

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

FINANCIAL STATEMENT AND
FEDERAL SINGLE AUDIT REPORT
OF

TOWN OF FOWLER
BENTON COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
09/06/2012

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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Kathleen Schwartz	01-01-08 to 12-31-15
President of the Town Council	Linda Brouillette	01-01-10 to 12-31-12



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

STATE BOARD OF ACCOUNTS
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INDEPENDENT AUDITOR'S REPORT

TO: THE OFFICIALS OF THE TOWN OF FOWLER, BENTON COUNTY, INDIANA

We have audited the accompanying financial statements of the Town of Fowler (Town), for the years ended December 31, 2010 and 2011. These financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on these financial statements 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 statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Note 1, the Town prepares its financial 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 of accounting 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, 2010 and 2011, on the basis of accounting described in Note 1.

In accordance with Government Auditing Standards, we have also issued a report dated August 8, 2012, on our consideration of the Town's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards and should be considered in assessing the results of our audit.

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The accompanying Schedule of Expenditures of Federal Awards is presented for purposes of additional analysis as required by the U.S. Office of Management and Budget Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations, and is not a required part of the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

INDEPENDENT AUDITOR'S REPORT
(Continued)

Our audit was conducted for the purpose of forming an opinion on the Town's financial statements. The Combining Schedules 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 are presented for additional analysis and are not required parts of the financial statements. They have not been subjected to the auditing procedures applied by us in the audit of 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, Town Board, others within the entity, federal awarding agencies, and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. In accordance with Indiana Code 5-11-5-1, this report is a part of the public records of the State Board of Accounts and of the office examined.

STATE BOARD OF ACCOUNTS

August 8, 2012



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REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON
COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

TO: THE OFFICIALS OF THE TOWN OF FOWLER, BENTON COUNTY, INDIANA

We have audited the financial statements of the Town of Fowler (Town), for the years ended December 31, 2010 and 2011, and have issued our report thereon dated August 8, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the Town's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Town's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over financial reporting.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect and correct misstatements on a timely basis. A material weakness is a deficiency, or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis.

Our consideration of internal control over financial reporting 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 financial reporting that might be deficiencies, significant deficiencies, or material weaknesses. We did not identify any deficiencies in internal control over financial reporting that we consider to be material weaknesses, as defined above.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Town's financial statements are 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.

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

STATE BOARD OF ACCOUNTS

August 8, 2012

FINANCIAL STATEMENTS

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

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

Fund	Cash and Investments 01-01-10	Receipts	Disbursements	Cash and Investments 12-31-10
General Fund	\$ 527,578	\$ 1,011,867	\$ 1,088,102	\$ 451,343
Credit Card Fund	760	17,951	17,862	849
Motor Vehicle Highway Fund	361,410	264,019	359,140	266,289
Local Road & Street	32,299	7,155	-	39,454
Park Fund	67,856	76,399	59,927	84,328
Donation Fund	13,735	25,102	15,694	23,143
EDIT Economic Development Fund	313,242	69,856	241,755	141,343
Law Continuing Education Fund	18,569	2,323	-	20,892
Riverboat Gaming Fund	76,893	30,227	75,000	32,120
Park Grants	-	133,737	133,737	-
Pool Restoration Fund	14,410	5,862	16,035	4,237
Planning Grant	-	54,000	54,000	-
Recycled Furniture	733	-	-	733
Playground Grant	3,030	-	-	3,030
Rainy Day Fund	84,513	141,617	189,854	36,276
Levy Excess Fund	12,401	2,723	-	15,124
Concession Fund	5,579	-	-	5,579
Focus Fund	12,902	-	-	12,902
Pool Construction	12,634	-	12,634	-
Skateboard Donation Fund	944	-	-	944
Cumulative Capital Development Fund	116,991	15,593	80,000	52,584
Industrial Development Fund	9,489	-	-	9,489
Cumulative Capital Improvement Fund	70,875	7,071	50,250	27,696
Payroll Fund	10,887	730,131	740,247	771
Sewer Operating Fund	160,095	533,637	593,576	100,156
Sewer Bond & Interest	-	253,875	253,875	-
Sewer Repair & Replacement Fund	-	52,076	-	52,076
Sewer Debt Reserve Fund	-	193,545	-	193,545
Sewer Debt Reserve Investment	193,545	-	193,545	-
Sewer Operating Cd Investment	56,455	-	-	56,455
Water Operating Fund	14,429	391,783	317,971	88,241
Water Sinking Fund/B&I	-	137,687	137,687	-
Water Meter Deposit	36,828	12,338	7,730	41,436
Water Debt Reserve Investment	140,286	-	1,331	138,955
Totals	<u>\$ 2,369,368</u>	<u>\$ 4,170,574</u>	<u>\$ 4,639,952</u>	<u>\$ 1,899,990</u>

