

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

EXAMINATION REPORT
OF
TOWN OF FRANCISCO
GIBSON COUNTY, INDIANA
January 1, 2009 to December 31, 2010



FILED
09/13/2011

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OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jonnie Watkins	01-01-08 to 12-31-11
President of the Town Council	David McFetridge	01-01-09 to 12-31-11



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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INDEPENDENT ACCOUNTANT'S REPORT

TO: THE OFFICIALS OF THE TOWN OF FRANCISCO, GIBSON COUNTY, INDIANA

We have examined the financial statements of the Town of Francisco (Town), for the period of January 1, 2009 to December 31, 2010. The Town's management is responsible for the financial statements. Our responsibility is to express an opinion based on our examination.

Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants and, accordingly, included examining, on a test basis, evidence supporting the financial statements and performing such other procedures as we considered necessary in the circumstances. We believe that our examination provides a reasonable basis for our opinion.

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position and results of operations of the Town for the years ended December 31, 2009 and 2010, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Capital Assets, and Schedule of Long-Term Debt, as listed in the Table of Contents, are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the examination procedures applied to the financial statements and, accordingly, we express no opinion on them.

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

STATE BOARD OF ACCOUNTS

August 11, 2011

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FINANCIAL STATEMENTS

TOWN OF FRANCISCO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2009

	Cash and Investments 01-01-09	Receipts	Disbursements	Cash and Investments 12-31-09
General	\$ 38,248	\$ 72,909	\$ 65,814	\$ 45,343
Motor Vehicle Highway	25,941	17,882	18,679	25,144
Local Road And Street	5,164	2,513	2,948	4,729
lact Meeting	1,124	-	-	1,124
Community Development	-	150,000	150,000	-
Law Enforcement Continuing Ed	612	90	300	402
Riverboat	6,865	6,804	-	13,669
Police Dept	-	-	-	-
Housing Liens Repaid	13,983	-	-	13,983
Rainy Day	-	556	-	556
Cedit Special Revenue	31,310	23,820	29,481	25,649
Levy Excess	-	-	-	-
Sitco Deposit	1,000	-	-	1,000
Cumulative Capl Imprv Cigarette Tax	-	1,665	1,470	195
Payroll	-	83,360	83,360	-
Solid Waste-Operating	13,335	91,347	90,066	14,616
Solid Waste-Bond And Interest	57,088	62,239	70,945	48,382
Solid Waste-Depreciation/Improve	4,573	73	-	4,646
Revenue	-	155,176	155,176	-
Solid Waste-Debt Reserve	40,544	7,861	5,576	42,829
Water Utility-Operating	63,277	297,732	279,539	81,470
Water Utility-Bond And Interest	-	3,000	-	3,000
Water Utility-Depreciation/Improve	7,500	3,000	-	10,500
Water Utility-Customer Deposit	21,711	3,150	2,956	21,905
Totals	<u>\$ 332,275</u>	<u>\$ 983,177</u>	<u>\$ 956,310</u>	<u>\$ 359,142</u>

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

TOWN OF FRANCISCO
STATEMENT OF RECEIPTS, DISBURSEMENTS, AND CASH AND INVESTMENT BALANCES -
REGULATORY BASIS
For The Year Ended December 31, 2010

