

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

FEDERAL COMPLIANCE AUDIT REPORT

OF

TOWN OF CLARKSVILLE

CLARK COUNTY, INDIANA

January 1, 2021 to December 31, 2021



FILED
09/15/2022

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Robert P. Leuthart	01-01-21 to 12-31-22
President of the Town Council	Ryan Ramsey	01-01-21 to 12-31-22
Utility Office Director	Brittany Montgomery	01-01-21 to 12-31-22
Town Manager	Kevin Baity	01-01-21 to 12-31-22



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), for the year ended December 31, 2021, and the related notes to the financial statement, which collectively comprise the Town's financial statement and have issued our report thereon dated August 25, 2022, 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.

Report on 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) as a basis for designing 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 2021-001, 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)

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statement is free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and, accordingly, we do not express such an opinion. The results of our tests disclosed instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying Schedule of Findings and Questioned Costs as item 2021-001.

Town of Clarksville's Response to Findings

Government Auditing Standards requires the auditor to perform limited procedures on the Town's response to findings identified in our audit and described in the accompanying Schedule of Findings and Questioned Costs. 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.



Beth Kelley, CPA, CFE
Deputy State Examiner

August 25, 2022



INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE

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

Report on Compliance for Each Major Federal Program

Opinion on Each 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 each of its major federal programs for the year ended December 31, 2021. The Town's major federal programs are identified in the Summary of Auditor's Results section of the accompanying Schedule of Findings and Questioned Costs.

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 each of its major federal programs for the year ended December 31, 2021.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); 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). Our responsibilities under those standards and the Uniform Guidance are further described in the *Auditor's Responsibilities for the Audit of Compliance* section of our report.

We are required to be independent of the Town and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the Town's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules, and provisions of contracts or grant agreements applicable to the Town's federal programs.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Town's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually, or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Town's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Town's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Town's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances 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 the Town's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on 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 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 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.

INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM; REPORT ON INTERNAL CONTROL OVER COMPLIANCE; AND REPORT ON SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS REQUIRED BY THE UNIFORM GUIDANCE
(Continued)

Our consideration of internal control over compliance was for the limited purpose described in the *Auditor's Responsibilities for the Audit of Compliance* section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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.

Report on Schedule of Expenditures of Federal Awards Required by the Uniform Guidance

We have audited the financial statement of the Town, as of and for the year ended December 31, 2021, and the related notes to the financial statement. We issued our report thereon dated August 25, 2022, which contained a dual opinion on the financial statement. An adverse opinion was issued regarding the presentation in accordance with accounting principles generally accepted in the United States of America, and an unmodified opinion was issued regarding the presentation in accordance with the regulatory basis of accounting. Our audit was performed for the purpose of forming an opinion on the financial statement as a whole. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the Uniform Guidance 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 as a whole.



Beth Kelley, CPA, CFE
Deputy State Examiner

August 25, 2022

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS AND ACCOMPANYING NOTES

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

TOWN OF CLARKSVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
<u>Department of Housing and Urban Development</u>					
Community Development Block Grant State/Small Cities Program Beat the Heat	Indiana University	14.219	52079	\$ -	\$ 14,585
COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii CDBG OCRA GRANT CDBG OCRA GRANT	Office of Community and Rural Affairs	14.228	CV-CV2-326 CV-CV1-204	- -	250,000 72,500
Total - COVID-19 - Community Development Block Grants/State's program and Non-Entitlement Grants in Hawaii				-	322,500
Total - Department of Housing and Urban Development				-	337,085
<u>Department of Justice</u>					
Equitable Sharing Program NR POL FED SEIZED/JUSTICE	Direct Grant	16.922	IN0100200	-	205,970
Total - Department of Justice				-	205,970
<u>Department of Transportation</u>					
Highway Planning and Construction Cluster Highway Planning and Construction BMR PHASE II BMR PHASE I MONTGOMERY AVE BIKE/PED FACILITIES RIVERSIDE DRIVE	Indiana Department of Transportation	20.205	DES NO. 1700724 DES NO. 1401350 DES NO. 1801597 DES NO. 1700725	- - - -	25,612 48,089 110,939 191,229
Total - Highway Planning and Construction				-	375,869
Total - Highway Planning and Construction Cluster				-	375,869

TOWN OF CLARKSVILLE
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 For the Year Ended December 31, 2021