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

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

Fund	Cash and Investments 01-01-11	Receipts	Disbursements	Cash and Investments 12-31-11
General Fund	\$ 451,343	\$ 788,873	\$ 890,814	\$ 349,402
Motor Vehicle Highway Fund	266,289	480,106	336,310	410,085
Local Road & Street	39,454	7,542	-	46,996
EDIT Economic Development Fund	141,343	60,974	-	202,317
Law Continuing Education Fund	20,892	253	-	21,145
Riverboat Gaming Fund	32,120	15,113	-	47,233
Park Fund	84,328	136,728	143,010	78,046
Rainy Day Fund	36,276	133,737	64,492	105,521
Levy Excess Fund	15,124	-	15,124	-
Cumulative Capital Development Fund	52,584	18,061	-	70,645
Industrial Development Fund	9,489	-	-	9,489
Cumulative Capital Improvement Fund	27,696	6,935	-	34,631
Arbor Day	-	200	200	-
Fowler 4th of July	-	12,923	11,993	930
Credit Card Fund	849	16,893	16,743	999
Donation Fund	23,143	4,525	21,117	6,551
Park Grants	-	133,737	133,737	-
Pool Restoration Fund	4,237	3,379	6,265	1,351
Recycled Furniture	733	-	-	733
Playground Grant	3,030	-	-	3,030
Concession Fund	5,579	14,033	16,490	3,122
Focus Fund	12,902	-	-	12,902
Skateboard Donation Fund	944	-	-	944
Payroll Fund	771	940,398	938,921	2,248
Sewer CDBG Grant Disaster Recovery	-	931,034	907,726	23,308
Sewer Operating Fund	156,611	520,806	662,241	15,176
Sewer Bond & Interest	-	260,775	260,775	-
Sewer Repair & Replacement Fund	52,076	-	-	52,076
Sewer Debt Reserve Fund	193,545	-	-	193,545
Water Cash	-	50	-	50
Water Operating Fund	88,241	388,126	333,023	143,344
Water Sinking Fund/B&I	-	136,069	136,069	-
Water Meter Deposit	41,436	13,800	9,826	45,410
Water Debt Reserve Investment	138,955	-	-	138,955
Totals	<u>\$ 1,899,990</u>	<u>\$ 5,025,070</u>	<u>\$ 4,904,876</u>	<u>\$ 2,020,184</u>

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

TOWN OF FOWLER
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 (police and fire), highways and streets, health and social services, culture and recreation, public improvements, planning and zoning, general administrative services, water, wastewater, storm water, trash, and urban redevelopment and housing.

The accompanying financial statements present the financial information for the Town.

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 include the following sources:

Taxes which can include one or more of the following: property taxes, certified shares (local option tax), property tax replacement credit (local option tax), county option income tax, 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.

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,

TOWN OF FOWLER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 include the following uses:

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

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

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

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

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

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

TOWN OF FOWLER
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 FOWLER
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 any replacement items purchased.

Note 6. *Pension Plan*

The Town contributes to a pension plan unique to the Town. Information regarding this plan may be obtained from the Town.

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SUPPLEMENTARY INFORMATION – UNAUDITED

For additional financial information, the Town's 2010 Annual Report can be found on the Indiana Transparency Portal website: www.in.gov/itp/annual_reports/.

