

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

FINANCIAL STATEMENT EXAMINATION REPORT

OF

TOWN OF FOUNTAIN CITY

WAYNE COUNTY, INDIANA

January 1, 2010 to December 31, 2011



FILED
09/18/2012

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OFFICIALS

Office

Official

Term

Clerk-Treasurer

Carolyn Sue Brooks

01-01-08 to 12-31-15

President of the
Town Council

Larry K. Stegall

01-01-10 to 12-31-12



STATE OF INDIANA
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INDEPENDENT ACCOUNTANT'S REPORT

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

We have examined the financial statements of the Town of Fountain City (Town), for the period of January 1, 2010 to December 31, 2011. 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, 2010 and 2011, on the basis of accounting described in Note 1.

The Combining Schedules of Receipts, Disbursements, and Cash and Investment Balances – Regulatory Basis, Schedule of Debt, and Schedule of Capital Assets, 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

June 26, 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 FOUNTAIN CITY
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	\$ 85,109	\$ 165,254	\$ 166,572	\$ 83,791
Motor Vehicle Highway	18,015	19,714	22,610	15,119
Local Road And Street	4,971	6,232	-	11,203
Police Donation Fund	-	2,150	2,138	12
Fire Department Grant	-	23,341	23,341	-
Law Enforcement Continuing Education	896	278	-	1,174
Rainy Day	8,220	3,689	-	11,909
Economic Development	-	26,016	12,868	13,148
Cumulative Fire Equipment	56,246	1,500	15,000	42,746
Cumulative Capital Improvement	9,314	2,152	-	11,466
Excess Levy	-	377	-	377
Payroll	-	160,704	160,704	-
Trash	5,558	40,213	36,214	9,557
Wastewater Utility Operating	78,758	188,582	147,708	119,632
Wastewater Utility Bond And Interest	3,041	62,460	64,865	636
Wastewater Utility Improvement	717	-	-	717
Wastewater Utility Customer Deposit	7,591	2,535	3,133	6,993
Wastewater Utility Replacement	19,918	-	-	19,918
Wastewater Utility Debt Reserve	68,832	-	-	68,832
Water Utility Operating	83,188	89,488	83,711	88,965
Water Utility Depreciation	10,958	-	-	10,958
Water Utility Customer Deposit	5,050	1,365	1,800	4,615
Totals	<u>\$ 466,382</u>	<u>\$ 796,050</u>	<u>\$ 740,664</u>	<u>\$ 521,768</u>

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

TOWN OF FOUNTAIN CITY
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	\$ 83,791	\$ 155,018	\$ 144,287	\$ 94,522
Motor Vehicle Highway	15,119	19,908	20,792	14,235
Local Road And Street	11,203	6,007	3,000	14,210
Police Donation Fund	12	400	26	386
Fire Department Grant	-	463,230	463,214	16
Law Enforcement Continuing Education	1,174	580	20	1,734
Rainy Day	11,909	-	-	11,909
Economic Development	13,148	24,577	-	37,725
Cumulative Fire Equipment	42,746	-	42,746	-
Cumulative Capital Improvement	11,466	2,111	400	13,177
Northeastern Fire Territory	-	113,251	47,254	65,997
Fire Territory Cumulative Fire	-	19,820	-	19,820
Excess Levy	377	-	-	377
Payroll	-	159,526	159,492	34
Trash	9,557	40,016	34,650	14,923
Wastewater Utility Operating	119,632	187,803	151,142	156,293
Wastewater Utility Bond And Interest	636	62,228	62,215	649
Wastewater Utility Improvement	717	-	-	717
Wastewater Utility Customer Deposit	6,993	2,435	2,011	7,417
Wastewater Utility Replacement	19,918	-	-	19,918
Wastewater Utility Debt Reserve	68,832	259	-	69,091
Water Utility Operating	88,965	76,311	78,320	86,956
Water Utility Depreciation	10,958	-	-	10,958
Water Utility Customer Deposit	4,615	1,295	1,140	4,770
Totals	<u>\$ 521,768</u>	<u>\$ 1,334,775</u>	<u>\$ 1,210,709</u>	<u>\$ 645,834</u>

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

TOWN OF FOUNTAIN CITY
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 and trash.