	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General	\$ 45,343	\$ 68,233	\$ 63,272	\$ 50,304
Motor Vehicle Highway	25,144	17,963	16,512	26,595
Local Road And Street	4,729	2,558	4,611	2,676
lact Meeting	1,124	-	-	1,124
Community Development	-	50,000	50,000	-
Law Enforcement Continuing Ed	402	390	269	523
Riverboat	13,669	3,398	10,000	7,067
Police Dept	-	-	-	-
Housing Liens Repaid	13,983	-	13,983	-
Rainy Day	556	690	-	1,246
Cedit Special Revenue	25,649	8,478	10,925	23,202
Levy Excess	-	101	-	101
Sitco Deposit	1,000	-	-	1,000
Cumulative Capl Imprv Cigarette Tax	195	1,590	1,785	-
Payroll	-	86,937	86,937	-
Solid Waste-Operating	14,616	81,185	87,557	8,244
Solid Waste-Bond And Interest	48,382	71,585	71,203	48,764
Solid Waste-Depreciation/Improve	4,646	26	-	4,672
Revenue	-	151,780	151,780	-
Solid Waste-Debt Reserve	42,829	7,541	8,157	42,213
Water Utility-Operating	81,470	294,782	299,519	76,733
Water Utility-Bond And Interest	3,000	3,000	-	6,000
Water Utility-Depreciation/Improve	10,500	3,000	-	13,500
Water Utility-Customer Deposit	21,905	5,250	3,387	23,768
Totals	<u>\$ 359,142</u>	<u>\$ 858,487</u>	<u>\$ 879,897</u>	<u>\$ 337,732</u>

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

TOWN OF FRANCISCO
NOTES TO FINANCIAL STATEMENTS

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, highways and streets, general administrative services, water and wastewater.

The accompanying financial statements presents the financial information for the Town (primary government), and does not include financial information for any of the Town's legally separate component units, which accounting principles generally accepted in the United States of America require to be reported with the financial information of the Town (primary government).

B. Basis of Accounting

The financial statements are reported on a regulatory basis of accounting prescribed by the State Board of Accounts in accordance with state statute (IC 5-11-1-6), which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America. Receipts are recorded when received and disbursements are recorded when paid.

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

C. Cash and Investments

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

D. Receipts

Receipts are presented in the aggregate on the face of the financial statements. The aggregate receipts may include, but are not limited to, the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, wheel tax, innkeepers 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 which include amounts received from businesses, occupations, or nonbusinesses that must be licensed before doing business within the government's jurisdiction or permits levied according to the benefits presumably conferred by the permit. Examples of licenses and permits include: peddler licenses, dog tax licenses, auctioneer license, building and planning permits, demolition permits, electrical permits, sign permits, and gun permits.

TOWN OF FRANCISCO
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

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

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

E. Disbursements

Disbursements are presented in the aggregate on the face of the financial statements. The aggregate disbursements may include, but are not limited to, the following uses:

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

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

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

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

TOWN OF FRANCISCO
NOTES TO FINANCIAL STATEMENTS
(Continued)

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

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

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

F. Interfund Transfers

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

G. Fund Accounting

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

Note 2. Budgets

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

Note 3. Property Taxes

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

TOWN OF FRANCISCO
NOTES TO FINANCIAL STATEMENTS
(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, 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 statements. The purpose of participation in a risk pool is to provide a medium for the funding and administration of the risks. These risks may also be mitigated by the Town by recording as a disbursement and replacement items purchased.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's Annual Reports can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009

	General	Motor Vehicle Highway	Local Road And Street	Iact Meeting	Community Development	Law Enforcement Continuing Ed	Riverboat
Cash and investments - beginning	\$ 38,248	\$ 25,941	\$ 5,164	\$ 1,124	\$ -	\$ 612	\$ 6,865
Receipts:							
Taxes	45,795	-	-	-	-	-	-
Intergovernmental	12,432	17,882	2,513	-	150,000	-	-
Charges for services	12,000	-	-	-	-	-	-
Fines and forfeits	1,023	-	-	-	-	90	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,659	-	-	-	-	-	6,804
Total receipts	<u>72,909</u>	<u>17,882</u>	<u>2,513</u>	<u>-</u>	<u>150,000</u>	<u>90</u>	<u>6,804</u>
Disbursements:							
Personal services	25,705	-	115	-	-	-	-
Supplies	10,568	-	-	-	-	300	-
Other services and charges	26,135	18,679	2,833	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	150,000	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	3,406	-	-	-	-	-	-
Total disbursements	<u>65,814</u>	<u>18,679</u>	<u>2,948</u>	<u>-</u>	<u>150,000</u>	<u>300</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>7,095</u>	<u>(797)</u>	<u>(435)</u>	<u>-</u>	<u>-</u>	<u>(210)</u>	<u>6,804</u>
Cash and investments - ending	<u>\$ 45,343</u>	<u>\$ 25,144</u>	<u>\$ 4,729</u>	<u>\$ 1,124</u>	<u>\$ -</u>	<u>\$ 402</u>	<u>\$ 13,669</u>