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

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

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

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

	General Fund	Credit Card Fund	Motor Vehicle Highway Fund	Local Road & Street	Park Fund	Donation Fund	EDIT Economic Development Fund
Cash and investments - beginning	\$ 527,578	\$ 760	\$ 361,410	\$ 32,299	\$ 67,856	\$ 13,735	\$ 313,242
Receipts:							
Taxes	578,724	-	176,315	-	67,075	-	-
Licenses and permits	420	-	-	-	-	-	-
Intergovernmental	286,491	-	84,329	7,155	8,168	-	69,856
Charges for services	124,392	522	-	-	939	-	-
Fines and forfeits	1,444	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	20,396	17,429	3,375	-	217	25,102	-
Total receipts	<u>1,011,867</u>	<u>17,951</u>	<u>264,019</u>	<u>7,155</u>	<u>76,399</u>	<u>25,102</u>	<u>69,856</u>
Disbursements:							
Personal services	342,670	-	191,586	-	17,657	-	-
Supplies	53,952	-	8,975	-	1,602	-	-
Other services and charges	343,212	-	112,700	-	37,708	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	236,534	-	45,852	-	2,756	15,169	241,755
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	111,734	17,862	27	-	204	525	-
Total disbursements	<u>1,088,102</u>	<u>17,862</u>	<u>359,140</u>	<u>-</u>	<u>59,927</u>	<u>15,694</u>	<u>241,755</u>
Excess (deficiency) of receipts over disbursements	<u>(76,235)</u>	<u>89</u>	<u>(95,121)</u>	<u>7,155</u>	<u>16,472</u>	<u>9,408</u>	<u>(171,899)</u>
Cash and investments - ending	<u>\$ 451,343</u>	<u>\$ 849</u>	<u>\$ 266,289</u>	<u>\$ 39,454</u>	<u>\$ 84,328</u>	<u>\$ 23,143</u>	<u>\$ 141,343</u>

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

	Law Continuing Education Fund	Riverboat Gaming Fund	Park Grants	Pool Restoration Fund	Planning Grant	Recycled Furniture	Playground Grant
Cash and investments - beginning	\$ 18,569	\$ 76,893	\$ -	\$ 14,410	\$ -	\$ 733	\$ 3,030
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	690	-	-	-	-	-	-
Intergovernmental	-	30,227	-	-	48,600	-	-
Charges for services	133	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	1,500	-	133,737	5,862	5,400	-	-
Total receipts	<u>2,323</u>	<u>30,227</u>	<u>133,737</u>	<u>5,862</u>	<u>54,000</u>	<u>-</u>	<u>-</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	75,000	133,737	16,035	54,000	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-
Total disbursements	<u>-</u>	<u>75,000</u>	<u>133,737</u>	<u>16,035</u>	<u>54,000</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>2,323</u>	<u>(44,773)</u>	<u>-</u>	<u>(10,173)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Cash and investments - ending	<u>\$ 20,892</u>	<u>\$ 32,120</u>	<u>\$ -</u>	<u>\$ 4,237</u>	<u>\$ -</u>	<u>\$ 733</u>	<u>\$ 3,030</u>

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

	Rainy Day Fund	Levy Excess Fund	Concession Fund	Focus Fund	Pool Construction	Skateboard Donation Fund	Cumulative Capital Development Fund
Cash and investments - beginning	\$ 84,513	\$ 12,401	\$ 5,579	\$ 12,902	\$ 12,634	\$ 944	\$ 116,991
Receipts:							
Taxes	-	2,723	-	-	-	-	13,900
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	34,730	-	-	-	-	-	1,693
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	106,887	-	-	-	-	-	-
Total receipts	<u>141,617</u>	<u>2,723</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>15,593</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	56,117	-	-	-	12,634	-	80,000
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	133,737	-	-	-	-	-	-
Total disbursements	<u>189,854</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,634</u>	<u>-</u>	<u>80,000</u>
Excess (deficiency) of receipts over disbursements	<u>(48,237)</u>	<u>2,723</u>	<u>-</u>	<u>-</u>	<u>(12,634)</u>	<u>-</u>	<u>(64,407)</u>
Cash and investments - ending	<u>\$ 36,276</u>	<u>\$ 15,124</u>	<u>\$ 5,579</u>	<u>\$ 12,902</u>	<u>\$ -</u>	<u>\$ 944</u>	<u>\$ 52,584</u>

