-
Licenses and permits	-	-	-	-	7,835	-
Intergovernmental receipts	-	6,386	17,166	1,000,000	-	-
Charges for services	-	-	-	-	4,520	6
Fines and forfeits	-	-	-	-	860	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	11,182	-	-	384	-
Total receipts	-	94,720	17,166	1,000,000	13,599	6
Disbursements:						
Personal services	-	3,347	-	-	-	-
Supplies	-	-	-	-	3,209	-
Other services and charges	-	34,939	17,152	-	7,992	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	908,526	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	38,286	17,152	908,526	11,201	-
Excess (deficiency) of receipts over disbursements	-	56,434	14	91,474	2,398	6
Cash and investments - ending	\$ 2,427	\$ 173,390	\$ 14	\$ 91,474	\$ 53,779	\$ 185

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	GARNISHMENT #2	PARKS & REC OPERATING	USER FEE	GARNISHMENT #3	RAINY DAY	LOIT SPECIAL DISTRIBUTION
Cash and investments - beginning	\$ -	\$ 38,166	\$ 16,316	\$ -	\$ 4,018,515	\$ 1,985,622
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	193,500	-	-	-	-
Charges for services	-	3,277,571	1,612	-	-	-
Fines and forfeits	-	-	13,600	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	9,886	16,859	-	428	649,902	-
Total receipts	9,886	3,487,930	15,212	428	649,902	-
Disbursements:						
Personal services	-	1,498,695	-	-	-	-
Supplies	-	324,880	-	-	-	-
Other services and charges	-	668,402	16,498	428	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	908,526
Utility operating expenses	-	-	-	-	-	-
Other disbursements	9,886	-	-	-	121,000	-
Total disbursements	9,886	2,491,977	16,498	428	121,000	908,526
Excess (deficiency) of receipts over disbursements	-	995,953	(1,286)	-	528,902	(908,526)
Cash and investments - ending	\$ -	\$ 1,034,119	\$ 15,030	\$ -	\$ 4,547,417	\$ 1,077,096

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	NR POL FED/SEIZED	LEVY EXCESS FUND	FIREFIGHTING	CUM CAPITAL IMPROVEMENT	CUM CAPITAL DEVELOPMENT	2016 PARKS REVENUE BOND RESERVE
Cash and investments - beginning	\$ 65,273	\$ 3,137	\$ 401	\$ 1,119,180	\$ 903,111	\$ 397,224
Receipts:						
Taxes	-	-	3,554,206	-	218,809	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	284,895	82,098	18,111	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	22,689	-	139,599	-	-	2,828
Total receipts	22,689	-	3,978,700	82,098	236,920	2,828
Disbursements:						
Personal services	-	-	3,218,533	-	-	-
Supplies	-	-	135,151	-	-	-
Other services and charges	4,922	-	620,307	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	32,997	206,495	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	4,922	-	3,973,991	32,997	206,495	-
Excess (deficiency) of receipts over disbursements	17,767	-	4,709	49,101	30,425	2,828
Cash and investments - ending	\$ 83,040	\$ 3,137	\$ 5,110	\$ 1,168,281	\$ 933,536	\$ 400,052

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	GR-JAG GRANT #6 POLICE EQUIP MISC	TIF CAPITAL FUND-2015 BOND	CUM FIRE BLDG & EQUIPMENT	2015 BUREAU OF JUSTICE-BOJ- JAG GRANT	CUMULATIVE PARK FUND	CREDIT
Cash and investments - beginning	\$ 13	\$ 4,596,044	\$ 234,325	\$ 3,157	\$ 98,879	\$ 2,462,513
Receipts:						
Taxes	-	-	93,183	-	68,503	1,124,041
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	7,608	-	5,642	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	1,005	-	-	-	109,509
Total receipts	-	1,005	100,791	-	74,145	1,233,550
Disbursements:						
Personal services	-	-	-	-	-	536,376
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	1,635,486
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	4,357,442	160,125	-	87,511	162,551
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	4,357,442	160,125	-	87,511	2,334,413
Excess (deficiency) of receipts over disbursements	-	(4,356,437)	(59,334)	-	(13,366)	(1,100,863)
Cash and investments - ending	\$ 13	\$ 239,607	\$ 174,991	\$ 3,157	\$ 85,513	\$ 1,361,650