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Police Dept	Housing Liens Repaid	Rainy Day	Cedit Special Revenue	Levy Excess	Sitco Deposit
Cash and investments - beginning	\$ -	\$ 13,983	\$ -	\$ 31,310	\$ -	\$ 1,000
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	-	-	556	23,820	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-
Total receipts	-	-	556	23,820	-	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	3,050	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	-	-	26,431	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	-	-	29,481	-	-
Excess (deficiency) of receipts over disbursements	-	-	556	(5,661)	-	-
Cash and investments - ending	\$ -	\$ 13,983	\$ 556	\$ 25,649	\$ -	\$ 1,000

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Cumulative Capl Imprv Cigarette Tax	Payroll	Solid Waste-Operating	Solid Waste-Bond And Interest	Solid Waste-Depreciation/Improve	Revenue
Cash and investments - beginning	\$ -	\$ -	\$ 13,335	\$ 57,088	\$ 4,573	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Intergovernmental	1,665	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	1,778
Other receipts	-	83,360	91,347	62,239	73	153,398
Total receipts	1,665	83,360	91,347	62,239	73	155,176
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	70,945	-	-
Capital outlay	-	-	15,629	-	-	-
Utility operating expenses	-	-	72,605	-	-	-
Other disbursements	1,470	83,360	1,832	-	-	155,176
Total disbursements	1,470	83,360	90,066	70,945	-	155,176
Excess (deficiency) of receipts over disbursements	195	-	1,281	(8,706)	73	-
Cash and investments - ending	\$ 195	\$ -	\$ 14,616	\$ 48,382	\$ 4,646	\$ -

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2009
 (Continued)

	Solid Waste-Debt Reserve	Water Utility-Operating	Water Utility-Bond And Interest	Water Utility-Depreciation/Improve	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 40,544	\$ 63,277	\$ -	\$ 7,500	\$ 21,711	\$ 332,275
Receipts:						
Taxes	-	-	-	-	-	45,795
Intergovernmental	-	-	-	-	-	208,868
Charges for services	-	-	-	-	-	12,000
Fines and forfeits	-	-	-	-	-	1,113
Utility fees	-	288,298	-	-	-	290,076
Other receipts	7,861	9,434	3,000	3,000	3,150	425,325
Total receipts	<u>7,861</u>	<u>297,732</u>	<u>3,000</u>	<u>3,000</u>	<u>3,150</u>	<u>983,177</u>
Disbursements:						
Personal services	-	-	-	-	-	25,820
Supplies	-	-	-	-	-	10,868
Other services and charges	-	-	-	-	-	50,697
Debt service - principal and interest	-	3,163	-	-	-	74,108
Capital outlay	-	15,458	-	-	-	207,518
Utility operating expenses	-	89,077	-	-	1,583	163,265
Other disbursements	5,576	171,841	-	-	1,373	424,034
Total disbursements	<u>5,576</u>	<u>279,539</u>	<u>-</u>	<u>-</u>	<u>2,956</u>	<u>956,310</u>
Excess (deficiency) of receipts over disbursements	<u>2,285</u>	<u>18,193</u>	<u>3,000</u>	<u>3,000</u>	<u>194</u>	<u>26,867</u>
Cash and investments - ending	<u>\$ 42,829</u>	<u>\$ 81,470</u>	<u>\$ 3,000</u>	<u>\$ 10,500</u>	<u>\$ 21,905</u>	<u>\$ 359,142</u>