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

	Industrial Development Fund	Cumulative Capital Improvement Fund	Payroll Fund	Sewer Operating Fund	Sewer Bond & Interest	Sewer Repair & Replacement Fund	Sewer Debt Reserve Fund
Cash and investments - beginning	\$ 9,489	\$ 70,875	\$ 10,887	\$ 160,095	\$ -	\$ -	\$ -
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	7,071	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	518,791	-	-	-
Other receipts	-	-	730,131	14,846	253,875	52,076	193,545
Total receipts	-	7,071	730,131	533,637	253,875	52,076	193,545
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	253,525	-	-
Capital outlay	-	50,250	-	35,732	-	-	-
Utility operating expenses	-	-	-	236,586	-	-	-
Other disbursements	-	-	740,247	321,258	350	-	-
Total disbursements	-	50,250	740,247	593,576	253,875	-	-
Excess (deficiency) of receipts over disbursements	-	(43,179)	(10,116)	(59,939)	-	52,076	193,545
Cash and investments - ending	<u>\$ 9,489</u>	<u>\$ 27,696</u>	<u>\$ 771</u>	<u>\$ 100,156</u>	<u>\$ -</u>	<u>\$ 52,076</u>	<u>\$ 193,545</u>

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

	Sewer Debt Reserve Investment	Sewer Operating CD Investment	Water Operating Fund	Water Sinking Fund/B&I	Water Meter Deposit	Water Debt Reserve Investment	Totals
Cash and investments - beginning	\$ 193,545	\$ 56,455	\$ 14,429	\$ -	\$ 36,828	\$ 140,286	\$ 2,369,368
Receipts:							
Taxes	-	-	-	-	-	-	838,737
Licenses and permits	-	-	-	-	-	-	1,110
Intergovernmental	-	-	-	-	-	-	578,320
Charges for services	-	-	-	-	-	-	125,986
Fines and forfeits	-	-	-	-	-	-	1,444
Utility fees	-	-	385,507	-	-	-	904,298
Other receipts	-	-	6,276	137,687	12,338	-	1,720,679
Total receipts	-	-	391,783	137,687	12,338	-	4,170,574
Disbursements:							
Personal services	-	-	-	-	-	-	551,913
Supplies	-	-	-	-	-	-	64,529
Other services and charges	-	-	-	-	-	-	493,620
Debt service - principal and interest	-	-	-	137,337	-	-	390,862
Capital outlay	-	-	987	-	-	-	1,056,558
Utility operating expenses	-	-	128,133	-	7,730	-	372,449
Other disbursements	193,545	-	188,851	350	-	1,331	1,710,021
Total disbursements	193,545	-	317,971	137,687	7,730	1,331	4,639,952
Excess (deficiency) of receipts over disbursements	(193,545)	-	73,812	-	4,608	(1,331)	(469,378)
Cash and investments - ending	\$ -	\$ 56,455	\$ 88,241	\$ -	\$ 41,436	\$ 138,955	\$ 1,899,990