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	TIF	POLICE PENSION	FIRE PENSION	LOIT-PUBL SAFETY	TOWN PETTY CASH	PARKS PETTY CASH	2016 PARKS REVENUE BOND - B&I
Cash and investments - beginning	\$ 11,847,686	\$ 134,144	\$ 416,896	\$ 2,079,552	\$ 875	\$ 2,200	\$ 27,249
Receipts:							
Taxes	8,033,355	175,806	280,568	1,241,707	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	14,552	22,490	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	7,578,026	333,446	543,711	-	-	-	364,187
Total receipts	15,611,381	523,804	846,769	1,241,707	-	-	364,187
Disbursements:							
Personal services	-	199,530	637,142	-	-	-	-
Supplies	-	-	-	134,750	-	-	-
Other services and charges	2,279,884	256,675	-	852,175	-	-	-
Debt service - principal and interest	2,658,983	-	-	-	-	-	391,436
Capital outlay	1,920,286	-	-	39,763	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	6,859,153	456,205	637,142	1,026,688	-	-	391,436
Excess (deficiency) of receipts over disbursements	8,752,228	67,599	209,627	215,019	-	-	(27,249)
Cash and investments - ending	\$ 20,599,914	\$ 201,743	\$ 626,523	\$ 2,294,571	\$ 875	\$ 2,200	\$ -

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	PROBATION USER FEE	PARKS & REC DONATION	DONATION	COURT RECORD PERPETUATION	NR TOWED VEHICLE NONREVER	CONTROLLED SUBSTANCE TAX	BOND PROCEEDS 2011 BANS
Cash and investments - beginning	\$ 127,735	\$ 97,253	\$ 48,313	\$ 19,019	\$ 22,443	\$ 2,545	\$ 647,337
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	81,490	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	27,248	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	1,440	6,953	2,247	-	-	-
Total receipts	81,490	1,440	6,953	2,247	27,248	-	-
Disbursements:							
Personal services	145,702	-	-	-	-	-	-
Supplies	-	-	-	-	19,778	-	-
Other services and charges	563	3,051	4,597	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	182,575
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	146,265	3,051	4,597	-	19,778	-	182,575
Excess (deficiency) of receipts over disbursements	(64,775)	(1,611)	2,356	2,247	7,470	-	(182,575)
Cash and investments - ending	\$ 62,960	\$ 95,642	\$ 50,669	\$ 21,266	\$ 29,913	\$ 2,545	\$ 464,762

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	2007 DEBT SERVICE RESERVE	2008 DEBT SERVICE RESERVE	2015 DEBT SERVICE RESERVE	GR FED NPS RIVERFRONT PK	FEDERAL GRANT	HOMETOWN FORESTRY	FEMA RELIEF '11 WINDSTORM
Cash and investments - beginning	\$ 452,000	\$ 300,000	\$ 743,430	\$ 5,894	\$ 99,328	\$ 1,146	\$ 81,458
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	82,100	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	-
Total receipts	-	-	-	-	82,100	-	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	81,459
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	39,762	-	-
Total disbursements	-	-	-	-	39,762	-	81,459
Excess (deficiency) of receipts over disbursements	-	-	-	-	42,338	-	(81,459)
Cash and investments - ending	\$ 452,000	\$ 300,000	\$ 743,430	\$ 5,894	\$ 141,666	\$ 1,146	\$ (1)