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 in-come 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

TOWN OF FOUNTAIN CITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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.

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.

TOWN OF FOUNTAIN CITY
NOTES TO FINANCIAL STATEMENTS
(Continued)

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 FOUNTAIN CITY
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.

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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 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 FOUNTAIN CITY
 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	Police Donation Fund	Fire Department Grant	Law Enforcement Continuing Education	Rainy Day	Economic Development
Cash and investments - beginning	\$ 85,109	\$ 18,015	\$ 4,971	\$ -	\$ -	\$ 896	\$ 8,220	\$ -
Receipts:								
Taxes	102,373	-	-	-	-	-	3,689	-
Licenses and permits	240	-	-	-	-	170	-	-
Intergovernmental	50,971	19,714	6,232	-	23,341	-	-	26,006
Fines and forfeits	83	-	-	-	-	108	-	-
Utility fees	-	-	-	-	-	-	-	-
Other receipts	11,587	-	-	2,150	-	-	-	10
Total receipts	<u>165,254</u>	<u>19,714</u>	<u>6,232</u>	<u>2,150</u>	<u>23,341</u>	<u>278</u>	<u>3,689</u>	<u>26,016</u>
Disbursements:								
Personal services	88,322	16,533	-	-	-	-	-	-
Supplies	14,101	3,937	-	-	-	-	-	-
Other services and charges	62,382	2,140	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-
Other disbursements	1,767	-	-	2,138	23,341	-	-	12,868
Total disbursements	<u>166,572</u>	<u>22,610</u>	<u>-</u>	<u>2,138</u>	<u>23,341</u>	<u>-</u>	<u>-</u>	<u>12,868</u>
Excess (deficiency) of receipts over (under) disbursements	<u>(1,318)</u>	<u>(2,896)</u>	<u>6,232</u>	<u>12</u>	<u>-</u>	<u>278</u>	<u>3,689</u>	<u>13,148</u>
Cash and investments - ending	<u>\$ 83,791</u>	<u>\$ 15,119</u>	<u>\$ 11,203</u>	<u>\$ 12</u>	<u>\$ -</u>	<u>\$ 1,174</u>	<u>\$ 11,909</u>	<u>\$ 13,148</u>

TOWN OF FOUNTAIN CITY
 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	Excess Levy	Payroll	Trash	Wastewater Utility Operating	Wastewater Utility Bond And Interest	Wastewater Utility Improvement
Cash and investments - beginning	\$ 56,246	\$ 9,314	\$ -	\$ -	\$ 5,558	\$ 78,758	\$ 3,041	\$ 717
Receipts:								
Taxes	1,279	-	377	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	221	2,152	-	-	-	-	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	40,213	188,582	-	-
Other receipts	-	-	-	160,704	-	-	62,460	-
Total receipts	1,500	2,152	377	160,704	40,213	188,582	62,460	-
Disbursements:								
Personal services	-	-	-	-	-	-	-	-
Supplies	-	-	-	-	-	-	-	-
Other services and charges	-	-	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	64,865	-
Utility operating expenses	-	-	-	-	36,214	67,753	-	-
Other disbursements	15,000	-	-	160,704	-	79,955	-	-
Total disbursements	15,000	-	-	160,704	36,214	147,708	64,865	-
Excess (deficiency) of receipts over (under) disbursements	(13,500)	2,152	377	-	3,999	40,874	(2,405)	-
Cash and investments - ending	\$ 42,746	\$ 11,466	\$ 377	\$ -	\$ 9,557	\$ 119,632	\$ 636	\$ 717