Federal Grantor Agency Cluster Title/Program Title/Project Title	Pass-Through Entity or Direct Grant	Assistance Listings Number	Pass-Through Entity (or Other) Identifying Number	Passed Through to Subrecipient	Total Federal Awards Expended
Highway Safety Cluster State and Community Highway Safety POLICE REIMB OT GRANT	Town of Sellersburg	20.600	2021-00089-FR2	-	12,844
Total - Highway Safety Cluster				-	12,844
Total - Department of Transportation				-	388,713
<u>Department of the Treasury</u>					
COVID-19 - Coronavirus State and Local Fiscal Recovery Funds ARP CV LOCAL FISCAL RECOVERY	Direct Grant	21.027	IN0086	-	231,175
Total - Department of the Treasury				-	231,175
<u>Environmental Protection Agency</u>					
Brownfields Multipurpose, Assessment, Revolving Loan Fund, and Cleanup Cooperative Agreements EPA BROWNFIELDS GRANT	Direct Grant	66.818	2019	-	53,950
Total - Environmental Protection Agency				-	53,950
<u>Department of Homeland Security</u>					
Hazard Mitigation Grant FEMA HAZARD MITIGATION PROGRAM	Indiana Department of Homeland Security	97.039	HMGP 4363	-	116,442
Total - Department of Homeland Security				-	116,442
Total federal awards expended				\$ -	\$ 1,333,335

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. Summary of Significant Accounting Policies

A. 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, 2021. 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.

B. Other 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.

Note 2. Indirect Cost Rate

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 weaknesses identified?	yes
Significant deficiencies identified?	none reported
Noncompliance material to financial statement noted?	yes

Federal Awards:

Internal control over major programs:	
Material weaknesses identified?	no
Significant deficiencies identified?	none reported
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)?	no

Identification of Major Programs and type of auditor's report issued on compliance for each:

Assistance Listings Number	Name of Federal Program or Cluster	Opinion Issued
21.027	Highway Planning and Construction Cluster COVID-19 - Coronavirus State and Local Fiscal Recovery Funds	Unmodified 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 2021-001

Subject: Financial Transactions and Reporting
Audit Findings: Material Weakness, Noncompliance

Repeat Finding

This is a repeat finding from the immediately prior audit report. The prior audit finding number was 2020-002.

Condition and Context

There were several deficiencies in the internal control system of the Town related to financial transactions and reporting.

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

1. Internal controls over the preparation of the financial statement were ineffective. Due to the lack of effective internal controls the following errors were identified:
 - In accordance with regulatory accounting guidelines, financial activity of monies held in escrow should not be reported in a unit's financial statement as the unit no longer has financial control and legal access to the funds. Financial activity associated with monies held in escrow for the advanced refund of the 2014 Sewer Works Bond were incorrectly included in the Town's financial statement which overstated beginning cash and investments balance by \$8,483,788, receipts by \$37,600, disbursements by \$636,785, and ending cash and investments balance by \$7,884,603.
 - Transfers between depository bank accounts for the 2020 Sewage Works Bond Fund Acct were incorrectly included in the financial statement which overstated receipts and disbursements by \$21,271,685.

Adjustments were proposed, accepted by the Town, and made to the financial statement included in the Financial Statement Audit Report.

2. Proper internal controls were not in place to ensure the accuracy of the Town Court financial activity. Incorrect amounts were reported by the Town Court for inclusion in the financial statement, which overstated the beginning cash and investments balance by \$72,368, understated receipts by \$28, overstated disbursements by \$174,618, and understated ending cash and investments balance by \$102,278.
3. Internal controls over the monthly reconciliation of the depository balances to the financial records were not effective. Monthly reconciliations of the Town funds to the depository balances were performed by designated employees and reviewed and approved by someone other than the person who prepared the monthly reconciliation. However, reconciling items and variances between the depository balance and the financial records were not investigated and corrected timely.

Depository reconciliations for the 3rd Party Insurance fund were not properly performed. Items were identified as reconciling items for which there was no documentation to support the amount. When the Town was notified of the issue during the audit of the 2020 financial statement, new bank reconciliations were performed, however, unidentified variances still existed in the amount of \$22,152.

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. . . .

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

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. . . ."