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	FED STIM JAG GR 1 Pol Sft	FED JAG GR #7 POL EQ	FED GR CMAQ POTTERS/BMR S	FED GR /HSIP-HIGHWAY SAFE	FED GR PGSP/09-POL RADIOS	FED GR PGSP/11-FIRE DIVE	COURT COST DUE COUNTY
Cash and investments - beginning	\$ 228	\$ -	\$ -	\$ 37,785	\$ 9,767	\$ 1,413	\$ 17,080
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	9,979
Total receipts	-	-	-	-	-	-	9,979
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	44,742	18,266	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	47,246	-	37,567	-	-	-
Total disbursements	-	47,246	44,742	55,833	-	-	-
Excess (deficiency) of receipts over disbursements	-	(47,246)	(44,742)	(55,833)	-	-	9,979
Cash and investments - ending	\$ 228	\$ (47,246)	\$ (44,742)	\$ (18,048)	\$ 9,767	\$ 1,413	\$ 27,059

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	NR POL REIMB OF GRANT FUNDS	NR POL FORFEITED/SEIZED	NR CLEAN UP FEE-FIRE	MC REFUELING STATION	VEHICLE MAINT REPAIR -VMR	TOWN COURT OPERATING
Cash and investments - beginning	\$ 4,206	\$ 48,083	\$ 12,375	\$ 50,241	\$ 5,788	\$ 224,731
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	19,317	-	-	-	-	-
Fines and forfeits	-	30,690	18,136	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	-	-	-	163,307	44,690	249,082
Total receipts	19,317	30,690	18,136	163,307	44,690	249,082
Disbursements:						
Personal services	11,557	-	-	-	-	-
Supplies	-	-	20,001	165,693	24,734	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	18,581	-	-	25,343	218,974
Total disbursements	11,557	18,581	20,001	165,693	50,077	218,974
Excess (deficiency) of receipts over disbursements	7,760	12,109	(1,865)	(2,386)	(5,387)	30,108
Cash and investments - ending	\$ 11,966	\$ 60,192	\$ 10,510	\$ 47,855	\$ 401	\$ 254,839

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	2007 PARKS REV BOND	3RD PARTY INSURANCE	NR INSURANCE	URM/DDC DISB CONTROL	NR SENIOR TRIP	NR PARKS GIFT CARDS	NR PARK REFUNDS
Cash and investments - beginning	\$ -	\$ 70,651	\$ 3,949,578	\$ 7,241	\$ 57,979	\$ 3,576	\$ 19,487
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	3,859,554	3,525,621	4,604	77,037	5,671	9,750
Total receipts	-	3,859,554	3,525,621	4,604	77,037	5,671	9,750
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	3,852,170	4,410,860	5,904	70,050	3,283	12,016
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	-	3,852,170	4,410,860	5,904	70,050	3,283	12,016
Excess (deficiency) of receipts over disbursements	-	7,384	(885,239)	(1,300)	6,987	2,388	(2,266)
Cash and investments - ending	\$ -	\$ 78,035	\$ 3,064,339	\$ 5,941	\$ 64,966	\$ 5,964	\$ 17,221