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

	General Fund	Motor Vehicle Highway Fund	Local Road & Street	EDIT Economic Development Fund	Law Continuing Education Fund	Riverboat Gaming Fund	Park Fund
Cash and investments - beginning	\$ 451,343	\$ 266,289	\$ 39,454	\$ 141,343	\$ 20,892	\$ 32,120	\$ 84,328
Receipts:							
Taxes	393,444	373,476	-	-	-	-	82,542
Licenses and permits	3,019	-	-	-	130	-	-
Intergovernmental	233,642	105,288	7,542	60,974	-	15,113	10,239
Charges for services	121,667	-	-	-	123	-	41,596
Fines and forfeits	2,611	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	34,490	1,342	-	-	-	-	2,351
Total receipts	<u>788,873</u>	<u>480,106</u>	<u>7,542</u>	<u>60,974</u>	<u>253</u>	<u>15,113</u>	<u>136,728</u>
Disbursements:							
Personal services	355,546	185,141	-	-	-	-	76,859
Supplies	51,440	32,166	-	-	-	-	11,153
Other services and charges	450,590	88,200	-	-	-	-	34,292
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	24,210	30,803	-	-	-	-	20,558
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	9,028	-	-	-	-	-	148
Total disbursements	<u>890,814</u>	<u>336,310</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>143,010</u>
Excess (deficiency) of receipts over disbursements	<u>(101,941)</u>	<u>143,796</u>	<u>7,542</u>	<u>60,974</u>	<u>253</u>	<u>15,113</u>	<u>(6,282)</u>
Cash and investments - ending	<u>\$ 349,402</u>	<u>\$ 410,085</u>	<u>\$ 46,996</u>	<u>\$ 202,317</u>	<u>\$ 21,145</u>	<u>\$ 47,233</u>	<u>\$ 78,046</u>

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

	Rainy Day Fund	Levy Excess Fund	Cumulative Capital Development Fund	Industrial Development Fund	Cumulative Capital Improvement Fund	Arbor Day	Fowler 4th of July
Cash and investments - beginning	\$ 36,276	\$ 15,124	\$ 52,584	\$ 9,489	\$ 27,696	\$ -	\$ -
Receipts:							
Taxes	-	-	16,470	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	1,591	-	6,935	-	-
Charges for services	-	-	-	-	-	-	1,559
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	133,737	-	-	-	-	200	11,364
Total receipts	133,737	-	18,061	-	6,935	200	12,923
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	200	-
Other services and charges	-	-	-	-	-	-	11,993
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	4,150	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	60,342	15,124	-	-	-	-	-
Total disbursements	64,492	15,124	-	-	-	200	11,993
Excess (deficiency) of receipts over disbursements	69,245	(15,124)	18,061	-	6,935	-	930
Cash and investments - ending	\$ 105,521	\$ -	\$ 70,645	\$ 9,489	\$ 34,631	\$ -	\$ 930

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

	Credit Card Fund	Donation Fund	Park Grants	Pool Restoration Fund	Recycled Furniture	Playground Grant	Concession Fund
Cash and investments - beginning	\$ 849	\$ 23,143	\$ -	\$ 4,237	\$ 733	\$ 3,030	\$ 5,579
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	133,737	-	-	-	-
Charges for services	679	-	-	-	-	-	14,033
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-
Other receipts	16,214	4,525	-	3,379	-	-	-
Total receipts	<u>16,893</u>	<u>4,525</u>	<u>133,737</u>	<u>3,379</u>	<u>-</u>	<u>-</u>	<u>14,033</u>
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	717	12,117	-	-	-	-	6,264
Debt service - principal and interest	-	-	-	-	-	-	-
Capital outlay	-	9,000	-	6,265	-	-	10,226
Utility operating expenses	-	-	-	-	-	-	-
Other disbursements	16,026	-	133,737	-	-	-	-
Total disbursements	<u>16,743</u>	<u>21,117</u>	<u>133,737</u>	<u>6,265</u>	<u>-</u>	<u>-</u>	<u>16,490</u>
Excess (deficiency) of receipts over disbursements	<u>150</u>	<u>(16,592)</u>	<u>-</u>	<u>(2,886)</u>	<u>-</u>	<u>-</u>	<u>(2,457)</u>
Cash and investments - ending	<u>\$ 999</u>	<u>\$ 6,551</u>	<u>\$ -</u>	<u>\$ 1,351</u>	<u>\$ 733</u>	<u>\$ 3,030</u>	<u>\$ 3,122</u>