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

	Wastewater Utility Customer Deposit	Wastewater Utility Replacement	Wastewater Utility Debt Reserve	Water Utility Operating	Water Utility Depreciation	Water Utility Customer Deposit	Totals
Cash and investments - beginning	\$ 7,591	\$ 19,918	\$ 68,832	\$ 83,188	\$ 10,958	\$ 5,050	\$ 466,382
Receipts:							
Taxes	-	-	-	-	-	-	107,718
Licenses and permits	-	-	-	-	-	-	410
Intergovernmental	-	-	-	-	-	-	128,637
Fines and forfeits	-	-	-	-	-	-	191
Utility fees	-	-	-	89,488	-	-	318,283
Other receipts	2,535	-	-	-	-	1,365	240,811
Total receipts	2,535	-	-	89,488	-	1,365	796,050
Disbursements:							
Personal services	-	-	-	-	-	-	104,855
Supplies	-	-	-	-	-	-	18,038
Other services and charges	-	-	-	-	-	-	64,522
Debt service - principal and interest	-	-	-	-	-	-	64,865
Utility operating expenses	1,549	-	-	21,796	-	796	128,108
Other disbursements	1,584	-	-	61,915	-	1,004	360,276
Total disbursements	3,133	-	-	83,711	-	1,800	740,664
Excess (deficiency) of receipts over (under) disbursements	(598)	-	-	5,777	-	(435)	55,386
Cash and investments - ending	\$ 6,993	\$ 19,918	\$ 68,832	\$ 88,965	\$ 10,958	\$ 4,615	\$ 521,768

TOWN OF FOUNTAIN CITY
 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	Police Donation Fund	Fire Department Grant	Law Enforcement Continuing Education	Rainy Day	Economic Development	Cumulative Fire Equipment
Cash and investments - beginning	\$ 83,791	\$ 15,119	\$ 11,203	\$ 12	\$ -	\$ 1,174	\$ 11,909	\$ 13,148	\$ 42,746
Receipts:									
Taxes	93,817	-	-	-	-	-	-	-	-
Licenses and permits	180	-	-	-	-	370	-	-	-
Intergovernmental	46,299	19,908	6,007	-	463,214	-	-	24,534	-
Charges for services	1,979	-	-	-	-	6	-	-	-
Fines and forfeits	50	-	-	-	-	204	-	-	-
Utility fees	-	-	-	-	-	-	-	-	-
Penalties	-	-	-	-	-	-	-	-	-
Other receipts	12,693	-	-	400	16	-	-	43	-
Total receipts	155,018	19,908	6,007	400	463,230	580	-	24,577	-
Disbursements:									
Personal services	81,692	17,598	-	-	-	-	-	-	-
Supplies	8,210	3,194	-	26	-	20	-	-	-
Other services and charges	36,243	-	3,000	-	-	-	-	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	-	-
Capital outlay	-	-	-	-	463,214	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	-	-	-
Other disbursements	18,142	-	-	-	-	-	-	-	42,746
Total disbursements	144,287	20,792	3,000	26	463,214	20	-	-	42,746
Excess (deficiency) of receipts over (under) disbursements	10,731	(884)	3,007	374	16	560	-	24,577	(42,746)
Cash and investments - ending	\$ 94,522	\$ 14,235	\$ 14,210	\$ 386	\$ 16	\$ 1,734	\$ 11,909	\$ 37,725	\$ -

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

	Cumulative Capital Improvement	Northeastern Fire Territory	Fire Territory Cumulative Fire	Excess Levy	Payroll	Trash	Wastewater Utility Operating	Wastewater Utility Bond And Interest
Cash and investments - beginning	\$ 11,466	\$ -	\$ -	\$ 377	\$ -	\$ 9,557	\$ 119,632	\$ 636
Receipts:								
Taxes	-	50,243	18,186	-	-	-	-	-
Licenses and permits	-	-	-	-	-	-	-	-
Intergovernmental	2,111	47,533	1,634	-	-	-	-	62,215
Charges for services	-	15,468	-	-	-	40,016	-	-
Fines and forfeits	-	-	-	-	-	-	-	-
Utility fees	-	-	-	-	-	-	181,372	-
Penalties	-	-	-	-	-	-	5,178	-
Other receipts	-	7	-	-	159,526	-	1,253	13
Total receipts	2,111	113,251	19,820	-	159,526	40,016	187,803	62,228
Disbursements:								
Personal services	-	10,098	-	-	159,492	-	-	-
Supplies	-	7,415	-	-	-	-	-	-
Other services and charges	-	25,968	-	-	-	34,650	-	-
Debt service - principal and interest	-	-	-	-	-	-	-	62,215
Capital outlay	400	3,773	-	-	-	-	-	-
Utility operating expenses	-	-	-	-	-	-	80,741	-
Other disbursements	-	-	-	-	-	-	70,401	-
Total disbursements	400	47,254	-	-	159,492	34,650	151,142	62,215
Excess (deficiency) of receipts over (under) disbursements	1,711	65,997	19,820	-	34	5,366	36,661	13
Cash and investments - ending	\$ 13,177	\$ 65,997	\$ 19,820	\$ 377	\$ 34	\$ 14,923	\$ 156,293	\$ 649