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	NR ACCUM LEAVE TIME	PAYROLL NET WAGES	FEDERAL TAXES	FICA/MED	STATE	COUNTY	PERF W/H
Cash and investments - beginning	\$ 19,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	-	848,993	1,355,634	1,217,533	362,816	202,441	4,117
Total receipts	-	848,993	1,355,634	1,217,533	362,816	202,441	4,117
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	848,993	1,355,634	1,217,533	362,816	202,441	4,117
Total disbursements	-	848,993	1,355,634	1,217,533	362,816	202,441	4,117
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ 19,135	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	VOLUNTARY PERF	EE HEALTH INS	EQUITABLE INSURANCE	LOCAL 2594	POLICE FOP DUES	CREDIT UNION	UNITED FUND
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	80,183	13,719	519	11,475	21,429	73,057	926
Total receipts	80,183	13,719	519	11,475	21,429	73,057	926
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	80,183	13,719	519	11,475	21,429	73,057	926
Total disbursements	80,183	13,719	519	11,475	21,429	73,057	926
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	COLONIAL LIFE INS	GARNISHMENTS-EFT	AFLAC 125	AFLAC TAXABLE	DENTAL	VISION
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Penalties	-	-	-	-	-	-
Other receipts	8,138	25,401	38,045	19,928	2,050	808
Total receipts	8,138	25,401	38,045	19,928	2,050	808
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	8,138	25,401	38,045	19,928	2,050	808
Total disbursements	8,138	25,401	38,045	19,928	2,050	808
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	AFLAC URM-CHILD	SECTION 457	EE ANNUAL HEALTH	DIRECT DEPOSIT	MASS MUTUAL INSURANCE	GARNISHMENT #4	PR BANK ACCT SERVICE CHGS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-
Other receipts	4,604	40,628	193	7,434,996	1,303	4,186	-
Total receipts	4,604	40,628	193	7,434,996	1,303	4,186	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	1,303	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	4,604	40,628	193	7,434,996	-	4,186	-
Total disbursements	4,604	40,628	193	7,434,996	1,303	4,186	-
Excess (deficiency) of receipts over disbursements	-	-	-	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 100

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	PRE-PAID LEGAL SERVICES	ATHLETIC CLUB MEMBERSHIP	AFLAC-CRITICAL ILL(TAXABL	AFLAC-ACCIDENT(SEC 125)
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental receipts	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Penalties	-	-	-	-
Other receipts	3,836	8,245	4,661	5,146
Total receipts	3,836	8,245	4,661	5,146
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	3,836	8,245	4,661	5,146
Total disbursements	3,836	8,245	4,661	5,146
Excess (deficiency) of receipts over disbursements	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	ONE AMERICA	GARNISHMENT #5	ONE AM LOAN PMT	GARNS -PENSION REPAYMENTS
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ -
Receipts:				
Taxes	-	-	-	-
Licenses and permits	-	-	-	-
Intergovernmental receipts	-	-	-	-
Charges for services	-	-	-	-
Fines and forfeits	-	-	-	-
Utility fees	-	-	-	-
Penalties	-	-	-	-
Other receipts	92,097	4,597	11,447	720
Total receipts	92,097	4,597	11,447	720
Disbursements:				
Personal services	-	-	-	-
Supplies	-	-	-	-
Other services and charges	-	-	-	-
Debt service - principal and interest	-	-	-	-
Capital outlay	-	-	-	-
Utility operating expenses	-	-	-	-
Other disbursements	92,097	4,597	11,447	720
Total disbursements	92,097	4,597	11,447	720
Excess (deficiency) of receipts over disbursements	-	-	-	-
Cash and investments - ending	\$ -	\$ -	\$ -	\$ -

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	GARNISHMENT #6	GARNISHMENT #7	AUL VOLUNTARY LIFE	RETAINAGE	STORMWATER OPERATING
Cash and investments - beginning	\$ -	\$ -	\$ -	\$ 9,547	\$ 545,266
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	1,509,509
Penalties	-	-	-	-	21,513
Other receipts	4,666	3,218	12,416	-	3,300
Total receipts	4,666	3,218	12,416	-	1,534,322
Disbursements:					
Personal services	-	-	-	-	414,633
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	184,800
Debt service - principal and interest	-	-	-	-	103,872
Capital outlay	-	-	-	-	-
Utility operating expenses	-	-	-	-	224,553
Other disbursements	4,666	3,218	12,416	-	80,240
Total disbursements	4,666	3,218	12,416	-	1,008,098
Excess (deficiency) of receipts over disbursements	-	-	-	-	526,224
Cash and investments - ending	\$ -	\$ -	\$ -	\$ 9,547	\$ 1,071,490