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

	Focus Fund	Skateboard Donation Fund	Payroll Fund	Sewer CDBG Grant Disaster Recovery	Sewer Operating Fund	Sewer Bond & Interest	Sewer Repair & Replacement Fund
Cash and investments - beginning	\$ 12,902	\$ 944	\$ 771	\$ -	\$ 156,611	\$ -	\$ 52,076
Receipts:							
Taxes	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-
Intergovernmental	-	-	-	781,412	-	-	-
Charges for services	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-
Utility fees	-	-	-	-	512,848	-	-
Other receipts	-	-	940,398	149,622	7,958	260,775	-
Total receipts	-	-	940,398	931,034	520,806	260,775	-
Disbursements:							
Personal services	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	260,425	-
Capital outlay	-	-	-	907,726	6,932	-	-
Utility operating expenses	-	-	-	-	292,089	350	-
Other disbursements	-	-	938,921	-	363,220	-	-
Total disbursements	-	-	938,921	907,726	662,241	260,775	-
Excess (deficiency) of receipts over disbursements	-	-	1,477	23,308	(141,435)	-	-
Cash and investments - ending	<u>\$ 12,902</u>	<u>\$ 944</u>	<u>\$ 2,248</u>	<u>\$ 23,308</u>	<u>\$ 15,176</u>	<u>\$ -</u>	<u>\$ 52,076</u>

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

	Sewer Debt Reserve Fund	Water Cash	Water Operating Fund	Water Sinking Fund/B&I	Water Meter Deposit	Water Debt Reserve Investment	Totals
Cash and investments - beginning	\$ 193,545	\$ -	\$ 88,241	\$ -	\$ 41,436	\$ 138,955	\$ 1,899,990
Receipts:							
Taxes	-	-	-	-	-	-	865,932
Licenses and permits	-	-	-	-	-	-	3,149
Intergovernmental	-	-	-	-	-	-	1,356,473
Charges for services	-	-	-	-	-	-	179,657
Fines and forfeits	-	-	-	-	-	-	2,611
Utility fees	-	-	358,756	-	-	-	871,604
Other receipts	-	50	29,370	136,069	13,800	-	1,745,644
Total receipts	-	50	388,126	136,069	13,800	-	5,025,070
Disbursements:							
Personal services	-	-	-	-	-	-	617,546
Supplies	-	-	-	-	-	-	94,959
Other services and charges	-	-	-	-	-	-	604,173
Debt service - principal and interest	-	-	-	135,719	-	-	396,144
Capital outlay	-	-	8,846	-	-	-	1,028,716
Utility operating expenses	-	-	184,634	350	-	-	477,423
Other disbursements	-	-	139,543	-	9,826	-	1,685,915
Total disbursements	-	-	333,023	136,069	9,826	-	4,904,876
Excess (deficiency) of receipts over disbursements	-	50	55,103	-	3,974	-	120,194
Cash and investments - ending	\$ 193,545	\$ 50	\$ 143,344	\$ -	\$ 45,410	\$ 138,955	\$ 2,020,184

TOWN OF FOWLER
 SCHEDULE OF PAYABLES AND RECEIVABLES
 December 31, 2011

Government or Enterprise	Accounts Payable	Accounts Receivable
Governmental activities	\$ -	\$ 7,510
Wastewater	-	43,470
Water	-	18,327
Totals	\$ -	\$ 69,307

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

Type	Description of Debt Purpose	Ending Principal Balance	Principal and Interest Due Within One Year
Wastewater:			
Revenue bonds	Refinancing of 1996 Bonds	\$ 1,195,000	\$ 28,325
Water:			
Revenue bonds	Water extension meter reading laptop new meters	883,980	15,470
Revenue bonds	Refinancing of 1988 Bonds	185,000	5,546
Total Water		1,068,980	21,016
Totals		\$ 2,263,980	\$ 49,341

TOWN OF FOWLER
SCHEDULE OF CAPITAL ASSETS
December 31, 2011

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

	Ending Balance
Governmental activities:	
Land	\$ 199,000
Infrastructure	3,951,134
Buildings	2,223,431
Machinery, equipment and vehicles	1,774,392
Total governmental activities	8,147,957
Wastewater:	
Land	842,900
Infrastructure	8,457,000
Buildings	5,010,500
Machinery, equipment and vehicles	269,059
Construction in progress	795,000
Total Wastewater	15,374,459
Water:	
Land	32,800
Infrastructure	8,457,000
Buildings	1,074,787
Improvements other than buildings	19,339
Machinery, equipment and vehicles	367,841
Total Water	9,951,767
Total capital assets	\$ 33,474,183