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

	Wastewater Utility Improvement	Wastewater Utility Customer Deposit	Wastewater Utility Replacement	Wastewater Utility Debt Reserve	Water Utility Operating	Water Utility Depreciation	Water Utility Customer Deposit	Totals
Cash and investments - beginning	\$ 717	\$ 6,993	\$ 19,918	\$ 68,832	\$ 88,965	\$ 10,958	\$ 4,615	\$ 521,768
Receipts:								
Taxes	-	-	-	-	-	-	-	162,246
Licenses and permits	-	-	-	-	-	-	-	550
Intergovernmental	-	-	-	-	-	-	-	673,455
Charges for services	-	-	-	-	-	-	-	57,469
Fines and forfeits	-	-	-	-	-	-	-	254
Utility fees	-	-	-	-	74,238	-	-	255,610
Penalties	-	-	-	-	1,873	-	-	7,051
Other receipts	-	2,435	-	259	200	-	1,295	178,140
Total receipts	-	2,435	-	259	76,311	-	1,295	1,334,775
Disbursements:								
Personal services	-	-	-	-	-	-	-	268,880
Supplies	-	-	-	-	-	-	-	18,865
Other services and charges	-	-	-	-	-	-	-	99,861
Debt service - principal and interest	-	-	-	-	-	-	-	62,215
Capital outlay	-	-	-	-	-	-	-	467,387
Utility operating expenses	-	-	-	-	73,359	-	-	154,100
Other disbursements	-	2,011	-	-	4,961	-	1,140	139,401
Total disbursements	-	2,011	-	-	78,320	-	1,140	1,210,709
Excess (deficiency) of receipts over (under) disbursements	-	424	-	259	(2,009)	-	155	124,066
Cash and investments - ending	\$ 717	\$ 7,417	\$ 19,918	\$ 69,091	\$ 86,956	\$ 10,958	\$ 4,770	\$ 645,834

TOWN OF FOUNTAIN CITY
 SCHEDULE OF DEBT
 December 31, 2011

Description of Debt		Ending Principal Balance	Principal and Interest Due Within One Year
Type	Purpose		
Wastewater Utility:			
Wastewater Utility Revenue Bonds	Wastewater Utility	<u>\$ 175,000</u>	<u>\$ 4,770</u>

TOWN OF FOUNTAIN CITY
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:	
Capital assets, not being depreciated:	
Land	\$ 19,250
Buildings	470,996
Improvements other than buildings	81,528
Machinery and equipment	148,509
Total governmental activities, capital assets not being depreciated	\$ 720,283
	Ending Balance
Business-type activities:	
Water Utility:	
Capital assets, not being depreciated:	
Land	\$ 40,116
Buildings	31,792
Improvements other than buildings	571,228
Machinery and equipment	139,418
Total Water Utility capital assets	782,554
Wastewater Utility:	
Capital assets, not being depreciated:	
Improvements other than buildings	1,701
Machinery and equipment	92,541
Total Wastewater Utility capital assets	94,242
Total business-type activities capital assets	\$ 876,796

TOWN OF FOUNTAIN CITY
EXIT CONFERENCE

The contents of this report were discussed on June 26, 2012, with Carolyn Sue Brooks, Clerk-Treasurer, and Larry K. Stegall, President of the Town Council. Our examination disclosed no material items that warrant comment at this time.