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	SW CAPITAL	SW BOND	SW DEBT RESERVE	WW/SW DEBT RESERVE	WW CONST BOND
Cash and investments - beginning	\$ 1,039,968	\$ 2,552,767	\$ 587,954	\$ 1,494,420	\$ 1,607,647
Receipts:					
Taxes	-	-	-	-	-
Licenses and permits	-	-	-	-	-
Intergovernmental receipts	-	-	-	-	-
Charges for services	-	-	-	-	-
Fines and forfeits	-	-	-	-	-
Utility fees	-	-	-	-	-
Penalties	-	-	-	-	-
Other receipts	-	12	59,319	536,988	3
Total receipts	-	12	59,319	536,988	3
Disbursements:					
Personal services	-	-	-	-	-
Supplies	-	-	-	-	-
Other services and charges	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	152,994
Capital outlay	72,799	1,481,543	-	-	-
Utility operating expenses	-	-	-	-	-
Other disbursements	-	-	-	-	-
Total disbursements	72,799	1,481,543	-	-	152,994
Excess (deficiency) of receipts over disbursements	(72,799)	(1,481,531)	59,319	536,988	(152,991)
Cash and investments - ending	\$ 967,169	\$ 1,071,236	\$ 647,273	\$ 2,031,408	\$ 1,454,656

TOWN OF CLARKSVILLE
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For the Year Ended December 31, 2017

	WW PETTY CASH	WW CAPITAL	WASTEWATER OPERATING	WW BOND & INT REDEMPTION	SEWAGE WORKS (BANS)	Totals
Cash and investments - beginning	\$ 1,400	\$ 2,027,081	\$ 2,278,726	\$ 2,003,294	\$ 4,953	\$ 54,849,577
Receipts:						
Taxes	-	-	-	-	-	22,353,378
Licenses and permits	-	-	-	-	-	484,874
Intergovernmental receipts	-	-	-	-	-	3,493,506
Charges for services	-	-	-	-	-	3,412,780
Fines and forfeits	-	-	-	-	-	111,722
Utility fees	-	-	7,052,286	-	-	8,561,795
Penalties	-	-	137,212	-	-	158,725
Other receipts	-	-	704,140	1,881,232	-	33,343,358
Total receipts	-	-	7,893,638	1,881,232	-	71,920,138
Disbursements:						
Personal services	-	-	734,730	-	-	16,367,290
Supplies	-	-	-	-	-	1,664,869
Other services and charges	-	-	124,634	-	-	17,416,182
Debt service - principal and interest	-	-	3,208,667	1,531,009	-	8,046,961
Capital outlay	-	443,692	1,788,513	-	-	13,203,754
Utility operating expenses	-	-	1,308,288	-	-	1,532,841
Other disbursements	-	-	735,083	-	4,953	13,288,370
Total disbursements	-	443,692	7,899,915	1,531,009	4,953	71,520,267
Excess (deficiency) of receipts over disbursements	-	(443,692)	(6,277)	350,223	(4,953)	399,871
Cash and investments - ending	\$ 1,400	\$ 1,583,389	\$ 2,272,449	\$ 2,353,517	\$ -	\$ 55,249,448

TOWN OF CLARKSVILLE
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2017

Government or Enterprise	Accounts Payable	Accounts Receivable
Storm Water	\$ 126	\$ -
Wastewater	4,779	195,895
Governmental activities	394,551	-
Totals	\$ 399,456	\$ 195,895