SUPPLEMENTAL AUDIT OF
FEDERAL AWARDS



STATE OF INDIANA
AN EQUAL OPPORTUNITY EMPLOYER

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

Telephone: (317) 232-2513
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Web Site: www.in.gov/sboa

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

TO: THE OFFICIALS OF THE TOWN OF FOWLER, BENTON COUNTY, INDIANA

Compliance

We have audited the compliance of the Town of Fowler (Town) with the types of compliance requirements described in the U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement that are applicable to its major federal program for the years ended December 31, 2010 and 2011. 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. Compliance with the requirements of laws, regulations, contracts, and grants applicable to its major federal program is the responsibility of the Town's management. Our responsibility is to express an opinion on the Town's compliance based on our audit.

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and OMB Circular A-133, Audits of States, Local Governments, and Non-Profit Organizations. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the Town's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the Town's compliance with those requirements.

In our opinion, the Town complied, in all material respects, with the requirements referred to above that are applicable to its major federal program for the years ended December 31, 2010 and 2011.

Internal Control Over Compliance

Management of the Town is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts, and grants applicable to federal programs. In planning and performing our audit, we considered the Town's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the Town's internal control over compliance.

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

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

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

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

STATE BOARD OF ACCOUNTS

August 8, 2012

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SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

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

TOWN OF FOWLER
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Years Ended December 31, 2010 and 2011

Federal Grantor Agency/Pass-Through Entity Cluster Title/Program Title/Project Title	Federal CFDA Number	Total Federal Awards Expended 12-31-10	Total Federal Awards Expended 12-31-11
<u>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</u>			
Pass Through Indiana Office of Community and Rural Affairs			
CDBG - State-Administered CDBG Cluster			
Community Development Block Grants/State's Program and Non-Entitlement Grants in Hawaii	14.228		
DR2-09-100X		\$ -	\$ 781,412
038-PL-05-054XX		48,600	-
Total for federal grantor agency		48,600	781,412
<u>U.S. DEPARTMENT OF THE INTERIOR</u>			
Pass Through Indiana Department of Natural Resources			
Outdoor Recreation- Acquisition, Development, and Planning	15.916		
300OR1180056900		-	133,737
Total federal awards expended		\$ 48,600	\$ 915,149

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

TOWN OF FOWLER
NOTE TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Basis of Presentation

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

Circular A-133 requires an annual audit of nonfederal entities expending a total amount of federal awards equal to or in excess of \$500,000 in any fiscal year unless by constitution or statute a less frequent audit is required. In accordance with Indiana Code (IC 5-11-1 et seq.), audits of towns with populations under 5,000 shall be conducted biennially. Such audits shall include both years within the biennial period.

TOWN OF FOWLER
SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Section I – Summary of Auditor's Results

Financial Statements:

Type of auditor's report issued:	Unqualified
Internal control over financial reporting:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Noncompliance material to financial statements noted?	no

Federal Awards:

Internal control over major program:	
Material weaknesses identified?	no
Significant deficiency identified?	none reported
Type of auditor's report issued on compliance for major program:	Unqualified
Any audit findings disclosed that are required to be reported in accordance with section 510(a) of Circular A-133?	no

Identification of Major Program:

_____ Name of Federal Program or Cluster _____
CDBG – State-Administered CDBG Cluster

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

Auditee qualified as low-risk auditee? no

Section II – Financial Statement Findings

No matters are reportable.

Section III – Federal Award Findings and Questioned Costs

No matters are reportable.

TOWN OF FOWLER
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS

No matters are reportable.

TOWN OF FOWLER
EXIT CONFERENCE

The contents of this report were discussed on August 8, 2012, with Kathleen Schwartz, Clerk-Treasurer; Fred Byers, Councilman; and Linda Brouillette, President of the Town Council. Our audit disclosed no material items that warrant comment at this time.