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010

	General	Motor Vehicle Highway	Local Road And Street	Iact Meeting	Community Development	Law Enforcement Continuing Ed	Riverboat
Cash and investments - beginning	\$ 45,343	\$ 25,144	\$ 4,729	\$ 1,124	\$ -	\$ 402	\$ 13,669
Receipts:							
Taxes	45,202	-	-	-	-	-	-
Licenses and permits	125	-	-	-	-	-	-
Intergovernmental	7,608	17,963	2,558	-	50,000	-	-
Charges for services	12,500	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	390	-
Utility fees	-	-	-	-	-	-	-
Other receipts	2,798	-	-	-	-	-	3,398
Total receipts	<u>68,233</u>	<u>17,963</u>	<u>2,558</u>	<u>-</u>	<u>50,000</u>	<u>390</u>	<u>3,398</u>
Disbursements:							
Personal services	29,498	-	-	-	-	-	-
Supplies	11,622	-	-	-	-	269	-
Other services and charges	22,152	16,512	4,611	-	50,000	-	10,000
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>63,272</u>	<u>16,512</u>	<u>4,611</u>	<u>-</u>	<u>50,000</u>	<u>269</u>	<u>10,000</u>
Excess (deficiency) of receipts over disbursements	<u>4,961</u>	<u>1,451</u>	<u>(2,053)</u>	<u>-</u>	<u>-</u>	<u>121</u>	<u>(6,602)</u>
Cash and investments - ending	<u>\$ 50,304</u>	<u>\$ 26,595</u>	<u>\$ 2,676</u>	<u>\$ 1,124</u>	<u>\$ -</u>	<u>\$ 523</u>	<u>\$ 7,067</u>

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Police Dept	Housing Liens Repaid	Rainy Day	Cedit Special Revenue	Levy Excess	Sitco Deposit
Cash and investments - beginning	\$ -	\$ 13,983	\$ 556	\$ 25,649	\$ -	\$ 1,000
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	-	-	690	8,478	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-
Other receipts	-	-	-	-	101	-
Total receipts	-	-	690	8,478	101	-
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-
Capital outlay	-	13,983	-	10,925	-	-
Utility operating expenses	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-
Total disbursements	-	13,983	-	10,925	-	-
Excess (deficiency) of receipts over disbursements	-	(13,983)	690	(2,447)	101	-
Cash and investments - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,246</u>	<u>\$ 23,202</u>	<u>\$ 101</u>	<u>\$ 1,000</u>

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Cumulative Capl Imprv Cigarette Tax	Payroll	Solid Waste-Operating	Solid Waste-Bond And Interest	Solid Waste-Depreciation/Improve	Revenue
Cash and investments - beginning	\$ 195	\$ -	\$ 14,616	\$ 48,382	\$ 4,646	\$ -
Receipts:						
Taxes	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-
Intergovernmental	1,590	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-
Utility fees	-	-	-	-	-	1,778
Other receipts	-	86,937	81,185	71,585	26	150,002
Total receipts	1,590	86,937	81,185	71,585	26	151,780
Disbursements:						
Personal services	-	-	-	-	-	-
Supplies	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	71,203	-	-
Capital outlay	-	-	10,769	-	-	-
Utility operating expenses	-	-	71,931	-	-	-
Other disbursements	1,785	86,937	4,857	-	-	151,780
Total disbursements	1,785	86,937	87,557	71,203	-	151,780
Excess (deficiency) of receipts over disbursements	(195)	-	(6,372)	382	26	-
Cash and investments - ending	\$ -	\$ -	\$ 8,244	\$ 48,764	\$ 4,672	\$ -

TOWN OF FRANCISCO
 COMBINING SCHEDULE OF RECEIPTS, DISBURSEMENTS, AND
 CASH AND INVESTMENT BALANCES - REGULATORY BASIS
 For The Year Ended December 31, 2010
 (Continued)