TOWN OF CLARKSVILLE
 SCHEDULE OF LEASES AND DEBT
 December 31, 2017

Lessor	Purpose	Annual Lease Payment	Lease Beginning Date	Lease Ending Date
Governmental activities:				
CLARKSVILLE REDEVELOPMENT AUTHORITY	LEWIS & CLARK INFRASTRUCTURE (2012 EDIT LEASE RENTAL REFUNDING BONDS)	\$ 510,450	11/19/2012	2/1/2023
CLARKSVILLE REDEVELOPMENT AUTHORITY	GOLF COURSE	154,963	8/26/2011	2/1/2021
CLARKSVILLE REDEVELOPMENT AUTHORITY	EASTERN BLVD INFRASTRUCTURE	194,275	7/29/2008	1/15/2018
CLARKSVILLE REDEVELOPMENT AUTHORITY	FIRE STATION	<u>249,261</u>	3/28/2011	2/1/2022
Total governmental activities		<u>1,108,949</u>		
Total of annual lease payments		<u>\$ 1,108,949</u>		

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Governmental activities:			
General obligation bonds	2015 TAX INCREMENT BOND SERIES A (TIF BOND A)	\$ 9,850,000	\$ 367,450
General obligation bonds	2015 TAX INCREMENT BOND SERIES B (TIF BOND B)	900,000	374,530
General obligation bonds	PARK DIST TAX INC REV REF BONDS 2016 (REF 2007 LL BOND)	3,375,000	390,538
Notes and loans payable	INDOT LOAN FOR VETERANS PARKWAY INFRASTRUCTURE	<u>1,411,658</u>	<u>240,660</u>
Total governmental activities		<u>15,536,658</u>	<u>1,373,178</u>
Storm Water:			
Revenue bonds	SEWAGE WORKS BONDS OF 2014	<u>9,115,000</u>	<u>621,684</u>
Wastewater:			
Revenue bonds	SEWAGE WORKS REVENUE BONDS OF 2013	25,430,000	1,711,000
Revenue bonds	2009 SEWAGE WORKS REFUNDING BONDS	650,000	663,000
Revenue bonds	2015 SEWAGE WORKS REFUNDING BONDS (FKA 05)	<u>5,855,000</u>	<u>347,416</u>
Total Wastewater		<u>31,935,000</u>	<u>2,721,416</u>
Totals		<u>\$ 56,586,658</u>	<u>\$ 4,716,278</u>

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SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



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

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

Report on Compliance for the Major Federal Program

We have audited the Town of Clarksville'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, 2017. 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, 2017.

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 2017-002. 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 2017-002, 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

December 19, 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 CLARKSVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2017

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Federal CFDA Number	Pass-Through Entity (or Other) Identifying Number	Total Federal Awards Expended
<u>Department of Justice</u>				
Public Safety Partnership and Community Policing Grants COPS Hiring Grant	Direct Grant	16.710	2015UMWX0044	\$ 111,033
Total - Department of Justice				<u>111,033</u>
<u>Department of Transportation</u>				
Highway Planning and Construction Cluster Highway Planning and Construction BMR Improvements Lewis & Clark Trail	Indiana Department of Transportation	20.205	DES. NO 1401350 DES. NO 0200120	38,211 <u>82,100</u>
Total - Highway Planning and Construction Cluster				<u>120,311</u>
Total - Department of Transportation				<u>120,311</u>
<u>Department of Homeland Security</u>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters) FEMA Relief '11 Windstorm	Indiana Department of Homeland Security	97.036	2011-FEMA	<u>619,480</u>
Total - Department of Homeland Security				<u>619,480</u>
Total federal awards expended				<u>\$ 850,824</u>

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

TOWN OF CLARKSVILLE
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, 2017. 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 CLARKSVILLE
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 deficiencies identified?	none reported
Any audit finding 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:

CFDA Number	Name of Federal Program or Cluster	Opinion Issued
97.036	Disaster Grants - Public Assistance (Presidentially Declared Disasters)	Unmodified

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

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

FINDING 2017-001

Subject: Internal Controls over Financial Transactions and Reporting
Audit Finding: Material Weakness

Condition

Deficiencies in the internal control system of the Town related to financial transactions and reporting were identified. There was a lack of segregation of duties related to receipts. One employee was responsible for issuing receipts and recording receipts. There was no oversight or review over the receipts issued to ensure all receipt activity was recorded to the ledger.

