

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

FINANCIAL STATEMENTS EXAMINATION REPORT

OF

TOWN OF FAIRMOUNT

GRANT COUNTY, INDIANA

January 1, 2010 to December 31, 2011



**FILED**

01/08/2013



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Jason A. Ford Jo Ann Treon	01-01-08 to 12-31-11 01-01-12 to 12-31-15
President of the Town Council	Melba M. Root	01-01-10 to 12-31-12



**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  
Fax: (317) 232-4711  
Web Site: [www.in.gov/sboa](http://www.in.gov/sboa)

INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the accompanying financial statements of the Town of Fairmount (Town), for the years ended December 31, 2010 and 2011. The financial statements are the responsibility of the Town's management. Our responsibility is to express an opinion on the financial statements 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 period.

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.

Our examination 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, and Schedule of Leases and 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, Town Council, and others within the entity 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

November 29, 2012

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## 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 FAIRMOUNT  
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	\$ 346,435	\$ 716,754	\$ 692,661	\$ 370,528
Cobra Insurance	-	969	969	-
Playacres Tree Foundation	3,725	3,893	2,838	4,780
Special Police Equipment	-	4,335	4,335	-
Park Special Needs Area	10,492	128	1,890	8,730
Fairmount Youth Council	159	-	-	159
Special Donations and Grants	-	3,840	3,840	-
Motor Vehicle Highway	157,811	166,820	144,691	179,940
Local Road and Street	60,649	26,199	37,759	49,089
Law Enforcement Continuing Education	5,365	3,604	1,136	7,833
Riverboat	18,729	18,724	18,000	19,453
Rainy Day	17,351	1,601	-	18,952
Levy Excess	-	1,673	-	1,673
Operation Pullover	420	5,600	5,370	650
Sidewalk Community	-	656	656	-
Park Nonreverting	16,969	5,600	4,999	17,570
Cumulative Fire Equipment	17,932	10,474	10,000	18,406
Cumulative Capital Improvement	103,202	9,250	4,892	107,560
CEDIT	-	132,463	115,161	17,302
Park and Recreation	80,476	89,453	80,293	89,636
Payroll	-	737,363	737,363	-
Trash	19,099	129,356	129,379	19,076
Wastewater Utility - Operating	33,421	343,172	334,182	42,411
Wastewater Utility - Depreciation	96,991	33,503	20,187	110,307
Wastewater Utility - Planning	353,793	2,596	218,350	138,039
Water Utility - Operating	31,375	463,990	459,213	36,152
Water Utility - Bond and Interest	82,538	103,245	100,457	85,326
Water Utility - Depreciation	68,945	37,089	18,702	87,332
Water Utility - Customer Deposit	49,436	6,101	6,364	49,173
Water Utility - Cash Change	250	-	-	250
Water Utility - Debt Service Reserve	100,968	-	-	100,968
Totals	<u>\$ 1,676,531</u>	<u>\$ 3,058,451</u>	<u>\$ 3,153,687</u>	<u>\$ 1,581,295</u>

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

TOWN OF FAIRMOUNT  
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	\$ 370,528	\$ 631,866	\$ 680,700	\$ 321,694
Motor Vehicle Highway	179,940	218,282	190,046	208,176
Local Road and Street	49,089	25,356	20,345	54,100
Law Enforcement Continuing Education	7,833	2,074	2,873	7,034
Riverboat	19,453	18,724	3,000	35,177
Rainy Day	18,952	-	-	18,952
Levy Excess	1,673	-	1,673	-
Park Nonreverting	17,570	5,385	-	22,955
Cumulative Fire Equipment	18,406	9,883	9,087	19,202
Cumulative Capital Improvement	107,560	8,879	23,782	92,657
CEDIT	17,302	33,065	30,000	20,367
Playacres Tree Foundation	4,780	2,768	2,724	4,824
Special Police Equipment	-	16,000	15,522	478
Park Special Needs Area	8,730	19,746	4,259	24,217
Fairmount Youth Council	159	-	-	159
Special Donations and Grants	-	35,462	35,462	-
Operation Pullover	650	2,950	3,450	150
Park and Recreation	89,636	98,999	74,517	114,118
Payroll	-	722,368	722,368	-
Trash	19,076	128,735	127,794	20,017
Wastewater Utility - Operating	42,411	336,406	325,321	53,496
Wastewater Utility - Depreciation	110,307	32,984	49,428	93,863
Wastewater Utility - Planning	138,039	718	113,908	24,849
Water Utility - Operating	36,152	458,769	448,307	46,614
Water Utility - Cash Change	250	-	-	250
Water Utility - Bond and Interest	85,326	103,246	101,469	87,103
Water Utility - Depreciation	87,332	41,772	63,757	65,347
Water Utility - Customer Deposit	49,173	5,334	5,458	49,049
Water Utility - Debt Service Reserve	100,968	-	-	100,968
<b>Totals</b>	<u>\$ 1,581,295</u>	<u>\$ 2,959,771</u>	<u>\$ 3,055,250</u>	<u>\$ 1,485,816</u>

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

TOWN OF FAIRMOUNT  
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, 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 FAIRMOUNT  
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.