	Solid Waste-Debt Reserve	Water Utility-Operating	Water Utility-Bond And Interest	Water y-Depreciation/Imp	Water Utility-Customer Deposit	Totals
Cash and investments - beginning	\$ 42,829	\$ 81,470	\$ 3,000	\$ 10,500	\$ 21,905	\$ 359,142
Receipts:						
Taxes	-	-	-	-	-	45,202
Licenses and permits	-	-	-	-	-	125
Intergovernmental	-	-	-	-	-	88,887
Charges for services	-	-	-	-	-	12,500
Fines and forfeits	-	-	-	-	-	390
Utility fees	-	285,008	-	-	-	286,786
Other receipts	7,541	9,774	3,000	3,000	5,250	424,597
Total receipts	<u>7,541</u>	<u>294,782</u>	<u>3,000</u>	<u>3,000</u>	<u>5,250</u>	<u>858,487</u>
Disbursements:						
Personal services	-	-	-	-	-	29,498
Supplies	-	-	-	-	-	11,891
Other services and charges	-	-	-	-	-	103,275
Debt service - principal and interest	-	3,451	-	-	-	74,654
Capital outlay	-	17,899	-	-	-	53,576
Utility operating expenses	-	105,437	-	-	2,197	179,565
Other disbursements	8,157	172,732	-	-	1,190	427,438
Total disbursements	<u>8,157</u>	<u>299,519</u>	<u>-</u>	<u>-</u>	<u>3,387</u>	<u>879,897</u>
Excess (deficiency) of receipts over disbursements	<u>(616)</u>	<u>(4,737)</u>	<u>3,000</u>	<u>3,000</u>	<u>1,863</u>	<u>(21,410)</u>
Cash and investments - ending	<u>\$ 42,213</u>	<u>\$ 76,733</u>	<u>\$ 6,000</u>	<u>\$ 13,500</u>	<u>\$ 23,768</u>	<u>\$ 337,732</u>

TOWN OF FRANCISCO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF CAPITAL ASSETS
 December 31, 2010

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

<u>Primary Government</u>	<u>Ending Balance</u>
Governmental activities:	
Capital assets, not being depreciated:	
Land	\$ 42,371
Buildings	107,256
Improvements other than buildings	44,199
Machinery and equipment	<u>482,658</u>
 Total governmental activities, capital assets not being depreciated	 \$ <u>676,484</u>
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 8,288
Buildings	7,058
Improvements other than buildings	319,348
Machinery and equipment	<u>8,348</u>
 Total Water Utility capital assets	 <u>343,042</u>
Wastewater Utility:	
Capital assets, not being depreciated:	
Land	214,350
Buildings	376,944
Improvements other than buildings	4,349,182
Machinery and equipment	<u>32,280</u>
 Total Wastewater Utility capital assets	 <u>4,972,756</u>
 Total business-type activities capital assets	 \$ <u>5,315,798</u>

TOWN OF FRANCISCO
 SUPPLEMENTARY INFORMATION
 SCHEDULE OF LONG-TERM DEBT
 December 31, 2010

The Town has entered into the following debt:

Description of Debt	Ending Principal Balance	Principal and Interest Due Within One Year
Business-type activities:		
Water Utility:		
Loan payable:		
Refund outstanding bonds	\$ 38,691	\$ 3,451
Total Water Utility	<u>38,691</u>	<u>3,451</u>
Wastewater Utility:		
Revenue bonds:		
Construction of Wastewater Utility	<u>1,196,000</u>	<u>70,438</u>
Total Wastewater Utility	<u>1,196,000</u>	<u>70,438</u>
Total business-type activities debt	<u>\$ 1,234,691</u>	<u>\$ 73,889</u>

TOWN OF FRANCISCO
EXIT CONFERENCE

The contents of this report were discussed on August 11, 2011, with Jonnie Watkins, Clerk-Treasurer, and David McFetridge, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.