Context

The lack of internal controls over receipts was a systemic issue throughout the audit period.

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

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 of the Town had not established a proper system of internal controls.

Effect

The failure to establish controls could have enabled misstatements or irregularities to remain undetected.

Recommendation

We recommended that the Town establish a system of internal controls related to financial transactions and reporting.

Views of Responsible Officials

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

Section III - Federal Award Findings and Questioned Costs

FINDING 2017-002

Subject: Disaster Grants - Public Assistance (Presidentially Declared Disasters) - Reporting
Federal Agency: Department of Homeland Security
Federal Program: Disaster Grants - Public Assistance (Presidentially Declared Disasters)
CFDA Number: 97.036
Federal Award Number and Year (or Other Identifying Number): 2011-FEMA
Pass-Through Entity: Indiana Department of Homeland Security
Compliance Requirement: Reporting
Audit Findings: Material Weakness, Other Matters

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

Condition

Internal Controls were not in place to ensure the required quarterly progress reports were properly prepared and filed. One employee was responsible for preparing and filing the required quarterly reports without any oversight or review. Not all required quarterly progress reports were filed during the audit period.

Context

Quarterly progress reports were not filed for five out of eight quarters during the audit period.

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. . . ."

44 CFR 13.20(b)(1) states:

"Financial reporting. Accurate, current, and complete disclosure of the financial results of financially assisted activities must be made in accordance with the financial reporting requirements of the grant or subgrant."

Cause

Management had not developed a system of internal controls that segregated key functions.

Effect

The failure to establish effective internal controls enabled material noncompliance to go undetected. The failure to comply with the compliance requirement could have resulted in the loss of federal funds to the Town.

Questioned Costs

There were no questioned costs identified.

Recommendation

We recommended that the Town's management establish controls related to the grant agreement and 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.

AUDITEE-PREPARED DOCUMENT

The subsequent document was provided by management of the Town. The document is presented as intended by the Town.

Civil Town of Clarksville
2000 Broadway
Clarksville, IN 47129-7762
Phone (812) 283-1500
Fax (812) 283-1536
www.townofclarksville.com



TOWN OF CLARKSVILLE

CORRECTIVE ACTION PLAN

FINDING 2017-001

Contact Person Responsible for Corrective Action: Sherry Lockard
Contact Phone Number: 812-283-1500

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan:

The Town will require and obtain 2 signatures on each process of the banking and receipting duties. We will initial and date each report of collections submitted to the Clerk Treasurer's Office with two signatures to verify that money deposited is what is on report of collections. Upon receipting in transactions, we will print out a receipt transaction report and obtain a separate signature verifying what was submitted was correctly received.

Anticipated Completion Date: The Clerk Treasurer's Office started this procedure December 1, 2018.

FINDING 2017-002

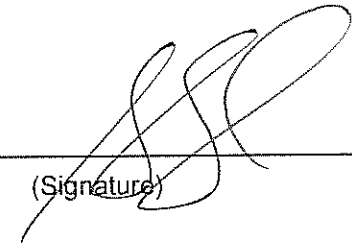
Contact Person Responsible for Corrective Action: Sherry Lockard
Contact Phone Number: 812-283-1500

Views of Responsible Official: We concur with the finding.

Description of Corrective Action Plan

Upon obtaining any Grant, the Department Head in charge of the Grant will submit to the Clerk Treasurer a copy of the Grant, a checklist and the due dates of all compliance items. The Department Head will submit copies of all compliance items as they are due with an attached signature page stating that the compliance item is complete, along with the signature of the Town Manager verifying the Department Head has completed the required compliance item. The Clerk Treasurer will keep a copy of the Grant document and all signed compliance items in its own binder.

Anticipated Completion Date: The Town will implement CAP by 12/31/18 for all open grants.



(Signature)

Deputy Clerk Treasurer

(Title)

12. 7. 18

(Date)

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/>.