

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

SUPPLEMENTAL COMPLIANCE REPORT

OF

TOWN OF FOUNTAIN CITY

WAYNE COUNTY, INDIANA

January 1, 2021 to December 31, 2021



**FILED**

09/14/2023



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SCHEDULE OF OFFICIALS

<u>Office</u>	<u>Official</u>	<u>Term</u>
Clerk-Treasurer	Trina D. McGuire	01-01-21 to 12-31-23
President of the Town Council	Shane Shroyer	01-01-21 to 12-31-23



**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)

TO: THE OFFICIALS OF THE TOWN OF FOUNTAIN CITY, WAYNE COUNTY, INDIANA

This report is supplemental to the audit report of the Town of Fountain City (Town), for the period from January 1, 2021 to December 31, 2021. It has been provided as a separate report so that the reader may easily identify any Audit Results and Comments that pertain to the Town. It should be read in conjunction with the Financial Statement Audit Report of the Town, which provides our opinions on the Town's financial statement. This report may be found at [www.in.gov/sboa/](http://www.in.gov/sboa/).

As authorized under Indiana Code 5-11-1, we performed procedures to determine compliance with applicable Indiana laws and uniform compliance guidelines established by the Indiana State Board of Accounts. The Audit Results and Comments contained herein describe the identified reportable instances of noncompliance found as a result of these procedures. Our tests were not designed to identify all instances of noncompliance; therefore, noncompliance may exist that is unidentified.

Any Official Response to the Audit Results and Comments, incorporated within this report, was not verified for accuracy.

Beth Kelley, CPA, CFE  
Deputy State Examiner

August 29, 2023

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CLERK-TREASURER  
TOWN OF FOUNTAIN CITY

CLERK-TREASURER  
TOWN OF FOUNTAIN CITY  
AUDIT RESULTS AND COMMENTS

**ANNUAL FINANCIAL REPORT - OTHER INFORMATION**

*Condition and Context*

Financial and other information are required to be entered annually into the Annual Financial Report (AFR) via the Indiana Gateway for Government Units (Gateway) financial reporting system.

The AFR information entered into Gateway contained the following errors:

1. The Accounts Receivable were reported as \$49,084, but there was no detail to support this amount.
2. The Schedule of Capital Assets was reported as \$0.

The differences have not been determined but are presumed to be material. The Town has chosen to not report the Schedule of Accounts Payable and Accounts Receivable and the Schedule of Capital Assets as Other Information in the Financial Statement Audit Report.

*Criteria*

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

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

**100R - CERTIFIED REPORT FILED AFTER DUE DATE**

A similar comment appeared in a Management Letter addressed to the Town officials for the audit period ending December 31, 2020.

*Condition and Context*

The Certified Report of Names, Addresses, Duties and Compensation of Public Employees (Form 100R) is due on or before January 31 of each year for the previous calendar year. The 2021 Form 100R was submitted March 29, 2022, which was 57 days past the due date.

*Criteria*

Indiana Code 5-11-13-1(b) states:

"Each audited entity shall during the month of January of each year prepare, make, and sign a certified report, correctly and completely showing the names and business addresses of the officers, employees, and agents of the audited entity. The report shall indicate the respective duties and compensation of each officer, employee, and agent of the audited entity. The audited entity shall file the report in the office of the state examiner of the state board of accounts. The report must also indicate whether the political subdivision offers a health plan, a pension, and other benefits to full-time and part-time employees. However, no more than one (1) report covering the same officers, employees, and agents need be made from the state or any county, city, town, township, or school unit in any one year. The certification must be filed electronically in the manner prescribed under [IC 5-14-3.8-7](#)."

CLERK-TREASURER  
TOWN OF FOUNTAIN CITY  
AUDIT RESULTS AND COMMENTS  
(Continued)

**TIMELY RECORDING**

A similar comment also appeared in prior Report B57977, entitled *TIMELY RECORDING*.

*Condition and Context*

All receipt and disbursement activity for the year 2021, each totaling \$1,021,310, for the Water Construction fund was recorded in the financial records at year end.

*Criteria*

All documents and entries to records must be made in a timely manner to ensure that accurate financial information is available to allow the unit to make informed management decisions and to help ensure compliance with IC 51-15-1-1.

All financial transactions pertaining to the unit must be recorded in the records of the unit at the time of the transaction. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

**OVERDRAWN CASH BALANCES**

The same comment also appeared in prior Reports B56056 and B57977.

*Condition and Context*

Financial information reported by the Town in the Indiana Gateway for Government Units financial reporting system included an overdrawn cash balance of \$14,024 at December 31, 2021, in the Motor Vehicle Highway fund.

*Criteria*

The cash balance of any fund may not be reduced below zero. Routinely overdrawn funds could be an indicator of serious financial problems which should be investigated by the unit. (Accounting and Uniform Compliance Guidelines Manual for Cities and Towns, Chapter 1)

CLERK-TREASURER  
TOWN OF FOUNTAIN CITY  
EXIT CONFERENCE

The contents of this report were discussed on August 29, 2023, with Trina D. McGuire, Clerk-Treasurer, and Steve Clark, Vice President of the Town Council.