Indiana Code 5-11-1-4(a) states:

"The state examiner shall require from every audited entity financial reports covering the full period of each fiscal year. These reports shall be prepared, verified, and filed with the state examiner not later than sixty (60) days after the close of each fiscal year. The reports must be in the form and content prescribed by the state examiner and filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

Indiana Code 5-13-6-1(e) states: "All local investment officers shall reconcile at least monthly the balance of the public funds, as disclosed by the records of the local officers, with the balance statements provided by the respective depositories."

At all times, the manual and /or computerized records, subsidiary ledgers, control ledgers, and reconciled bank balance must agree. If the reconciled bank balance is less than the subsidiary or control ledgers, the amount needed to balance may be the personal obligation of the responsible official or employee. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

Cause

Management had not established a proper system of internal control that would have ensured proper recording of financial transactions and reporting.

Effect

Without a proper system of internal control in place that operated effectively, misstatements occurred and remained undetected.

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

No matters are reportable.

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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.

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

FINDING 2020-001

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

Preparation of the SEFA

Deputy Clerk submitted reports and SEFA information gathered and submitted to all Department Heads who were involved with a grant. Deputy Clerk had each Department Head sign off on information provided to them. Deputy Clerk suggested at Department Head meeting that the Town would benefit having a Grant Coordinator, due to the amount of federal dollars received by the Town. At this time, no one has been specifically hired for this due to financial strain in the General Fund, but the Assistant to the Redevelopment Director has been tasked with taking care of the Highway Planning Road Project Grants, and the Department Heads will currently be in charge of the grants for their Department. The Clerk Treasurer's Office, the Town Manager and Council President will continue to monitor and report on the ARP grant until such time the Town is able to hire a grant coordinator. The Town will continue to strive to prepare an error free SEFA.

FINDING 2020-002

Fiscal year in which the finding initially occurred: 2019

Status of Audit Finding:

1. Monthly Bank Reconcilements

Corrected: A correction transaction was recorded in December 2021 to correct the duplicate receipt transaction of \$68,760.

The Clerk-Treasurer's office is currently going back through the bank reconciliations prepared by the former deputy clerk to identify and correct previous errors.

The Clerk-Treasurer has changed banks and investment managers and now records interest quarterly.

2. Timely Recording of Transactions

The Clerk-Treasurer' office is continuing to work on procedures to ensure information is provided to the office to record transactions in a timely manner. The office has been short staffed due to changes in personnel and training new employees.

The office now requires a claim to be submitted for recording activity prior to the wire transfer being completed, no matter the urgency for a pending deadline for purchase.

The Clerk-Treasurer's office is continuing to work with the Court to ensure that complete information is received and in a timely manner. A form has been developed to assist the Court in providing the correct information. It is expected in September 2022 going forward the issue will be resolved.

3. Overdrawn Depository Account Balance

Corrected. Upon receipt of property taxes monies are transferred immediately to the proper depository accounts to prevent any overdrafts.

4. Disbursement Documentation

The issue regarding submitting payment requests without complete documentation was addressed at a regular department head meeting. All Department Heads were advised that the Clerk Treasurer will not process claims if invoices do not completely match up with the request.



CORRECTIVE ACTION PLAN

FINDING 2021-001

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

Views of Responsible Official: We concur with the findings.

Description of Corrective Action Plan:

- 1. We were unaware that we were not supposed to report this money. This account is now closed. In the future, if we have escrow funds, we will not include them in the Town’s financial statement.

Regarding the transfers between depository bank account for the 2020 Sewage Works Bond, we were unaware that transfers from bank to bank should not be included in the totals of the financial statement. In the future, we will not include bank transfers as deposits or receipts on the Town’s financial statement.

- 2. Prior to the completion of our 2021 Audit, Mr. Shuler created a simple spreadsheet for the Town Court to use when submitting their bank information to the Clerk Treasurer. The Clerk Treasurer’s Office was not receiving all 3 of the bank statements when entering in debits and credits. We will make the corrected adjustments to fund immediately, then continue forward using the spreadsheet for debits and credits so that the Town’s information matches the Court’s information.
- 3. The Chief Deputy Clerk has resumed control over the Town’s 3rd Party Insurance Account. She has gone back to January 2017, the last time she had reconciled that account, and is working her way through to current to find the discrepancies the former Deputy Clerk had with the account. This should be resolved by December 2022.

Anticipated Completion Date: March 1, 2023



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/>.