Penalties which include fees received for late payments.

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 FAIRMOUNT  
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.

**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.

TOWN OF FAIRMOUNT  
NOTES TO FINANCIAL STATEMENTS  
(Continued)

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.

**Note 6. Pension Plan**

*Public Employees' Retirement Fund*

*Plan Description*

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

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

Indiana Public Retirement System  
1 North Capital Street, Suite 001  
Indianapolis, IN 46204  
Ph. (888) 526-1687

*Funding Policy and Annual Pension Cost*

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

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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/](http://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 examination. This is a common occurrence in any financial statement examination. The financial information presented in this report is examined information, and the accuracy of such information can be determined by reading the opinion given in the Independent Accountant's Report.

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

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

	General	Cobra Insurance	Playacres Tree Foundation	Special Police Equipment	Park Special Needs Area	Fairmount Youth Council	Special Donations and Grants	Motor Vehicle Highway
Cash and investments - beginning	\$ 346,435	\$ -	\$ 3,725	\$ -	\$ 10,492	\$ 159	\$ -	\$ 157,811
Receipts:								
Taxes	462,989	-	-	-	-	-	-	76,308
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	216,822	-	-	-	-	-	-	18,605
Charges for services	98	-	-	-	-	-	-	71,552
Fines and forfeits	125	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	36,720	969	3,893	4,335	128	-	3,840	355
Total receipts	716,754	969	3,893	4,335	128	-	3,840	166,820
Disbursements:								
Personal services	539,952	969	-	-	-	-	-	99,069
Supplies	48,891	-	-	4,335	-	-	-	17,917
Other services and charges	97,176	-	2,838	-	-	-	3,840	18,120
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	6,642	-	-	-	1,890	-	-	9,585
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	692,661	969	2,838	4,335	1,890	-	3,840	144,691
Excess (deficiency) of receipts over disbursements	24,093	-	1,055	-	(1,762)	-	-	22,129
Cash and investments - ending	\$ 370,528	\$ -	\$ 4,780	\$ -	\$ 8,730	\$ 159	\$ -	\$ 179,940

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

	Local Road and Street	Law Enforcement Continuing Education	Riverboat	Rainy Day	Levy Excess	Operation Pullover	Sidewalk Community	Park Nonreverting
Cash and investments - beginning	\$ 60,649	\$ 5,365	\$ 18,729	\$ 17,351	\$ -	\$ 420	\$ -	\$ 16,969
Receipts:								
Taxes	-	-	-	-	1,673	-	-	-
Licenses and permits	-	1,885	-	-	-	-	-	-
Intergovernmental	26,199	-	18,724	1,601	-	5,600	-	-
Charges for services	-	140	-	-	-	-	-	3,100
Fines and forfeits	-	1,579	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	-	-	-	-	-	656	2,500
Total receipts	<u>26,199</u>	<u>3,604</u>	<u>18,724</u>	<u>1,601</u>	<u>1,673</u>	<u>5,600</u>	<u>656</u>	<u>5,600</u>
Disbursements:								
Personal services	-	-	-	-	-	5,370	-	-
Supplies	-	151	-	-	-	-	-	-
Other services and charges	27,634	985	-	-	-	-	656	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	10,125	-	18,000	-	-	-	-	4,999
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	-	-	-	-
Total disbursements	<u>37,759</u>	<u>1,136</u>	<u>18,000</u>	<u>-</u>	<u>-</u>	<u>5,370</u>	<u>656</u>	<u>4,999</u>
Excess (deficiency) of receipts over disbursements	<u>(11,560)</u>	<u>2,468</u>	<u>724</u>	<u>1,601</u>	<u>1,673</u>	<u>230</u>	<u>-</u>	<u>601</u>
Cash and investments - ending	<u>\$ 49,089</u>	<u>\$ 7,833</u>	<u>\$ 19,453</u>	<u>\$ 18,952</u>	<u>\$ 1,673</u>	<u>\$ 650</u>	<u>\$ -</u>	<u>\$ 17,570</u>

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

	Cumulative Fire Equipment	Cumulative Capital Improvement	CEDIT	Park and Recreation	Payroll	Trash	Wastewater Utility - Operating	Wastewater Utility - Depreciation
Cash and investments - beginning	\$ 17,932	\$ 103,202	\$ -	\$ 80,476	\$ -	\$ 19,099	\$ 33,421	\$ 96,991
Receipts:								
Taxes	9,339	-	-	74,550	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,135	8,761	132,463	9,061	-	-	-	-
Charges for services	-	-	-	4,150	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	126,375	10,084	-
Penalties	-	-	-	-	-	73	6,298	-
Other receipts	-	489	-	1,692	737,363	2,908	326,790	33,503
Total receipts	10,474	9,250	132,463	89,453	737,363	129,356	343,172	33,503
Disbursements:								
Personal services	-	-	-	39,546	-	-	-	-
Supplies	-	-	-	7,239	-	-	-	-
Other services and charges	-	-	3,121	28,508	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Capital outlay	10,000	4,892	112,040	2,500	-	-	7,863	-
Utility operating expenses	-	-	-	-	-	14,498	286,521	-
Other disbursements	-	-	-	2,500	737,363	114,881	39,798	20,187
Total disbursements	10,000	4,892	115,161	80,293	737,363	129,379	334,182	20,187
Excess (deficiency) of receipts over disbursements	474	4,358	17,302	9,160	-	(23)	8,990	13,316
Cash and investments - ending	\$ 18,406	\$ 107,560	\$ 17,302	\$ 89,636	\$ -	\$ 19,076	\$ 42,411	\$ 110,307

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

	Wastewater Utility - Planning	Water Utility - Operating	Water Utility - Bond and Interest	Water Utility - Depreciation	Water Utility - Customer Deposit	Water Utility - Cash Change	Water Utility - Debt Service Reserve	Totals
Cash and investments - beginning	\$ 353,793	\$ 31,375	\$ 82,538	\$ 68,945	\$ 49,436	\$ 250	\$ 100,968	\$ 1,676,531
Receipts:								
Taxes	-	-	-	-	-	-	-	624,859
Licenses and permits	-	-	-	-	-	-	-	1,885
Intergovernmental	-	-	-	-	-	-	-	438,971
Charges for services	-	-	-	-	-	-	-	79,040
Fines and forfeits	-	-	-	-	-	-	-	1,704
Utility fees	2,596	453,041	-	-	6,101	-	-	598,197
Penalties	-	100	-	-	-	-	-	6,471
Other receipts	-	10,849	103,245	37,089	-	-	-	1,307,324
Total receipts	2,596	463,990	103,245	37,089	6,101	-	-	3,058,451
Disbursements:								
Personal services	-	-	-	-	-	-	-	684,906
Supplies	-	-	-	-	-	-	-	78,533
Other services and charges	-	-	-	-	-	-	-	182,878
Debt service - principal and interest	-	-	14,516	-	-	-	-	14,516
Capital outlay	-	25,967	-	-	-	-	-	214,503
Utility operating expenses	218,350	245,109	-	-	-	-	-	764,478
Other disbursements	-	188,137	85,941	18,702	6,364	-	-	1,213,873
Total disbursements	218,350	459,213	100,457	18,702	6,364	-	-	3,153,687
Excess (deficiency) of receipts over disbursements	(215,754)	4,777	2,788	18,387	(263)	-	-	(95,236)
Cash and investments - ending	\$ 138,039	\$ 36,152	\$ 85,326	\$ 87,332	\$ 49,173	\$ 250	\$ 100,968	\$ 1,581,295

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

	General	Motor Vehicle Highway	Local Road and Street	Law Enforcement Continuing Education	Riverboat	Rainy Day	Levy Excess	Park Nonreverting
Cash and investments - beginning	\$ 370,528	\$ 179,940	\$ 49,089	\$ 7,833	\$ 19,453	\$ 18,952	\$ 1,673	\$ 17,570
Receipts:								
Taxes	397,622	119,837	-	-	-	-	-	-
Licenses and permits	1,450	-	-	1,390	-	-	-	-
Intergovernmental	193,894	95,573	25,356	-	18,724	-	-	-
Charges for services	-	2,046	-	684	-	-	-	2,885
Fines and forfeits	4,131	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	34,769	826	-	-	-	-	-	2,500
Total receipts	<u>631,866</u>	<u>218,282</u>	<u>25,356</u>	<u>2,074</u>	<u>18,724</u>	<u>-</u>	<u>-</u>	<u>5,385</u>
Disbursements:								
Personal services	515,496	107,188	-	-	-	-	-	-
Supplies	52,311	10,076	-	1,853	-	-	-	-
Other services and charges	93,221	64,947	12,345	1,020	-	-	-	-
Debt service - principal and interest	-	-	8,000	-	-	-	-	-
Capital outlay	19,672	7,835	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	-	3,000	-	1,673	-
Total disbursements	<u>680,700</u>	<u>190,046</u>	<u>20,345</u>	<u>2,873</u>	<u>3,000</u>	<u>-</u>	<u>1,673</u>	<u>-</u>
Excess (deficiency) of receipts over disbursements	<u>(48,834)</u>	<u>28,236</u>	<u>5,011</u>	<u>(799)</u>	<u>15,724</u>	<u>-</u>	<u>(1,673)</u>	<u>5,385</u>
Cash and investments - ending	<u>\$ 321,694</u>	<u>\$ 208,176</u>	<u>\$ 54,100</u>	<u>\$ 7,034</u>	<u>\$ 35,177</u>	<u>\$ 18,952</u>	<u>\$ -</u>	<u>\$ 22,955</u>

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

	Cumulative Fire Equipment	Cumulative Capital Improvement	CEDIT	Playacres Tree Foundation	Special Police Equipment	Park Special Needs Area	Fairmount Youth Council	Special Donations and Grants
Cash and investments - beginning	\$ 18,406	\$ 107,560	\$ 17,302	\$ 4,780	\$ -	\$ 8,730	\$ 159	\$ -
Receipts:								
Taxes	8,827	-	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	1,056	8,592	33,065	-	-	-	-	-
Charges for services	-	-	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-
Other receipts	-	287	-	2,768	16,000	19,746	-	35,462
Total receipts	9,883	8,879	33,065	2,768	16,000	19,746	-	35,462
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	4,259	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	9,087	-	-	-	-	-	-	-
Capital outlay	-	23,782	30,000	-	15,522	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	-	-	-	2,724	-	-	-	35,462
Total disbursements	9,087	23,782	30,000	2,724	15,522	4,259	-	35,462
Excess (deficiency) of receipts over disbursements	796	(14,903)	3,065	44	478	15,487	-	-
Cash and investments - ending	\$ 19,202	\$ 92,657	\$ 20,367	\$ 4,824	\$ 478	\$ 24,217	\$ 159	\$ -

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

	Operation Pullover	Park and Recreation	Payroll	Trash	Wastewater Utility - Operating	Wastewater Utility - Depreciation	Wastewater Utility - Planning	Water Utility - Operating
Cash and investments - beginning	\$ 650	\$ 89,636	\$ -	\$ 19,076	\$ 42,411	\$ 110,307	\$ 138,039	\$ 36,152
Receipts:								
Taxes	-	83,595	-	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	-	10,002	-	-	-	-	-	-
Charges for services	2,950	4,150	-	128,735	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	326,166	-	-	419,665
Penalties	-	-	-	-	8,421	-	-	5,810
Other receipts	-	1,252	722,368	-	1,819	32,984	718	33,294
Total receipts	2,950	98,999	722,368	128,735	336,406	32,984	718	458,769
Disbursements:								
Personal services	3,450	41,625	-	6,598	-	-	-	-
Supplies	-	9,389	-	3,512	-	-	-	-
Other services and charges	-	20,278	-	117,684	-	-	-	-
Debt service - principal and interest	-	-	-	-	5,876	-	-	-
Capital outlay	-	725	-	-	5,876	-	-	-
Utility operating expenses	-	-	-	-	274,480	49,428	113,908	285,184
Other disbursements	-	2,500	722,368	-	39,089	-	-	163,123
Total disbursements	3,450	74,517	722,368	127,794	325,321	49,428	113,908	448,307
Excess (deficiency) of receipts over disbursements	(500)	24,482	-	941	11,085	(16,444)	(113,190)	10,462
Cash and investments - ending	\$ 150	\$ 114,118	\$ -	\$ 20,017	\$ 53,496	\$ 93,863	\$ 24,849	\$ 46,614

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

	Water Utility - Cash Change	Water Utility - Bond and Interest	Water Utility - Depreciation	Water Utility - Customer Deposit	Water Utility - Debt Service Reserve	Totals
Cash and investments - beginning	\$ 250	\$ 85,326	\$ 87,332	\$ 49,173	\$ 100,968	\$ 1,581,295
Receipts:						
Taxes	-	-	-	-	-	609,881
Licenses and permits	-	-	-	-	-	2,840
Intergovernmental	-	-	-	-	-	386,262
Charges for services	-	-	-	-	-	141,450
Fines and forfeits	-	-	-	-	-	4,131
Utility fees	-	-	-	-	-	745,831
Penalties	-	-	-	-	-	14,231
Other receipts	-	103,246	41,772	5,334	-	1,055,145
Total receipts	-	103,246	41,772	5,334	-	2,959,771
Disbursements:						
Personal services	-	-	-	-	-	674,357
Supplies	-	-	-	-	-	81,400
Other services and charges	-	-	-	-	-	309,495
Debt service - principal and interest	-	100,969	-	-	-	123,932
Capital outlay	-	-	51,463	-	-	154,875
Utility operating expenses	-	500	12,294	-	-	735,794
Other disbursements	-	-	-	5,458	-	975,397
Total disbursements	-	101,469	63,757	5,458	-	3,055,250
Excess (deficiency) of receipts over disbursements	-	1,777	(21,985)	(124)	-	(95,479)
Cash and investments - ending	\$ 250	\$ 87,103	\$ 65,347	\$ 49,049	\$ 100,968	\$ 1,485,816

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

Government or Enterprise	Accounts Payable	Accounts Receivable
Trash	\$ -	\$ 6,924
Wastewater	-	26,733
Water	-	18,298
Totals	\$ -	\$ 51,955

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

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Town:			
Loan	Police Cars	\$ 16,137	\$ 8,550
Loan	Street Sweeper	27,900	15,110
Capital Lease	Loader	<u>70,607</u>	<u>30,000</u>
Totals		<u>114,644</u>	<u>53,660</u>
Water:			
Revenue bonds	Fairmount Water Tower/Lines	<u>425,000</u>	<u>96,797</u>
Wastewater:			
Loan	Dump Truck	<u>3,409</u>	<u>3,448</u>
Totals		<u>\$ 543,053</u>	<u>\$ 153,905</u>

TOWN OF FAIRMOUNT  
EXAMINATION RESULTS AND COMMENTS

***ANNUAL FINANCIAL REPORTS***

The Annual Financial Reports for 2010 and 2011 contained the following errors:

1. For 2010, the January 1, 2010 beginning balances did not agree with the December 31, 2009 ending balances for some funds.
2. For 2011, the Required Supplementary Debt Schedule did not include all outstanding debt at December 31, 2011, and required adjustment by management prior to inclusion in the examination report.
3. For 2011, the Required Supplementary Capital Asset Schedule was incomplete and contained inaccuracies as a result of capital assets not being properly accounted for by officials.

Political subdivisions are required to comply with all grant agreements, rules, regulations, bulletins, directives, letters, letter rulings and filing requirements concerning reports and other procedural matters of federal and state agencies, including opinions of the Attorney General of the State of Indiana, and court decisions. Governmental units should file accurate reports required by federal and state agencies. Noncompliance may require corrective action. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***CAPITAL ASSET RECORDS***

Capital asset records were not properly maintained. Records presented for examination included items of a non-capital nature and excluded infrastructure and other improvements. A detailed listing of additions and disposals was not maintained. A similar comment appeared in prior Report B37893.

Every governmental unit should have a complete inventory of all capital assets owned which reflect their acquisition value. Such inventory should be recorded on the applicable Capital Assets Ledger. A complete inventory should be taken every year for good internal control and for verifying account balances carried in the accounting records. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***CUSTOMER DEPOSIT REGISTER***

The detailed customer deposit register exceeded the Customer Deposit Fund cash balance by \$351 at December 31, 2011.

At all times, the manual and/or computerized records, subsidiary ledgers, control ledger, and reconciled bank balance should agree. If the reconciled bank balance is less than the subsidiary or control ledgers, then the responsible official or employee may be held personally responsible for the amount needed to balance the fund. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

***EMPLOYEE ATTENDANCE RECORDS***

Town employees use a daily time sheet to record their hours worked and leave time used. This form requires an employee's signature and their supervisor's signature. Time sheets were not always signed by the employee or their supervisor. A similar comment appeared in prior Report B37893.

Officials and employees are required to use State Board of Accounts prescribed or approved forms in the manner prescribed. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 7)

TOWN OF FAIRMOUNT  
EXIT CONFERENCE

The contents of this report were discussed on November 29, 2012, with Jo Ann Treon, Clerk-Treasurer, and Melba M. Root, President of the Town Council. The officials concurred with our findings.